

For General Release

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| REPORT TO: | Cabinet 19th June 2017 |
| AGENDA ITEM: | 10 |
| SUBJECT: | Small Business Commission |
| LEAD OFFICER: | Shifa Mustafa, Executive Director – Place Emma Lindsell, Director of Economic Growth |
| CABINET MEMBER: | Councillor Mark Watson – Cabinet Member for Economy & Jobs |
| WARDS: | All Wards |
| CORPORATE PRIORITY/POLICY CONTEXT: The Small Business Commission seeks to understand the barriers and challenges Croydon’s business community face in order to grow. This links to the Council’s Growth Plan. The Council’s Growth Plan will sit alongside the Independence and Liveability Plan for the Borough and outline how sustainable growth will be delivered for residents, businesses and investors across the Borough. This report will set out how supporting Croydon’s Small and Medium Sized Enterprises (SMEs) will create enhanced growth within our economy supporting them to provide more job opportunities and enhance their ability to pay the London Living Wage. SMEs which are growing and able to pay the London Living Wage are in turn able to support independence for residents as well as creating a welcoming, pleasant place people will wish to live in. | |
| FINANCIAL IMPACT There is no direct financial impact to the council. | |
| KEY DECISION REFERENCE NO.: Not a key decision | |

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below:

1.0 RECOMMENDATIONS

The Cabinet is recommended to

- 1.1 Consider the draft Small Business Commission Report and action plan and endorse, in principle, the draft report.
- 1.2 Delegate finalisation of the report and action plan to the Cabinet Member for Economy & Jobs.

2. EXECUTIVE SUMMARY

- 2.1 The Small Business Commission was set up by Croydon Council in January 2017 to explore the barriers to and opportunities for growth of Croydon's SMEs now and in the coming years. The Commission is a business led group chaired by Andrew Bauer, Centre Director of the Whitgift Centre. It aims to speak to businesses and stakeholders to understand the real issues affecting businesses so that collectively, businesses, business support agencies and the Council can work together to unleash Croydon's SME growth potential. The appointment of Commissioners took into consideration their ability to represent Croydon's diverse business community.
- 2.2 Following discussions with various SMEs, the Commission has produced an interim report (available at Appendix 1) and summarised here which sets out the vital part that SMEs play in Croydon's economy, the challenges and barriers they face, opportunities and potential for growth. From this the Commissioners have agreed a series of recommendations and the accompanying action plan to be delivered over the coming years.

3.0 BACKGROUND

- 3.1 According to the Office for National Statistics, 99% of Croydon's business community are small to medium sized businesses (up to 250 employees as defined by the European Union). These businesses are consistently described as the backbone of the UK economy, driving growth, opening new markets and creating jobs and therefore their contribution is vital to ensure Croydon's growth potential. Supporting SME start up and accelerating SME growth is central to the Council's growth promise.
- 3.2 Today our business community is experiencing new challenges and opportunities, delving into the unknown of Brexit, rising costs, new markets to be explored and accessed and pressures on productivity. It is ever more pressing that the public and private sector work in partnership to ensure that Croydon continues to have a growth that is sustainable, encouraging new and innovative businesses but also nurturing and supporting the existing local business community.

4.0 The Commission's Approach

4.1 The Commission adopted a varied approach to gathering information including:

- A survey circulated to 1500 businesses;
- Face to face listening exercises in group and 1:1 settings; and
- Desktop research and best practice.

The Commissioners were selected as specialists in their field who have access to a wide ranging business network.

5.0 Key Commission themes and recommendations

5.1 Business Rates

5.1.1 During the survey, tax; NI; PAYE; and business rates were identified as the top barriers preventing growth for businesses. The qualitative data proved that business rates were considered as the top issue for businesses within the borough. However, it is important to note that the timing of this research coincided with the 2017 national revaluation exercise of the rateable value of commercial premises, which has resulted in some businesses located in the London area seeing a significant increase in their billing rates; timing may have had an impact on the importance placed on the issue.

5.1.2 Findings from the Small Business Commission focus groups highlighted that businesses were unaware of how the business rates were distributed i.e. Croydon Council receive 30%, GLA receive 20% and the DCLG receive 50% of the rates collected. As Croydon Council collected the rates the perception was that the Council were responsible for the initiation and implementation of the rates increase. There was a general lack of awareness on the distribution and use of money collected from the rates. It is interesting to note that Croydon Council have been working with the Croydon Business Community to lobby Government for a change in the way business rates are calculated.

5.1.3 The recommendations of the Small Business Commission to address its findings on business rates include:

- Communication on rate distribution and support available for businesses on rate relief;
- Collective and coordinated lobbying for London to be treated in a fairer way when rateable values are set as it operates in a unique microcosm; and
- Research models of best practise from other Councils use of using retained business rates for economic growth delivery.

5.2 Access to Funding

- 5.2.1 The findings of the Small Business Commission shows that Croydon's small business community are confused and often unaware of the funding available to them. Issues around raising finance were found to be significant with 36% of businesses emphasising this as a salient barrier to growth.
- 5.2.2 As entrepreneurial businesses grow and develop, the sources of finance they rely on changes. It is therefore seen as critical that access to the right kind of capital funding is developed at the right stage in a company's lifecycle to ensure success.
- 5.2.3 Perceptions within the business community are that the financial landscape is confusing, time consuming and intimidating. However, the offering of business support and advice within Croydon is seen as significantly strong. Impartial advice is available from a variety of networks and advisors that can support SME's through the services they provide. This advice is tailored to meet the needs of Croydon's diverse business community including those BAME businesses that may need to access information in different languages.
- 5.2.4 Financial support to access other market opportunities, such as international trade contracts and joining procurement chains of large companies, was found to be seen as critical.
- 5.2.5 The recommendations of the Small Business Commission to address the findings on access to funding includes:
- Supporting and promoting Jigsaw opportunities (jigsaw is the term that refers to combining grant and private funding to achieve the funding a business requires);
 - Continue Croydon Enterprise Loan Fund to address funding gaps;
 - Work with partners/providers to source a dynamic offering of funding opportunities;
 - Utilise the Croydon Business Network to provide a communication network that signposts businesses to impartial and professional advice; and
 - Promote investor opportunities within the borough working with partners/providers such as Sussex Innovation Centre, Croydon Tech City, Rangewell, Enterprise for London

5.3 Accessing Talent - Employment & Skills

- 5.3.1 The quantitative data that was collected placed recruiting skilled staff as the third highest barrier to growth, this was confirmed by qualitative data that was collected by the focus groups and interviews. 35% of the businesses that responded to the survey felt that a workforce development and management service would assist them in developing their business growth.
- 5.3.2 Croydon Tech City hosted a focus group that vocalised a feeling from those within Tech industries that there was disconnect between the education system and skills needed within the industries (cyber security skills were highlighted predominantly).

5.3.3 The Small Business Commission noted that whilst it was clear that businesses felt that the skills gap created an obstacle for growth it was difficult to establish exactly which technical and soft skills were needed for them to achieve a more productive workforce. Customer service/communication and information technology skills were cited as the most popular skills that would be needed within the next 3-5 years to drive their business forward.

5.3.4 The Small Business Commission findings noted that there was a need to consider highlighting job prospects in key industries. This could be met by informing businesses of various opportunities such as offering work experience placements, internships and apprenticeships. This could create a pipeline of local talent that would create socio-economic value for residents and help businesses to retain local staff. It would also support young people so that they are not disadvantaged by a lack of opportunities in specific industries.

5.3.5 The Small Business Commission recommendations are:

- Promote the services of Croydon Works and other key employment support stakeholders (Croydon Works is a job brokerage service, delivered by a partnership between Croydon Council, Croydon College and Job Centre Plus, to provide employability support and a free to use recruitment service for the residents and businesses of Croydon);
- Working with the Employment & Skills Board map future skills needs and provision within the borough;
- Better position Croydon to benefit from the devolution of the adult skills budget to be implemented 2019/2020;
- Increase the opportunities to showcase industries by enabling work experience placements and apprenticeships and upskill residents creating socio-economic value;
- Investigate targeted interventions to support hard to reach groups into employment; and
- Engage with programmes that can increase digital literacy in businesses.

5.4 International Trade

5.4.1 In all the focus groups that were held by the Small Business Commission, it was established that links formed by Croydon's diverse population was seen as a fantastic opportunity to create further links when trading internationally. With the UK's second-largest airport (Gatwick), a diverse workforce, and a variety of different sectors spread out across the region, the area already has the foundations in place to make this happen.

5.4.2 According to the Department for International Trade (DIT), businesses new to exporting experience on average a 34% increase in productivity in the first year, and are 11% more likely to survive. The current thrust of Government growth policy has a heavy focus on trade and exporting. As part of the growth corridor, which connects Croydon to Brighton along the A23 (Coast to Capital) there are emerging opportunities for the area which could be significant in future economic development of the region. The Coast to Capital area already boasts an export figure of £9.1bn per year.

- 5.4.3 Combine this with a tourist income of £3.6bn, the area is well-known on the international stage for its business capability and willingness to trade across borders as well as accommodate visitors. There remains a large amount of potential for growth, which is why a key strategic aim of Coast to Capital, London Economic Action Partnership (LEAP) and the Department for International Trade (DIT) is to increase international trade.
- 5.4.4 With organisations like South London Export Club, London and Partners DIT and Chamber of Commerce ready to assist companies to trade internationally it is interesting to note that despite this support there is a general feeling that businesses could be doing more to access markets abroad and may be missing out on exporting opportunities. Gatwick airport are developing new routes, many in growth markets and are continuing to build on their business traffic. Croydon Council supports the growth of Gatwick and welcomes the economic benefits to Croydon.
- 5.4.5 Only 31 out of the 154 respondents to the business survey confirmed that they were already exporting. To ensure that the Commission understood businesses trading internationally a further group of 34 businesses were brought together to consider opportunities and issues facing exporters and importers within the borough. These were identified as follows:

Opportunities

- Great business support for exporters available within the borough;
- Great transport links close to the City and three airports – good conference facilities;
- Open and supportive SME culture with strong networks of support;
- Croydon Business Culture;
- High concentration of number of businesses within the borough;
- Skilled workforce.

Barriers

- Leaving the European Union;
- Road infrastructure is poor in capacity/quality;
- Need more courses on how to export & trade;
- Publicity & information (marketing);
- Increase the support for small businesses to develop and grow by accessing new markets;
- Parking;
- No COBRA (complete business reference advisor factsheets) or business library resource;
- Croydon has a serious image problem and needs help to improve image;
- Needs more promotion of Croydon as an attractive target for foreign direct investment (FDI) companies;
- More information about opportunities in sectors which need more input from the council in engaging with businesses;
- Communication on support activities is fragmented.

It is important to note that the Brexit effect was very keenly felt by exporters who were worried about the future of their businesses.

5.4.6 The recommendations of the Small Business Commission recommendations to address the findings on international trade includes:

- Working with Coast to Capital, London and Partners, South London Export, Department for International Trade, and Chamber of Commerce to deliver a series of international trade workshops to support businesses trading abroad;
- Position Croydon as a key player within the International Community – “Open for Business” working with partners and stakeholders such as Gatwick Airport;
- Promote contract opportunities available through DIT, South London Export, and Enterprise Europe Network (EEN); and
- Promote a positive image of Croydon through the Croydon Urban Edge and other media channels

5.5 Procurement

5.5.1 The Small Business Commission findings showed that small businesses needed more support to access procurement opportunities available from public sector contracts and large private sector companies.

5.5.2 SME's, whose presence in communities is vital for grassroots economies, strongly voiced their need for further support to enter into supply chains and stressed that Croydon Council should be seen to lead the way.

5.5.3 There was a general lack of awareness for the work already completed by Value Croydon. Value Croydon is about Croydon Council working together with businesses, the community and other public sector agencies to provide social value in Croydon.

5.5.4 The aim is that Croydon Council uses its purchasing power to support local businesses and generate jobs for local people. The Council will also work in partnership with external partners and contractors to maximise the social value for local communities.

In practice, this means

- A strong focus on supporting the creation of job opportunities for local people;
- Investing in local business growth; and
- Opening up more commissioning opportunities for local businesses, the voluntary community and the social enterprise sector to compete for council contracts.

5.5.5 Despite the award winning work of Value Croydon, many SME's were unaware of the opportunities that were available to them through the programme. The findings of the Commission showed a need of further promotion of the Value Croydon project, combining showcasing contract opportunities with

encouraging and enabling larger businesses to place their contracts onto the Value Croydon website – providing a one stop shop for SME's to find information on potential new contracts. These should be supported with workshops that enable small businesses to write BIDs that will increase the potential for successful tenders.

5.5.6 The recommendations of the Small Business Commission to address the findings on procurement includes;

- Clarify and promote the Value Croydon offering for business use, to include contracts under £100,000;
- Croydon Council to create tier one improvement target of their procurement contracts to be issued to local businesses;
- Croydon Council to ensure that feedback is provided to SMEs when their tenders have not been successful;
- Creation of a dynamic programme of workshops to support SMEs in writing successful BIDs and meet the buyer events to broker relationships;
- Work with Gatwick Airport to promote their annual meet the buyer event to Croydon companies;
- Work with large companies in Croydon Council's supply chain to encourage procurement opportunities to be accessed by local businesses; and
- Create a single platform to promote contract opportunities for local businesses.

5.6 Inward Investment – Brand Croydon

5.6.1 The Small Business Commission qualitative data collected clearly showed that most businesses felt that Croydon was a great place to conduct business. However there was a general feeling that Croydon needed a coordinated marketing piece to address the negative image that the borough receives nationally, which would then create a positive brand image of Croydon. It was felt that Croydon Council should lead on this using the Croydon Urban Edge website as a showcase for working, living and doing business in the borough.

5.6.2 The Council houses an inward investment service, branded as Croydon Urban Edge (www.croydonurbanedge.com), which provides dedicated assistance to businesses seeking to locate, relocate or expand in Croydon. Businesses are allocated a customer-focused account manager as part of the Croydon Urban Edge concierge package to facilitate their search for premises borough-wide. The Croydon Urban Edge service is open to businesses of all sizes and are assisted by a member of the inward investment service from initial enquiry through to starting business operation to ensure this process is as seamless as possible. Since summer 2016, the inward investment team has assisted over 50 companies, predominantly SMEs, with their search for new premises. This has primarily been within the commercial and retail sectors, but a leisure focus has also been prominent. During this time, large companies – including The Body Shop, Superdrug and EDF Energy – have located their headquarters in Croydon, exemplifying the attractive business opportunities Croydon can offer. The Commission noted that businesses within the borough were not aware of

the Croydon Urban Edge service and there was an opportunity to promote this service as part of a business support package to companies within the borough.

5.6.3 The recommendations of the Small Business Commission to address the findings on inward investment include:

- Improve the visibility of information and support available from the Council;
- Work with appropriate organisations such as Coast to Capital Foreign Direct Investment Group, London & Partners, Department for Industry and Trade to encourage foreign direct investment.
- Continue campaigns via MIPIM, London Real Estate Forum and London & Partners to promote the borough; and
- Create a dedicated welcome business pack for the borough.

5.7. Employment Land

5.7.1 The Council has undertaken several studies into space available for business or industrial use i.e. employment land. This was done as part of the development of its new planning policy framework, the Croydon Local Plan. These studies have assessed the amount of business floorspace in Croydon and its change over time, informing the updated policies to be included in the borough's planning policy.

5.7.2 The Employment Technical Paper, published in January 2017, summarises the key issues the borough faces in terms of planning for employment up to 2036. These include:

- Land for industry and warehousing will need to have continued protection to support key sectors in the future;
- There is approximately 30% vacant office floorspace in Croydon Metropolitan Centre and current low rents do not support the development of new office floorspace, although some speculative office development is being built out;
- Poor public realm in Croydon Metropolitan Centre and the district and local centres discourages businesses from locating in Croydon and attracting visitors;
- Competition from other areas in London and the South East for inward investment in both office and retail markets;
- Increasing Croydon population and planned housebuilding will increase the need for local jobs; and
- Contracting of retail uses within district and local centres, and increased vacant premises along with poorly designed conversions to other uses.

The Council's draft planning policy addresses the above employment-related issues through the following proposed policies:

- Apply a presumption in favour of employment-related development, provided it meets the standards of the employment policy and other applicable policies of the development plan;

- Adopt a '4-tier' approach to the retention and redevelopment of land and premises relating to industrial/employment activity;
- Promote the growth and expansion of cultural and creative industries;
- Support the temporary occupation of empty buildings and cleared sites through meanwhile uses where they contribute to regeneration and enhance the character and vitality of the area;
- Promote and support the development and flexibility of B1 uses (including office, light industrial and research and development), retail, leisure (including evening/night-time economy uses), visitor accommodation, and housing and community facilities within Croydon Metropolitan Centre and the district and local centres;
- Promote and support measures to improve the quality of the borough's stock of retail and office premises, particularly in Croydon Metropolitan Centre;
- Favourably consider net increases to the stock of retail premises in Croydon Metropolitan Centre, seek to maintain as a minimum, the current amount of retail floorspace in Croydon, enhance the quality of retail floorspace in Croydon and seek to reduce Class A use vacancy;
- Promote and support the development of new and refurbished office floorspace in Croydon Metropolitan Centre.

5.7.3 The Small Business Commission has identified several challenges related to employment space for SME growth and expansion in the borough. Whilst Croydon has several move-on spaces for SMEs, a number of businesses commented on the lack of affordable move-on space for those employing four or more people. SMEs felt that they couldn't benefit from economies of scale when upgrading from a per desk cost to a per office cost, which hampers their ability to grow. Similarly, several businesses commented on the shortage of light industrial/warehousing supply. This threatens the Council's ability to attract and retain inward investment from businesses seeking such premises, and this issue is already known to the Council which is addressing this through planning policy. Businesses also commented on the longevity of lease contracts, stating that the minimum lease length (10 or more years) was too long and something small businesses are unable to commit to. Landowners should consider the circumstances of small businesses more favourably as to not discourage this significant occupier market.

5.7.4 The conversion of commercial premises to residential units through permitted development rights, however, has resulted in a significant loss of commercial floorspace in the town centre, which has been reflected in increasing commercial rental values. This was reflected in the survey results with an average score of 6.2 and 5.9 for availability and cost of business accommodation, respectively. Whilst other developments in the town centre, such as Westfield and Boxpark, were commented upon positively, concern was expressed over the impact of such developments on increasing rental values. Approximately 88% of respondent's intend on keeping their businesses in Croydon but several businesses commented upon using rent reviews and lease breaks as opportunities to reconsider Croydon as a business location. The Council recognises that occupier demand supersedes current supply and that major developments may increase commercial rental values locally, and will encourage commercial landowners to retain rents at affordable levels for

Croydon businesses.

5.7.5 The recommendations of the Small Business Commission to address their findings on employment space includes:

- Croydon Council to undertake a market assessment to look at the feasibility of utilising its suitable vacant assets to create affordable and flexible move-on space for SMEs employing three or more people;
- Develop a consortium of SME friendly landowners to encourage the provision of affordable business floorspace in the borough to ensure Croydon remains one of the most affordable business locations in London;
- Croydon Council to seek to adopt the amended draft employment-related planning policy into the final Croydon Local Plan; and
- Croydon Council to track the level of commercial, retail and leisure development more closely to identify what premises will become available and when.

5.8 Infrastructure

5.8.1 Transport is seen as a significant contributor to why Croydon is great for business, with good road, rail and airports links. Croydon is seen as a gateway in to London without the City prices for houses and office space. However the focus groups highlighted issues with move on space (as emphasised previously).

5.8.2 Quantitative and qualitative data also placed broadband as a barrier for business growth. Further clarification was sought to get behind the problems businesses were facing however this was difficult and the Small Business Commission would recommend that further research is needed on coverage and quality of the broadband for businesses with the borough to ensuring that the offering is fit for purpose.

5.8.3 The tech focus group expressed their concern that a substandard broadband service would have a detrimental impact on business growth and if Croydon was to achieve the ambitions it was placing on its reputation in supporting the Tech industry then it was felt by the group that Croydon Council should be asked to look at delivery options across the borough.

5.8.4 The recommendations of the Small Business Commission to address their findings on infrastructure includes:

- Croydon Council to map broadband provision within the Borough.

5.9 Markets

5.9.1 Markets play an important role in the ambience of the Croydon town street scene, with historic Surrey Street market undergoing major refurbishment in order to regenerate the market area and increase the footfall within the area.

5.9.2 Traders were invited to contribute to the Commission by survey, of which the findings were as follows:

- Barriers to Growth included a decrease in footfall caused by a decline in people within the Surrey Street area and an increase in parking charges for the town.
- Opportunities highlighted were the regeneration planned for the market which should be completed by June 2017,
- Traders felt that a partnership approach should be taken to increase footfall which could be through a series of events within the marketplace or by creating a street scene ambience that would attract clients to the area such as street entertainers creating a cultural vibe.

5.9.3 The recommendations of the Small Business Commission on Markets include:

- Croydon Council to work with traders to create a programme of events throughout the year to increase the footfall within the market.
- Croydon Council to work with partners to increase the cultural attractiveness of the market, using music/art to attract more footfall creating a better visitor experience within the market area.

5.10 District Centres

5.10.1 Thriving district centres are just as important as a vibrant town centre, with a myriad of businesses located in the region and all facing challenges within the area. Focus groups and in depth interviews with Purley and New Addington Business Improvement Districts (BIDS) and an emerging Coulsdon Business Partnership emphasised that many independent retailers were seeing more demands on increased costs than ever before. Rising business rates, auto pension enrolment, living wage and a rise in costs for goods were putting a pressure on profits with many independents only just breaking even (this is also reflective of independents within the Town Centre).

5.10.2 The district centres also found challenges around wayfinding signage (including signage to car parks), parking costs and availability of spaces. In areas such as Coulsdon and Purley it was felt that there was a lack of footfall because of the bypass/gyratory and lack of signage for parking meant that people were just driving through the towns rather than stopping to shop. The Coulsdon focus group also emphasised that an option to pay for additional parking within the town would be beneficial to them (this would be a one hour free parking with an option to pay for an additional hour). A suggestion for increasing cycling opportunities (cycle lanes) was offered as an alternative to creating further parking spaces and also promote health and wellbeing within the borough.

5.10.3 Attracting the correct mix of shops in order to create the right offering for the public was seen as critical for the district centres, representatives from the independent retail community felt that there needed to be a more proactive approach for this although it was recognised that this was very difficult to achieve in some areas. Suggestions included a website to promote Croydon's District Centres. There was also a general feel by representatives that Croydon Districts needed some positive marketing messages.

5.10.4 The recommendations of the Small Business Commission to address their findings on District Centres include:

- BIDS, relevant business forums and Croydon Council to look at ensuring the wayfinding signage is fit for purpose within the district centres;
- BIDS, relevant business forums and Croydon Council to look at ensuring the parking signage is fit for purpose within the district centres;
- To add an option for visitors to pay for an additional hour on top of the already available one hour free parking within the relevant District Centres.
- Croydon Council to work with partners to promote the district centres on the Croydon Urban Edge website; and
- Croydon Council to create and promote an online business directory to encourage residents to buy local and promote all businesses within the borough.

5.11 Business Support

5.11.1 Advice and support is critical for SME's at every stage of their business journey, the differing needs of start-ups to growing businesses means that we need to ensure that our Croydon Business Network is offering support at all levels. Whether it's networking, leadership and management, financial planning or marketing training the Commission wanted to investigate the quality of support available and how businesses were accessing it.

5.11.2 Croydon has a very active business support network which includes Croydon Chamber of Commerce, Federation of Small Businesses FSB, Business Improvement Districts (BIDS), Croydon Tech City, Start Up Croydon, Shaking Hands and Sussex Innovation Centre (plus many more). Although it was interesting to note that in the business survey the top four ways that businesses accessed support was:

- Accountant
- Website/Own Research
- Friends Relatives
- Solicitors/Legal Advisers

5.11.3 Businesses over 10 years old were the most prevalent at accessing support, which could be an indicator of why they have achieved longevity in their respective industries.

5.11.4 Croydon Businesses had a variety of opportunities to access new markets and increase business contacts through networking however the focus groups indicated that there was a lack of awareness for these opportunities. It was felt that the Council could provide an impartial conduit through the Croydon Business Network to communicate support opportunities to the business community. It was felt that this would also show that the Council was "open to business".

5.11.5 The survey did highlight that it was felt that training masterclasses especially in marketing and social media for SME's would be provide opportunities for their businesses (67%).

5.11.6 The recommendations of the Small Business Commission to address their findings on Business Support include:

- Croydon Council to create an email newsletter for businesses, to be sent on a bi monthly basis which highlights opportunities for grants, funding, networking and information that will support SME's. Informed through the Croydon Business Network;
- Croydon Council to work with the Croydon Business Network to run a series of bi monthly training opportunities for businesses; and
- Explore increasing the accessibility of the Good Employer accreditation for all SMEs to ensure that SMEs can also be represented as "Good Employers".

5.12 Technology

5.12.1 With the support of organisations like Croydon Tech City and Sussex Innovation Centre, Croydon is now seen as London's fastest tech start up cluster. To support this eco system the Commission ran a focus group with (34 attendees) specially designed to look at the opportunities and issues that the Tech sector were facing.

Opportunities

- Transport Connections;
- Tech support organisations Croydon Tech City, Sussex Innovation Centre;
- Collaborative work space – SINC, TMRRW Hub, My Outspace etc;
- Networking;
- The Tech Vibe; and
- Croydon is Open for Business – development and regeneration

Barriers for Growth

- Parking costs;
- Lack of information when starting a business in Croydon;
- Available open data;
- Negative images from the national media of the borough of Croydon;
- Skills ;
- Access to Funding;
- Business Rates; and
- Cost of Commercial Premises.

5.12.2 The group emphasised the need for an organisation to take "ownership" of the tech sector within Croydon. It was felt that the Croydon Tech Scene was now at a stage where it needed further facilitation to help it achieve its ambition and that the Council should work with Croydon Tech City and SINC to progress this for the future.

5.12.3 The recommendations of the Small Business Commission to address their findings on the tech sector includes:

- Croydon Council to create a welcome to Croydon pack for new businesses (this could be electronic); and
- Croydon Council to work with Croydon Tech City and SINC to look at appropriate ways to support the Tech Community in a facilitated way.

6.0 CONSULTATION

- 6.1 The Small Business Commission's approach included an initial quantitative exploration of SME's within the borough. Working with the Croydon Business Network; a collaboration of business support organisations that represent over 2000 Croydon businesses, the Commission surveyed 1495 businesses (and received 155 responses, a sample which was felt to be representative of the 13915 SME's that are located within the borough). This included descriptive data which would help us to ensure that our sample was representing all sectors and focused on examining the businesses understanding of the current opportunities and issues that they may be facing within today's trading climate. The survey also looked at where businesses were currently accessing business support and any areas where they felt that there was a lack of support.
- 6.2 In order to delve deeper into really understanding the outcome of the survey a series of facilitated focus groups and individual interviews were carried out by the Commission across the Borough (it was important to ensure that businesses within the District Centres were also represented within the data). The aim of this qualitative data was to explore the key findings of the survey and areas of learning and best practice within the Croydon business scene. In total 5 focus groups (two of which focused around the Tech sector and International Trade) and a series of 25 interviews were held which represented in depth analysis of 141 companies.

7.0 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

There are no direct financial considerations arising from this report at this time. There could be financial implications in the future should the number of small businesses within the borough significantly change as this will impact on the level of Business Rates collected.

2 Risks

Key risks include:

- The Small Business Commission's recommendations could conflict with Council policy and strategy.
- The Small Business Commissions review could highlight areas of need that the Council are unable to support.

3 Future savings/efficiencies

It should be noted that the effective support of SME's will help create economic growth and increase job opportunities to the local area. The economic growth of the area will bring further investment in to the borough of Croydon.

Approved by – Lisa Taylor. Director of Finance, Investment and Risk

8.0 COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 8.1 The Council Solicitor comments that there are no direct legal implications arising from the considerations in this report.

Approved on behalf of the Director of Law and Monitoring Officer.

9.0. HUMAN RESOURCES IMPACT

- 9.1 There are no human resources impacts arising from the considerations in this report

Approved by: Jason Singh, Head of HR Employee Relations on behalf of the Director of HR

10.0. EQUALITIES IMPACT

- 10.1 A full EQiA will need to be produced and ensure that Growth for All will reach all aspects of Croydon residents and businesses. This will be completed with the Delivery Plan stage.

11.0. ENVIRONMENTAL IMPACT

- 11.1 There are no environmental impacts arising from this report.

12.0 CRIME AND DISORDER REDUCTION IMPACT

- 12.1 There are no crime and disorder impacts arising from this report.

13.0 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 13.1 To update Members on the Small Business Commission findings and progress establishing appropriate support for SME's within the borough of Croydon.

14.0 OPTIONS CONSIDERED AND REJECTED

- 14.1 The report currently shows a series of recommendations that could be adopted if the Council feel that the considerations will support business growth within the borough. It is concluded that the draft report is the initial stages of the development of these recommendations for considerations.

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BACKGROUND PAPERS: none

Appendix to report

Small Business Commission Interim Report

