

Report – Policy and Resources Committee

City of London Corporation: Small and Medium Enterprise (SME) Strategy

To be presented on Thursday, 23rd May 2024

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY

Your Policy and Resources Committee hereby recommends the adoption of a new Small and Medium Enterprise (SME) Strategy.

The SME Strategy sets out how the City Corporation will support the business environment in the Square Mile in line with the Destination City ambition for growth. It seeks to de-silo our operations, increase visibility and accessibility of our universal support offer to small businesses, and to develop a new, targeted support offer aimed at early growth companies.

Subject to its approval, delivery against the Strategy will be reported annually to your Policy and Resources Committee.

RECOMMENDATION

That the SME Strategy be approved as set out at Appendix 1.

MAIN REPORT

Background

1. The City of London Corporation (CoLC) currently has no formal strategy for its approach to Small and Medium Enterprises (SMEs). Policy and Resources Committee appointed a Policy Lead/Lead Member to review and renew the City Corporation's approach to SMEs.

Current Position

2. The Small Business, Research + Enterprise Centre (SBREC), located on Basinghall Street, is the City Corporation's primary SME-facing function and is staffed by the SME Delivery Team.
3. The SME Delivery Team consists of 14 members of staff, equating to 13.8 FTE. There are six posts that are funded from SBREC's local risk budget and the remaining team consist of five centrally funded apprentices, Samuel Wilson Loans Trust funded Business Adviser, UK Shared Prosperity Funding (UKSPF) funded E-Business Adviser and a Planning Performance Agreement (PPA)

funded post to drive partnership engagement.

4. The team is part of the City Development and Investment Unit (CDIU) in the Environment Department, which promotes the City as a place to develop and invest, as well as lead on engagement with developers, property investors, support small and medium sized business and other key stakeholders to deliver the optimum environment for businesses to invest and flourish, both in terms of the physical environment and business ecosystems.
5. A number of other parts of the City Corporation also interact with small businesses, including the City of London Police, licensing, planning, City Belonging, procurement and many others. This activity is not currently centrally coordinated and communicated.
6. This work is supported by a quantitative evidence base, and through qualitative input gained from holding SME focus groups and engagement with stakeholders including the City of London Chamber of Commerce, Federation of Small Businesses.

Proposal

7. The strategy recognises that changing dynamics post-pandemic means that the City of London has to compete for and attract major occupiers and new sectors to maintain and enhance its economic dynamism over the long-term and that hospitality firms in particular rely on the footfall of a dynamic business City.
8. Whilst the City's main industries continue to be financial, professional and business services, other industries, such as creatives (including cultural, performing arts, sports, and recreation) and technology and communications (including telecoms, software, and data) are now the fastest growing.
9. Feedback provided by SMEs is that the support available to them was confusing and fragmented, with a perception that the City of London Corporation was primarily for big businesses, and that they weren't sure what support was available.
10. To address the above, the strategy makes three main recommendations that will enhance our universal offer to small business and create a new, targeted, offer focussed on growth.

Increasing visibility of and access to our universal offer

11. The City Corporation has a good offer to small businesses – from the outreach provided by City of London Police to its commitment to pay SME suppliers in 10 days. This recommendation proposes that our offer to business is brigaded into a single, comprehensible format that can be used by officers, Members, and partners to communicate our universal offer to businesses comprehensibly.
12. It is proposed that we raise the profile of this support offer, in part by making a public commitment to the Federation of Small Business's Local Leadership pledge.

Partnership working across the Square Mile

13. The strategy recognises that support for small businesses is fragmented and confusing; government programmes are split between different tiers and agencies; a new GLA-level small business support programme has only recently launched. The strategy identifies an opportunity for the City Corporation to use its convening power to create a front-door to simplify and explain this offer and create a uniquely-City of London small business function that draws on the unique partnerships that are available only to the City of London including the City of London Chamber, the Company of Entrepreneurs, and City University.

Targeting growth

14. The strategy recommends the development of a new proactive, targeted offer aimed at early growth companies in specific sectors and sub-sectors, in line with the wider economic goals of the City Corporation. The City Corporation will also look at how it can support underrepresented and diverse founders to thrive in the City of London. This offer will be based on 'Access To' five areas of support the City Corporation is in a position to provide, with the aim of encouraging growth:

- a. **Access to Finance:** Building on the success of work with the Samuel Wilson's Loan Trust and drawing in support from the British Business Bank, financial institutions and others to help firms navigate finance options.
- b. **Access to Data:** As the only UK dedicated public service for business information offering in person and remote access to specialist business databases, SMEs will supported through offering access to the City Corporation's business databases, for example, GlobalData and Beauhurst to empower SMEs with data-driven insights, helping them make informed decisions, mitigate risks, and capitalize on growth opportunities in a competitive business environment.
- c. **Access to Space:** Solutions will be explored to support SMEs locate in the City and contribute to a vibrant City. Looking at creating flexible office spaces for SMEs to grow, how to activate empty units with occupiers that both attract footfall and support businesses starting up in the Square Mile, meanwhile use, and pop-up schemes.
- d. **Access to Expertise:** The City Corporation has a deep pool of expertise in the City, much of which gives it a competitive edge as a business community; building on existing in-house expertise to strengthen the offer and offer free mentoring in partnership with the Association of Business Mentors.
- e. **Access to Networks:** Support connections by enhancing networking opportunities and the existing events programme. As a result of enhanced engagement, increase the City Corporation's reach, and offer scaled-up events which proactively respond to market changes, unmet needs, and

key topics of interest for City SMEs.

15. In order to support delivery of the strategy, the following activities are also proposed:
 - a. To set direction — Integrate and align the SME Delivery Team with the City Development and Investment Unit operations and resources.
 - b. To target support — Develop capability to target support offer more effectively, informed by existing data sets and emerging intelligence from the **City Occupiers and Investment Study**, commissioned by your Committee.
 - c. To engage holistically — Align and refresh approach to business engagement across the CoLC more widely, working with the Corporation's Digital Team to support the implementation of a central Customer Relationship Management (CRM) system through the Data Lighthouse Project.
 - d. To advocate — Harness opportunities to influence central government on key policy issues affecting SMEs across the City, including responding to an anticipated future consultation on business rates.
 - e. To attract government/GLA funding — Raise our voice in support of our unique business environment, calling for UK Shared Prosperity Funding to be allocated on the basis of business count, not residential count as now.
 - f. To raise the City Corporation's profile in this space — Including through celebration of Small Business Saturday and other similar events.

Delivery, Accountability and Measuring Success

16. It is proposed to adopt a strategic approach to SME support and to set the above objectives over a five-year planning horizon with annual reviews going to Policy and Resources Committee to ensure flexibility, adaptability, and a proactive response following continued engagement.
17. The targeted offer at point 14 is brand new and will require a test-and-learn approach to establish the programme, evaluate impact and feed back learning into further rounds.

Corporate & Strategic Implications

- Strategic Implications – This strategy seeks to directly support the following Corporate Plan Outcomes: Diverse Engaged Communities, Dynamic Economic Growth, Vibrant Thriving Destination, and Providing Excellent Services.
- Financial implications – This strategy does not make any requests for additional funding.
- Resource implications – None. This strategy maximises existing resource,

draws on partnerships to achieve shared goals, builds on existing workstreams, and targets resources to avoid duplication or waste. The primary staffing resource for this SME Strategy will be the SME Delivery Team who will lead on the delivery of this plan. The SME Delivery Team report to the City Development and Investment Unit, a sub-team of the Environment Department who will have oversight of the programme. As this is a cross-cutting strategy it will mean continued collaboration with officers across the City Corporation.

- Legal implications – None
- Risk implications – None
- Equalities implications None
- Climate implications – None
- Security implications – None

Conclusion

18. Your Policy & Resources Committee recommends the approval of this new SME Strategy, attached in full at Appendix 1. The proposals contained in this strategy seek to provide a competitive and agile SME support offer in a way that is scalable, long-lasting and works across organisational silos. In so doing, it hopes to support a thriving and ever-more connected business ecosystem.

Appendices

- **Appendix 1** – City of London Corporation: *SME Strategy 2024-2029*

Background Papers

- City of London Corporation: *SME Ecosystem Report (2023)*
- FSB Local Leadership Partner Pledge
- External SME Engagement

All of which we submit to the judgement of this Honourable Court.

DATED this 9th day of May 2024.

SIGNED on behalf of the Committee.

Deputy Christopher Michael Hayward
Chairman, Policy and Resources Committee