

From: John Spindler, Chief Executive, Capital Enterprise and Mike Brook, Chairman, Capital Enterprise

To: Sadiq Khan, Mayor of London

Cc: Rajesh Agrawal, Deputy Mayor (Business)
Jules Pipe, Deputy Mayor (Planning, Regeneration & Skills)
Matthew Ryder, Deputy Mayor, Social Integration, Social Mobility, Community Engagement

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ABOUT CAPITAL ENTERPRISE

1. [Capital Enterprise](#) is a not-for-profit membership organisation for those who nurture, advise, mentor, accommodate and invest in entrepreneurship in London. Our mission is to make London the best place to start and grow a business in Europe.
2. Capital Enterprise brings together over 70 members, comprising some of the world's best universities, accelerators, business incubators, co-working spaces, colleges, local authorities and enterprise support agencies (such as Imperial College London, Seedcamp, Princes Trust and the City of London Corporation). Collectively, our constantly evolving membership community form a large part of London's world-class ecosystem for new and growing businesses. Our members deliver across the 33 London Boroughs. They serve around 15% of all entrepreneurs and SMEs in London, a third of all companies looking to raise capital and can reach all parts of the community. They support over 50% of all London Tech Start Ups that seek early stage investment. Together we cover a wide range of entrepreneurial types – from cyber security to financial technology and from food entrepreneurship to youth entrepreneurship.
3. Established in 1995, Capital Enterprise has a long track recording of working with Mayoral administrations to provide:
 - Information and intelligence – helping to bridge the gap between policy makers and London's start-up communities, identifying the key business support issues requiring public-sector support. Our fortnightly newsletters reach 70 members and over 3500 entrepreneurs.
 - Solutions – creating innovative business support projects and establishing delivery consortia from our membership base, to maximise the impact of Greater London Authority resources and leverage of private sector co-investment.

A CITY FOR ALL LONDONERS

4. As one of the leading advocates and supporters of entrepreneurship in London we particularly welcome the emphasis in 'A City for All Londoners' on:
 - Access to talent and a skilled workforce, both now and in the future
 - Working with the world
 - Affordable workspace for SMEs
 - Social mobility, inclusion, equality and diversity

- Infrastructure (particularly Crossrail 2)
5. We understand that 'A City for All Londoners' is a statement of ambition. We also understand that it will provide the framework within which a new Economic Development Strategy for the capital will be developed.
 6. When developing this more detailed document we ask the Mayor to consider the following priorities for enterprise and entrepreneurship in London:

AFFORDABLE AND ACCESSIBLE SPACE FOR START UPS AND SMES

7. We ask the Mayor to campaign for mandatory business rate relief for not-for-profit affordable workspace providers and support to make the business rates revaluation manageable for our members and the SMES and entrepreneurs they support.
8. We ask the Mayor to provide support to deliver Co Work Plus - a member-led proposal to super-charge affordable workspace facilities across the capital with embedded business growth and leadership. A substantial amount of private sector commitment has been established. Capital Enterprise is seeking support from the Mayor to help co-finance or raise sponsorship for this initiative.
9. We ask the Mayor to develop new policies to bring affordable workspace closer to equal terms with affordable housing within the London Plan and Opportunity Area Frameworks.
10. We ask the Mayor to continue the work of London's Open Workspace Providers Group which plays a vital role championing the work of London's Open Workspaces including Incubators, Accelerators and Co-working, Artist and Maker Spaces across London.

ENTREPRENEURSHIP FOR ALL

11. We ask the Mayor to work with us and entrepreneurial Londoner's from all backgrounds to design bespoke initiatives that help more vulnerable communities to realise their ambitions by accessing the wealth of opportunities, skills and connections which are available within our networks.
12. To prevent entrepreneurship becoming a pursuit of the wealthy and well-connected, we ask the Mayor of London to work with the Government and London's councils to set up an **Entrepreneurship for All** initiative. This would earmark funds for agencies and initiatives that help disadvantaged and under-represented Londoners to become the capital's next generation of job-creating and tax-paying businesses and start to bridge the gap between the wealthy and the poor parts of London.
13. In addition, we think that a significant part of the devolved skills budget should be targeted at developing the skills of entrepreneurs and their workers, especially in the more disadvantaged parts of London. Too much of the current budget goes to colleges and larger firms. Improving skills is one of the best ways of improving SME

productivity, and in turn will help SMEs add more value and be better able to afford to a base in London.

FINANCE FOR ENTREPRENEURSHIP START-UPS AND SCALE-UPS

14. We ask the mayor to work with us - and Funding London - to build upon the success of the London Co Investment Fund to develop an innovative financial instrument for SMEs. London has a significant but small and uncoordinated early stage finance community. This could become sustained and large scale if nurtured and leveraged through initiatives such as LCIF, which grow the fledgling existing market through co-investment and coordination. This is starting to build the critical mass of deals and money that will be necessary to deliver something self sustaining and akin to the USA.
15. We call upon the Mayor of London to work with Capital Enterprise to develop a new way of thinking around access to finance to ensure that it is accessible and suitable for all entrepreneurs – from high growth tech start ups looking to scale rapidly to non tech companies creating much needed jobs across the capital.

30% OF ALL NEW CONTRACTS TO SMEs

16. We ask the Mayor of London to review procurement in all the agencies that report to the Mayor (including the GLA, Metropolitan Police, Fire and Emergency Planning, Development Corporations, TfL, etc.) with the aim of **awarding 30% of all new contracts to SMEs**. Current procurement policies and practices essentially prevent most start-ups, scale-ups and other SMEs from bidding for contracts from City Hall. Practices such as needing three years accounts effectively remove SMEs from competing with the “big boys” at the pre-qualification stage.
17. Excluding SMEs has the effect of the Mayor not being able to take advantage of the innovative skills of the SME community of doing things in new ways at a lower cost to tax-payers. We suggest there is a good case for the Mayor to appoint a “Head of Innovation”, with a remit and resources to identify collaboration opportunities and pilot projects with innovation-focused small businesses to test new thinking and new innovations to make the delivery of public services more efficient, cost-effective and accessible.

INNOVATION IN KEY SECTORS

18. We ask the Mayor of London to help Capital Enterprise and its members to facilitate innovation, development and growth in key emerging sectors and enabling technologies including Artificial Intelligence and Machine Learning.
19. We believe that it is critical to make it easier to different parts of the innovation ecosystem (businesses, research or investors) to connect, exchange ideas and collaborate. We need to join up individuals and organisations with common goals and complementary expertise and Capital Enterprise is ideally placed to facilitate and broker these links. Partnerships which combine research, academia and science with

business accelerate innovation and promote swift economic and commercial exploitation of research and innovation results.

WE CAN HELP THE MAYOR

20. We sit in the space between entrepreneurs and government. We understand and act in both spheres of activity and are ideally placed to support the Mayor with the development of policies and programmes, which contribute to the development of London's entrepreneurship ecosystem.