



Business Manifesto 2010
– policy views from the West London
business community

Introduction.....	3
Balance Public Finances while Promoting Economic Growth.....	4
Protect and Implement Committed/Planned Infrastructure Investment.....	4
Sustain and Develop the West London Economy.....	5
Enlist Private Sector Expertise in Policy Formulation and Economic Development.....	7
Focus on Skills Provision.....	8
Enhance Quality of Life.....	8

West London Business is pleased to provide additional information or to discuss any of the points raised in this manifesto. The views expressed in this manifesto reflect opinions of the West London Business Board and consultations with more than 200 WLB members. It is also derived from policy positions formulated previously, such as the West London Economic Development Strategy (2007), and others relating to transport and tourism, as well as responses to recent Mayoral policy papers.

Contact Frank Wingate, Chief Executive West London Business, on 0208 607 2509 or frank.wingate@westlondon.com

January 2010

Introduction

West London Business (WLB) is the Chamber of Commerce and Investor Development Agency for West London. As the Chamber we represent over 800 businesses, including such leading international corporates as GSK, HSBC, BAA, Diageo, British Airways, Jones Lang LaSalle, SEGRO, the BBC, Brunel and Thames Valley Universities. We engage with over 3,000 businesses each year.

As the Investor Development Agency, funded by the London Development Agency, we work closely with Think London and the LDA in promoting West London as an inward investment destination, introducing and retaining businesses. We also promote business start-up and growth, job creation and safeguarding through a number of advisory, exporting and innovation programmes.

WLB also collaborates closely with the six boroughs of West London in the West London Partnership, which has produced a West London Economic Development Strategy, as well as Transport, Tourism, Creative Industries and Innovation strategies for the sub-region.

On behalf of the business community of West London, WLB urges the next Government, whatever its political background, to adopt the policies outlined below.

Balance Public Finances while Promoting Economic Growth

Clearly, the next government's key priority will be to take measures to balance the public finances, after the extensive government borrowing and spending carried out to combat the financial crisis and recession. This is becoming increasingly urgent as the UK has to service such a large debt and its international credit rating is called into question. At the same time, WLB urges caution in both raising taxes and cutting public expenditure, so that the economic recovery, now hesitantly underway, is not compromised. We suggest the following principles are crucial:

- Avoid increasing direct taxes – income tax, National Insurance, corporation tax – which will suppress enterprise and innovation, and therefore hinder job creation and the reduction of unemployment.
- Make savings firstly from increased public sector cost efficiencies. From 1997-2007 productivity in the public sector declined by 3.4%, while in the private sector it grew 21.9%, suggesting significant potential for efficiency savings.¹ Look for back office and process savings before frontline service cuts.
- Use asset divestment where possible to cut public overhead costs (Post Office, roads, property privatisation could save up to £130 bn).²
- Use private sector skills and cost-benefit analysis in deciding which projects to cut.
- Don't cut important infrastructural projects with long-term benefits (transport, energy and communications).
- Maintain labour market flexibility.

Protect and Implement Committed/Planned Infrastructure Investment

Transport remains at the top of the agenda for West London businesses. Traffic congestion, combined with the lack of investment in public sector transport, creates increasing difficulties in moving staff, supplies and products. The inadequacy of the transport infrastructure deters both inward and new local

¹ London First (2009), *Supporting UK Growth while balancing budget*, November 2009

² London First (2009), *Supporting UK Growth while balancing budget*, November 2009

investment. Major businesses will likely consider moving away unless improvements are made.

£36 bn is currently committed in London up to 2017 in various tube, rail and road improvements. This is estimated to bring £104 bn worth of benefits to the capital (GLA Economics, the Mayor's office). Potential benefits from tube and rail upgrades alone are estimated at £50 bn.¹

WLB considers it vital for the ongoing vitality of the West London economy to proceed with the following projects:

- Crossrail (total benefits estimated at £36 bn).²
- Heathrow third runway (this is private sector investment causing no cost to the public purse. Lost productivity during further delay is estimated at £600m per annum. Benefits would amount to around £1 bn per annum).
- Airtrack – this would radically improve access to Heathrow from the West and help ease congestion on the M4, enhancing the attraction of West London and the Thames Valley as international business locations.
- High speed rail HS2 – WLB support hi-speed rail and favours a direct link into Heathrow. We consider a multi-modal approach essential. We do not think the “rail versus air travel” debate is a credible formula for meeting our urgent transport needs.

In terms of financing new projects and sustaining the road and rail systems, and given the pressures on public spending in the coming years, WLB endorses the view that innovative ways of raising private sector financing must be found. For example, it is essential that road user charging options are fully explored and piloted as soon as possible.

We also strongly advocate an integrated long term national infrastructure planning policy, which embraces not only transport (road, rail and air) but communications and power. To this end we consider it essential to maintain the newly established Infrastructure Planning Commission.

Sustain and Develop the West London Economy

London currently accounts for approximately 20% of the UK's economy (Gross Value Added). West London (the six boroughs – Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow) contributes 20% of London's

¹ Mayor of London, TfL, GLA Economics, DfT

² LECG (2009), *Supporting UK Growth while balancing budget*, October 2009

GVA, to a value of £32.4 bn¹. The sub-region provides some 750,000 jobs (2007).

WLB urges the incoming Government to value and support this major contribution to London's economic vitality, by strengthening the sub-regional economy. This will reduce dependence on Central London, as well as the pressure on the public transport system from commuting and its negative environmental impact. We propose the following measures as necessary to sustain the West London economy:

- Identify specific key areas for concentrated hi-growth development such as Park Royal, Heathrow/Hayes, White City/BBC, Wembley, Earl's Court. For development investment to be effective it needs to be focused on areas with stronger business concentration and employment growth potential. Otherwise it may well be diluted over too wide an area and rendered ineffective, missing economies of scale and high-impact projects.
- Encourage Local Authorities to adopt more pro-active and consistent attitudes and policies towards town centre regeneration and economic development. All too often Local Authorities show indifference or even negativity towards this area, and the result is slow decay. Boroughs need to be motivated to promote inward investment, business growth, job creation and master planning.
- Promote and create sub-regional communications hubs, which will enable business to make maximum advantage from the latest fibre optic technology. This will encourage investment, sub-regional growth, and reduce the negative environmental impact of commuting and business travel.
- Set up enterprise zones, which will positively encourage both domestic and international investment. These zones should offer business tax, rates relief etc and special grants. They will stimulate fast growth of investment, enterprise, start-ups and business expansion, creating jobs and prosperity.
- Implement flexible car parking regulations as the current inflexible regime (coupled with insufficient public transport investment) is deterring commercial development and business growth in West London.
- Streamline local planning procedures to make them more flexible and subject to deadlines. Current planning practices are very complicated,

¹ West London Partnership (2007), *West London Economic Development Strategy and Implementation Plan*, September 2007

cumbersome, unpredictable, slow and costly. They deter investors and developers from bringing forward ideas and finance, hindering progress, business and job creation.

- Safeguard land for employment/commercial use. At present land zoned for commercial development in West London is being lost to housing at an unacceptable level. As West London has very limited brown field supply this employment asset cannot be recovered.
- Promote the residential market for family homes (three, four bedroom) in addition to flats and social housing. The emphasis on supplying housing for singles, young professionals and key workers has led to diminishing supply of new family homes. This has led to spiralling prices, and an exodus of families, in turn contributing to workforce deficits at the professional and mid-management levels and the decline of traditional town centres.
- Remove the property rates obligation on empty properties. Empty property rates are encouraging early demolitions, reducing the supply of affordable commercial property and placing additional cost burdens on investors.
- Fund and develop coherent sub-regional inward investment and business support programmes. These encourage growth, entrepreneurship and job creation. In addition, encourage the development of industries in West London with strong growth potential – specifically, creative industries, tourism and leisure.

Enlist Private Sector Expertise in Policy Formulation and Economic Development

- Partner with sub regional business-led organisations in formulating economic development and business strategies. WLB currently works constructively with the six boroughs of West London in the West London Partnership. This model public/private collaboration should be extended to make more use of private sector expertise at the policy formulation stage.
- Encourage business to contribute innovative ideas to government for development and investment at the early formative stage of policy – and not just at consultation phase.
- Encourage the search for new ways to raise public funding and stimulate private investment in infrastructure and commercial development.

- Engage with business to create investment stimulation models (i.e. through rates/tax relief, fast track procedures or incentives).

Focus on Skills Provision

- Support our universities and FE Colleges. West London's are very active in business engagement (Brunel, Thames Valley, FE – Ealing, H&F College and Uxbridge College). There has been considerable progress in closing the "gap" between tertiary education and business. Universities and colleges are active in skills training, apprenticeships and knowledge transfer but there remains a great deal to do. There are considerable research and innovation skills and resources at universities and colleges which remain untapped. Businesses, meanwhile, are not very aware of the potential of engagement with higher and further education.
- Promote and fund employability skills for business (language, literacy, numeracy, communications, team working and systems leadership)
- Encourage growth and development of SMEs through leadership and management as well as workforce training
- Set up business led structures to provide skills and training
- Enhance liaison between business and schools, promoting enterprise in school curricula

Enhance Quality of Life

- Improve air quality/environment.
- Promote alternatives to car usage. WLB fully supports travel planning -- which should be encouraged for businesses and schools -- cycling schemes and walking initiatives.
- The real need, however, is for an upgraded public transport system. The promotion of non-emission vehicles and road user charging to ration car usage and cut the number of journeys.
- Introduce initiatives to inform business of the opportunities and benefits the low carbon economy. Support this with schemes to facilitate funding for actions such as retrofitting, decentralised energy, emission-free transport. Encourage skills training in these areas.

West London Business is West London's premier business membership organisation, dedicated to providing its members with business services to help them remain competitive and promoting the West London economy. It represents over 800 business members, ranging from multi-national blue chip companies, such as GlaxoSmithKline, HSBC, Segro, Diageo, BAA, Brunel University, British Airways and the BBC, to small and medium-sized businesses.

www.westlondon.com

