

# CBI London Summer Briefing

## July 2009

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The CBI London Summer briefing for our members is an analytical summary of the major policy issues we have been lobbying for on your behalf over the last six months, ensuring that business is playing an active role in shaping London's future.

### Message from Nigel Bourne, Director CBI London



During this particularly challenging time we have engaged closely with policy makers to impress upon them the urgent priorities for business in the current climate, while also emphasising the need for a longer term perspective to maintain and enhance London's competitive edge.

On the positive side London is now well and truly in the midst of the most significant phase of infrastructure investment witnessed in decades with the construction of Crossrail having begun in

May. But funding constraints mean investments will have to be made wisely – and in addition to delivery of Crossrail the tube modernisation programme is one that is absolutely essential for the capital.

The Mayor's team is now aiming to integrate future transport plans with economic development plans for the capital. The CBI is helping to ensure business' views on these proposals are effectively conveyed to City Hall.

We have continued our dialogue at the highest levels within the GLA group, including regular meetings with the Mayor and his officers.

We have also rolled out a series of briefings and events for members involving key policy leaders which we hope have provided effective platforms for business engagement. Some of these issues and events are elaborated below. I hope you find this briefing useful and wish you an enjoyable summer.

## Business shaping London's future:

### Mayor's Economic Development Strategy (09)



The Mayor has recently published proposals for the capital's economic development strategy to year 2031.

A summary of the proposals:

- Position and promote London as the undisputed business capital of the world
- Ensure London has the most competitive business environment in the world
- Make London a leading global low carbon capital
- Give all Londoners the opportunity to share in London's economic success
- Invest to ensure growth is spread across London, and in particular outer London

On 13 July we arranged a round-table session at City Hall for businesses to discuss the proposals with the Mayor's team. While there was broad support for the overall objectives, members called for a number of things including:

- a clear and coherent strategy to effectively promote London;
- a strict focus on initiatives that provide value for money
- a drive to enhance a sense of civic pride to improve the environment and quality of life
- to prioritise relevant skills, training and qualifications for Londoners
- speedier implementation of key initiatives

The strategy is expected to be published in Spring 2010.

The full document is available at:

<http://www.london.gov.uk/mayor/publications/2009/docs/rising-challenge-may09.pdf>

- **Mayor's Transport Strategy (MTS)**

- The Statement of Intent document sets out the objectives of, and challenges presented by, London's transport network. Transport for London (TfL) is now developing the strategy in more detail, in co-ordination with other streams of work ie: the Mayor's Economic Development Strategy; the London Plan and the recommendations of the Outer London Commission. The strategy will consider the whole of London, rather than focusing on central London. The existing 10-year business plan means plans are in place until around 2020. The aim is that the MTS will help to identify the direction of future solutions.
- We organised a round-table for members to put forward views to TfL - some of the issues arising were as follows:
  - There was support for the general principles outlined, but the strategy needs to be developed further.
  - London's competitiveness is under threat and we need a strategy that reflects a real commitment to providing the transport plans and capacity that will give confidence to business regarding London's status as a world city.
  - GLA needs to show firm intent for continued investment, while balancing this with funding realities.

The strong business turnout sent an important message to TfL about the importance of getting the strategy right, that business is keen to influence this, and that more work is needed.

<http://www.london.gov.uk/mayor/publications/2009/docs/transport-strategy.pdf>

- **CBI speaks at the LDA's 'Rising to the Challenge' Conference on 9th July**



CBI President Helen Alexander spoke about 'The role of business in the future of London' at an LDA Conference on London on 9<sup>th</sup> July which attracted an audience of around 300 business leaders. The purpose of the conference was to bring together key business people to discuss how London can rise to multiple and multifaceted challenges and to galvanise the capital's economy as we emerge from recession and prepare for the upturn.

Other speakers included Mayor Boris Johnson, Shadow Chancellor of the Exchequer George Osborne and Secretary of State Business, Innovation and Skills, Lord Mandelson. The session on 'The Role of Business' was chaired by Stuart Popham, Chairman of CBI London Council and Senior Partner, Clifford Chance.

Some of the key messages that emerged from this session were:

- The need for a clear strategy on how to promote London
- The need for long term planning for the capital in terms skills, infrastructure
- The need for better co-ordination of London's policy agencies
- While public expenditure cuts are inevitable, there are important lessons to learn from business about cutting costs to give better value rather than cancelling projects.

The conference also included a number of other important sessions:

- Transforming to a low carbon economy
- London: business capital of the world
- London: the recession and beyond

- Getting Londoners back to work
- Infrastructure needs of a growing city

- **London Technology Network Strategic Advisory Board.**

Nigel Bourne is a member of the London Technology Network Strategic Advisory Board. This consists of a select group of businesses, research funders, government policy makers and universities to stimulate technology-based innovation and to influence the debate. Issues being addressed by the group include:

- the changing drivers of commercial innovation
- the changing needs and mechanisms for supporting commercial innovation
- the role of the public sector, the research base and intermediaries

<http://www.ltnetwork.org/>

- **Defining Business Support:**

CBI London is a member of the advisory group established by the LDA in the Spring to articulate the requirements of a business link successor service for London.

Issues debated include where the focus should lie eg: – whether at the start-up stage or growth stage as well as defining appropriate measures of performance.

<http://www.lda.gov.uk/>

- **Future Heathrow**

CBI London is a member of Future Heathrow – the lobby group supporting the sustainable expansion of Heathrow. The CBI supports the third runway at Heathrow provided the environmental conditions are met.

Nigel Bourne participated in the launch of a report on 'Economic impacts of hub airports' by Colin Buchanan on 13 July. It examines the economic impact of expanding Heathrow. The report suggests that total economic benefits would amount to around £30bn. It also highlights that for every year that hub capacity expansion fails to happen, the economy loses £900m-£1.1bn.

<http://www.colinbuchanan.com/view/news/economic-impacts-of-hub-airports>

<http://www.futureheathrow.org/>

- **London Business Advisory Council (LBAC)**

Nigel is a member of London Business Advisory Council along with three other business organisations in the capital. The LBAC members meet the Mayor every 3-4 months to raise business concerns and discuss business priorities.

- **Mayor's High Level Economy Group**

CBI London is a member of the Mayor's High Level Economy Group. This group has met every three months with the Minister for London to share intelligence about the economic climate and identify practical levers to help mitigate the impact of recession.

### Snapshot of recent events for members:



- Summer lunch with Mayor Boris Johnson in June
- India briefing with the CBI India Advisor Mark Runacres in June
- Briefing by Sir Simon Milton, Deputy Mayor for Policy and Planning in May
- Policy briefing with John Cridland, CBI Deputy Director General in April
- China briefing in March
- South Africa briefing in March
- Transport briefing with Peter Hendy, Transport Commissioner and Kulveer Ranger, Transport Director at the GLA in February

### Coming up...

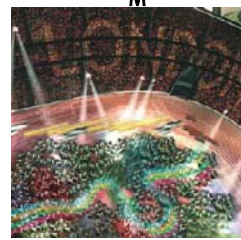
Our Diary of Events will be sent to members in August but here is a preview of some of the forthcoming events:

- US briefing : 22 July
- CBI Forum for 2012 Games: September
- CBI London Annual Dinner: 22 October
- Transport seminar on Crossrail: November
- London Business Question Time: 9 December

### Policy Platforms for business engagement

Three specific policy platforms that we have established for members address major strategic areas: the Olympic & Paralympic Games, climate change and the low carbon economy, and human resources and skills.

- **CBI Forum for the 2012 Games:**



The objective of the CBI Forum for the 2012 Games is to help members understand how their company can access the opportunities, both commercial and non-commercial, and champion the Games. We hold a series of sessions throughout the year which have been very well-attended and included speakers from the Olympic agencies, businesses and other bodies responsible for delivering the Games. Membership of the forum is free to CBI members and the group meets 3 – 4 times per year. The forum is chaired by Vincent de Rivaz, chief executive of EDF Energy.

Themes of recent meetings include corporate community involvement and sustainability.

To hear more about the Forum please contact: [jessica.Otto@cbi.org.uk](mailto:jessica.Otto@cbi.org.uk)

- **CBI London Climate Change Panel:**



The Panel which meets quarterly, includes a wide range of businesses and aims to: influence London's policy makers on the low-carbon agenda, feed into and keep abreast of the CBI's wider work on climate change and share best practice. The Mayor's environment director Isabel Dedring attended a Panel meeting earlier this year sharing with business emerging policies and plans to tackle climate change in London. This gave firms the opportunity to put forward business views, press for practical solutions with a

focus on delivery and this important dialogue will continue. The Panel has also debated forthcoming regulations and policies including the carbon reductions commitment and carbon reporting.

To read more about the CBI's wider work on climate change visit: <http://climatechange.cbi.org.uk/>

To hear more about the Panel please contact: [jessica.Otto@cbi.org.uk](mailto:jessica.Otto@cbi.org.uk)

- **CBI London HR Forum**



The CBI London HR Forum meets four times during the year and provides a platform to discuss at a strategic level topical issues facing HR professionals and practitioners. Meetings are usually very well attended by over 50 professionals, and previous topics have included, the Single Equality Bill, "Maximising Employees Engagement and Organisational performance" and "Talented employees need even better managers".

To hear more about the Forum please contact, Jessica Otto at, [jessica.otto@cbi.org.uk](mailto:jessica.otto@cbi.org.uk)

### **CBI/KPMG London Business Survey June 2009 – Key findings**



The latest CBI/KPMG London Business Survey was launched in June at the CBI Summer Lunch with Mayor Boris Johnson. The survey showed:

- Skills shortages could hamper London's economic recovery as four in ten of the capital's businesses still say they have problems finding the right talent, despite rising unemployment.
- Efforts to close London's skills gap are being frustrated as almost half of senior executives

answering the survey said that publicly funded training and skills support was not relevant or useful.

- Boris Johnson's greatest impact after a year as London Mayor according to business has been in improving the city's reputation as a place to do business. Firms warn that he needs to work harder on the capital's quality of life, skills shortages and housing needs.
- The recession continues to take its toll as business values have fallen again and spending plans are at a survey low. Firms are also finding it difficult to access credit, are making redundancies, and are struggling to make future business plans amidst the uncertainty.
- More positively, 80% of respondents said the capital was still a 'good' or 'very good' place to do business. Firms have become slightly more upbeat, with 35% saying they are optimistic or very optimistic about the next six months, compared with 28% last September.
- Businesses are more positive about the overall quality of London's transport. 22% said it was good, against just 4% last April. However, ensuring funding for Tube upgrades and Crossrail must remain a priority.
- Flexible working policies are proving popular. 64% of businesses are offering flexible hours and 63% part-time working opportunities. 34% offer teleworking.
- Crime continues to be a concern for business. Theft is the most common problem, followed by vandalism, while fraud is also a serious issue.
- 71% of businesses are sceptical about the measures announced by government to tackle the recession. Firms are concerned that changes in the financial regulatory regime will result in more scrutiny with commensurate benefit.

### **Places now available at the CBI London Annual Dinner**

Thursday 22<sup>nd</sup> October

The Dorchester, Park Lane

Speakers – Richard Lambert and Quentin Letts

For bookings please contact

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**INVESTOR IN PEOPLE**

July 2009

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