

QUARTERLY COMMENT

AN FSB PUBLICATION FOR DECISION MAKERS IN GREATER LONDON

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The Federation of Small Businesses (FSB) is the UK's leading business organisation. It exists to protect and promote the interests of the self-employed, and all those who run their own business. For more information visit fsb.org.uk FSB's Greater London Area has around 10,000 members. In addition to offering its members a range of exclusive services, the FSB works to ensure National and Local Government, MPs and Local Government hear and listen to the small business viewpoint needs and aspirations. We work to ensure the small businesses are heard and represented across the media and across our social media channels. It is non profit making and non-party political. See our latest news round up on our on our [Regional Voice pages](#).

Work with us

If you, your business or organisation work with or come into regular contact with the small business community, please engage with FSB's local networks to ensure small businesses in your London borough are empowered to deliver growth, prosperity and jobs. You are invited to find out more about and work more closely with FSB in London. Contact **Sarah King**, Development Manager on **07595 284327** or Sarah.King@fsb.org.uk

A view from Michael Lassman – FSB London Regional Chair



We are fully aware of how difficult the business environment has been across the country, and London is no

exception. The cost of doing business in the capital continues to increase and it becomes ever more challenging for SMEs to survive.

But with tenacity and hard work, many are still being successful. It is a privilege to represent our members as we continue to lobby local authorities and City Hall on their behalf. The

current challenge is to get additional support for them with the impending Greater London-wide implementation of the ULEZ expansion scheme, which will have a major impact on many within the small business community.

We have worked with a number of London Borough Councils over the past few years through a business support scheme that has enabled them to take advantage of FSB memberships for local businesses – the partnership approach between Government and business at all levels is critical and we look forward to working and engaging with Local Authorities as the roll out of the UK Shared Prosperity Fund takes shape.

A view from Westminster

Tina McKenzie, FSB Policy Chair



Small business owners could be forgiven for asking, “is that it?” after Budget.

On the plus side, the news that fuel duty will once again be frozen, and the 5p cut maintained, is a big relief for many small businesses.

Extending the childcare offering is helpful, in particular extra funding for providers, although it will need to cover nurseries’ actual costs better than current funding rates.

However, while help for households with energy bills is great news, the lack of a parallel support scheme for businesses will lead to tough decisions about the future for many.

The new £9 billion a year corporation tax relief will not be relevant to the vast majority of small firms. Hauling hundreds of thousands of small firms out of paying business rates would have cost a mere fraction of this plan – as would lowering the rate on profits below £250,000.

On R&D, some intensive SMEs will be able to get more help, but others have been left out in the cold.

The proposals to tackle economic inactivity are far from comprehensive enough – a missed opportunity.

There is so much potential within the UK’s 5.5 million small businesses. It’s disappointing that the Government has not done more to help them unleash it.

Read our latest SBI Report for Greater London



Skills crisis is a continuing barrier to growth for London’s small businesses

The latest FSB London Small Business Index (LSBI) report published in January 2023 presented a mixed picture with London bucking many UK trends. The LSBI, which measures confidence amongst businesses, has marginally risen versus the previous quarter. Confidence currently remains negative standing at -29 as of Q4 in 2022. In Q3, it stood at -33. Whilst the general economic conditions (56%) and lack of appropriately skilled staff affecting business growth (46%) remain of greatest concern, the findings highlighted positive news surrounding increases in profits, investment intentions and growth aspirations for London.

FSB London summarises

“With the current economic conditions being so tough it is welcome to see some positivity with growth and investment intentions still high on the agenda for many small firms in the capital. But for many sectors there is simply no wriggle room left. For a business in a high energy-reliant commercial property, the debts and costs are only going one way. We must see a clear path back to growth and supportive measures for firms who can’t take further uncertainty. We are also keen to see measures taken to tackle the skills crisis currently engulfing London’s small business community.”

Be social



FSB London is on Twitter at **@FSBGtrLondon** and **Facebook** bringing you the latest news and reaction to policy shaping across Greater London. If there’s something great happening for small businesses within Greater London give us a tag and we’ll share it with our followers. Equally if something is negatively impacting local firms let us know and we’ll see if we can help!



FSB London #MyULEZConcern campaign gathers momentum

The Ultra-Low Emission Zone (ULEZ) expansion remains a key concern for the small business community.

A survey carried out by FSB in 2022 revealed that 84 per cent of businesses opposed the proposal to expand the ULEZ with 80 per cent of respondents reliant on business based vehicles. The report informed our formal response to the public consultation which can be [read here](#).

Whilst FSB London called for a ULEZ proposal rethink, the Mayor announced that the ULEZ is expanding across all London boroughs from 29 August 2023.

We are keen to see support for small businesses who will be impacted by the ULEZ expansion. At this critically difficult time for struggling small businesses, the scheme should be accompanied by further mitigation measures on top of the Diesel Scruppage Scheme. Making the extension non-chargeable for the first year would be a welcome measure along with further investment in the scrappage scheme.

To ensure the concerns of small businesses continue to be voiced, our London-wide awareness campaign launched on social media and has been acknowledged by a number of prominent individuals.

Are you concerned about the ULEZ expansion?

If yes, please get involved by sharing your concern including the hashtag - #MyULEZConcern in your social media. Don't forget to tag FSB London in your posts using **Twitter** and **Facebook**. If you wish to email your concerns, contact **Sarah King**, FSB London Development Manager at Sarah.King@fsb.org.uk

FSB celebrates London's small business community

Small businesses are vital to local growth across the London region and FSB's mission is to help smaller businesses achieve their ambitions and recognise those for their achievements and contributions as well as those who support this important community.

We were delighted to see the majority of London Borough Councils take part in the inaugural FSB Local Government Awards in late 2022 which were open to all England based local authorities.

Lewisham Council was among 250 councils who entered winning the national and regional awards for the COVID-19 Support and Recovery category which celebrated those that had made the biggest impact on local SMEs during the Covid crisis and beyond. They were recognised for a swathe of support including 'Lewisham Backs Business', a partnership of key stakeholders which helped deliver support to over 21,000 businesses; the introduction of a fortnightly business e-newsletter reaching over 4,000+ subscribers; 14,000 grants administered totalling £76m to borough businesses, plus a discretionary grants scheme adapted to support home-based and freelance businesses helping to establish a network of 60 local businesses deemed integral to Lewisham borough's future growth. Lewisham was the first council in the country to conduct a headcount and survey of the high street to understand the barriers facing ethnic diversity of local business owners and better target support to help those thrive post-pandemic. Renewal was

highlighted with The Mayor's Business Awards celebrating SMEs, the Business Resilience and Growth programme and the establishment of a Business Centre within a library promoting access for all local small businesses.

Congratulations to London regional winners - City of Westminster Council who won the Programme of Business Support category; Bexley Council who won the Future-Ready category; and Tower Hamlets Council who won All Round Business Friendly category. We congratulate all four councils on winning these awards their continued support for the small business community.

In February 2023, it was time to celebrate our incredible FSB volunteer team at a high-profile national event with special guest – Ben Fogle, broadcaster, writer and adventurer. We are very proud and thankful for the FSB London members who volunteer their time to support the wider SME community. A snapshot of just a few of our FSB London volunteer team are captured in a [short video clip](#) shared by one of London volunteers.

Next is the FSB Celebrating Small Business Awards London final on 27 March. London's SMEs could choose from 12 categories from Start-Up Business or Micro Business to Family Business, Young Entrepreneur or Exporter of the Year to name a few. The [FSB Awards](#) are the largest event of its kind in the small business calendar. They are celebrated with regional finals across England, Scotland, Wales and Northern Ireland culminating in a prestigious UK Final in May.



New FSB report Time is Money: The Case for Late Payment Reform

FSB released a report entitled Time is Money on 9 March exposing the insufficient measures in place to hold big businesses to account and calls for a level playing field for smaller firms.

This comes alongside a Department for Business and Trade (DBT) prompt payment and cash flow review, which ends in Spring, and looks at improving arrangements to support small businesses experiencing difficult payment practices. FSB findings include on average through 2022, quarter-on-quarter:

- **52%** experienced late payment.
- **25%** reported increased late payment.
- The most affected sectors include education, construction, administrative, professional, scientific, transportation, IT, arts and human health and social work.

This resulting in **37%** needing to apply for credit to manage their cashflow to alleviate the negative impact of late and delayed payment on small businesses. Furthermore, 62% of the British public feel that a business should be paid within a week.

FSB Policy Chair **Tina McKenzie** said: "Enough is enough. Late payments in the UK have continued to spiral out of control and we now

need to reinvigorate this agenda to ensure reform change and that importance is placed on fair payment practices.

"Small firms are already being stretched beyond their limits with rising energy bills, rampant inflation, and a mounting cost of living crisis. Cash flow is already tight, and that is compounded by being kept waiting months for invoices to be paid, which a serious roadblock to growth and investment. This also hinders productivity.

"Big businesses shouldn't be using small firms as a bank. It's time for them, too, to step up and take responsibility for poor payment practices.

"Time is Money presents a catalyst for change."

FSB's proposals for the Government include:

- Give audit committees of large firms oversight of payment practices and reporting on progress in their annual report.

- Publicly commit to limit the maximum payment terms to small suppliers in law by 2027 if the situation does not improve.
- Bar late payers from public procurement contracts.
- Impose 30-day payment terms, which should be a maximum throughout supply chains.
- Mandate the Small Business Commissioner to investigate potential instances of poor payment proactively, instead of only when a complaint has been made.
- Make the Prompt Payment Code (PPC) mandatory for all local authorities.
- Create a new local authorities Payment Practice League Table with financial incentives for those at the top and bottom for England.

We would love to hear from you

If you would like to work more closely with FSB - to hear how we can support your business activities, events and expos, or to find out about our policy work across London which includes Cost of Doing Business, Crimes Against Business, Diversity & Inclusion, Environment, Infrastructure, Health & Wellbeing, Skills, and Women in Business - please email Matthew.Jaffa@fsb.org.uk or Sarah.King@fsb.org.uk

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