# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Executive summary</em></td>
<td></td>
</tr>
<tr>
<td>1 Introduction</td>
<td>1</td>
</tr>
<tr>
<td>2 The strategic context</td>
<td></td>
</tr>
<tr>
<td>3 Characteristics of the Borough</td>
<td></td>
</tr>
<tr>
<td>4 SWOT analysis</td>
<td></td>
</tr>
<tr>
<td>5 Key proposals</td>
<td></td>
</tr>
<tr>
<td>6 Action Plan</td>
<td></td>
</tr>
<tr>
<td>Annex A: Evidence base</td>
<td></td>
</tr>
<tr>
<td>Annex B: SWOT Analysis</td>
<td></td>
</tr>
</tbody>
</table>

Version 2.3 (23-5-06)
Executive Summary

1. Our vision for Waltham Forest is to create a strongly entrepreneurial Borough in which profitable business will thrive and create quality employment for our residents.

2. The pace and scale of change to the local economy in our Borough has been breathtaking. During the course of a generation, Waltham Forest has experienced a major transformation as its economy and population has undergone rapid change – as a result of market pressures and changes to public policy. After two decades of change, even more dramatic forces are now shaping the Borough’s future.

3. As one of London’s five Olympic Boroughs, Waltham Forest is poised to benefit from the transformational potential of the 2012 Olympic Games and the development of an entire new “edge City” development at Stratford. The substantial infrastructure investment ahead of the Olympics and its regeneration legacy may result in the arrival of businesses with 20,000 or more jobs.

4. The Borough is also strategically positioned to benefit from the new economic geography that is emerging in north and east London as the Capital’s population continues to grow. Waltham Forest straddles two of the corridors earmarked to accommodate London’s growth – in the Lower Lea Valley part of Thames Gateway and in the Upper Lee part of the London-Stansted-Cambridge-Peterborough growth corridor. In each growth area, population growth equivalent to a whole new London Borough is anticipated over the next twenty years. The retail, consumer and personal services market alone will generate business growth and a yield a potential of perhaps 10,000 net additional jobs within the Borough.

5. This draft enterprise strategy sets the framework for business to thrive in Waltham Forest. It lays the foundations for residents and businesses in Waltham Forest to benefit from the Borough’s opportunities for economic growth and it sets out how Waltham Forest can achieve three broad outcomes:

- To enable local businesses to exploit the opportunities arising from the Borough’s physical regeneration, infrastructure investment and population growth
- To expand the base of small businesses in the Borough and to encourage inward investment and relocation of firms to Waltham Forest’s town centres, business parks and industrial estates
- To stimulate and help develop entrepreneurship in the Borough’s population – especially amongst disadvantaged and under-represented population groups and in poorer neighbourhoods.
6. This document sets out our Enterprise Strategy for the London Borough of Waltham Forest. The Enterprise Strategy will be taken forward by the Waltham Forest Business Board and has grown out of a strong partnership between the Borough’s business and civil leadership.

7. Our Strategy builds on the Borough’s previous strategic initiatives and takes into account the characteristics of the Borough and the views of its local business community.

8. Our Strategy centres around three key themes:
   - Exploiting opportunity areas
   - Assisting small business
   - Supporting disadvantaged entrepreneurs

9. We will be promoting a number of measures under each of these themes:

   **Exploiting opportunity areas**
   - Maximising the benefits of our Borough’s strategic location - being an ‘Olympic Borough’ situated between the London-Stansted-Cambridge Growth Corridor and the Thames Gateway and close to Stratford City
   - Improving and strengthening our town centres to ensure their continued vitality and viability as retail and leisure areas

   **Supporting small business**
   - Promoting flexible workspace – especially to encourage creative clusters
   - One stop support for local business – including advice on jobs, training and setting up/developing a business
   - Capacity building – including schemes for business mentoring by business experts from both within and outside the Borough

   **Supporting disadvantaged entrepreneurs**
   - Supporting young entrepreneurs through outreach and enterprise education
   - Supporting women in business through female friendly advice and workspace
   - Celebrating our diversity through the promotion of ethnic businesses
   - Strengthening the social enterprise sector in the Borough
Introduction

1.1 This document sets out the proposed Enterprise Strategy for the London Borough of Waltham Forest (“the Borough”). Waltham Forest is an outer London Borough in the North East of London. Our neighbours are Redbridge to the east, Hackney and Newham to the south, and Haringey and Enfield to the west. The North Circular road (A406) separates the north of the Borough from the centre and south. We are on the southern end of the London-Stansted-Cambridge-Peterborough growth corridor and next to the Thames Gateway Stratford City development, which includes part of the 2012 Olympic site.

1.2 The Enterprise Strategy will be taken forward by the Waltham Forest Business Board and has grown out of a strong partnership between the Borough’s business and civil leadership. This partnership brings together not only the Borough’s business leaders but also members of the Local Strategic Partnership (LSC, Job Centre+ etc) to ensure a holistic approach to the Borough’s economic development needs.

1.3 The Waltham Forest Business Board includes members from each local business forum (i.e. ABA/Chamber, Leytonstone Business Forum, Leyton Enterprise Forum, Argall Business Park Association, Rigg Approach, Business Association, Blackhorse Lane Business Forum, Walthamstow Against Crime) to ensure the needs of all areas in the Borough are taken into account.

1.4 The following diagram shows how the Enterprise Strategy fits into the Borough’s overall Economic Development Model
LB Waltham Forest: Economic Development Model
2 The strategic context

Introduction

2.1 The Borough’s Enterprise Strategy will be consistent with the LDA’s economic strategy for London as a whole and the North London sub region in particular. It will also be closely aligned with the Borough’s other strategic initiatives, such as the Community Strategy.

LDA Economic Strategy - Sustaining Success

2.2 This sets out four key objectives for investment in enterprise in London:

- Address barriers to enterprise start-up, growth and competitiveness
- Maintain London’s position as a key enterprise and trading location
- Improve the skills of the workforce
- Maximise the productivity and innovation potential of London’s enterprises

2.3 Within the first key objective, the LDA recognises that certain groups are disproportionately affected by the barriers to enterprise growth, i.e. businesses owned by women, BME entrepreneurs, young entrepreneurs. Support therefore needs to be targeted towards these groups.

2.4 With regard to the North London sub region, the LDA notes its geographical position at the Southern end of the London-Stansted-Cambridge growth corridor and hence focuses on the need for regeneration and development in the Upper Lee Valley area. In this context it states:

‘The priorities here are to enable local residents to access and compete in the London labour market and to engage them in economic regeneration opportunities, to help develop sustainable homes and communities with adequate transport and other infrastructure, strengthen town centres and enhance strategic industrial sites in the area’

North London Sub-region Economic Development Implementation Plan

2.5 The North London SREDIP takes up the LDA’s themes and develops them in a North London context. It recognises North London’s strategic location, highlighting its position not only close to the London-Stansted-Cambridge growth corridor but also its proximity to the Stratford City development and the Thames Gateway.

2.6 The SREDIP highlights a number of priority action points which are highly relevant for the Borough’s economic development.
• Make the Upper Lee Valley a thriving business location and centre of innovation which takes advantage of its key strengths as a communication and distribution corridor and builds on its historic legacy by:
  - Improving business start-ups
  - Increasing the number of businesses which stay in the Upper Lee Valley
  - Creating a range of premises which suit the needs of businesses including low-cost/affordable and mixed use
• Explore the strengths and weaknesses and roles of North London’s town centres by:
  - Exploring the value of the evening economy for the sub-region’s major town centres
  - Ensuring that town centres are primary local and sub-regional centres for a mix of businesses, i.e. retail, leisure, cultural, financial and business services
  - Ensuring major town centres provide a good mix of leisure and cultural facilities so that more people will choose to spend their leisure time and money in them
  - Improving the image and environmental quality of the major town centres to be safe and pleasant places for shopping, leisure and cultural activities and office based services
• Ensure that businesses in North London are able to secure high value contracts to supply goods and services – in particular in relation to the Olympics
• Develop the potential of cultural industries in North London by:
  - Promoting the development of creative industries in the regeneration of Walthamstow (amongst other areas)
  - Supporting cross-borough work to increase the supply of affordable and acceptable workspaces including incubator units and follow-on units

**Waltham Forest’s key strategic initiatives**

2.7 The Borough’s Enterprise Strategy also takes into account the elements of other local strategic initiatives which focus on economic development.

**(i) Community Strategy**

2.8 The CS states the following long term aims:

• An improved match between job opportunities and skills
• Increased economic opportunities for the Borough
• Improvement in the incomes of the poorest residents
• Better, integrated transport links
• Meeting housing needs more effectively

2.9 These aims are being pursued through a partnership of relevant local public and private sector organisations. The partnership has already begun work on the regeneration of Walthamstow Town Centre and is providing advice to local SMEs on financial planning, marketing and business support.

(ii) Regeneration and Investment Strategy (2004)

2.10 This lays out our vision for the Borough as a place where people want to live, work, invest and visit. In order to take forward the inward investment and business growth strand of this strategy, we are working with North London Limited to attract new inward investors to the Borough, with the Business Board to support local business needs, and with the Social Enterprise Network to establish and develop social enterprises in the Borough. We are also making a series of grants available to improve the quality of commercial property in Waltham Forest.

(iii) Local Area Agreement (2006-2009)

2.11 This is the Borough’s overarching policy document, recently developed by the Local Strategic Partnership (LSP). It lays out the aim for the Borough that, by 2012,

2.12 ‘Waltham Forest will be a safer, cleaner and healthier Borough, benefiting from its wealth of diversity, where everyone is able to reach their potential.’

2.13 The LSP have agreed four high level outcomes of which the fourth relates to economic development and enterprise, i.e. ‘create employment, skills and business opportunities for local people, especially those in greatest need.’ This is to be achieved through reducing overall worklessness and ensuring that the local business sector thrives.

2.14 These themes are picked up in the Borough’s Better Neighbourhoods Strategy (2005-2008), which focuses on the five priority neighbourhoods.
3 Characteristics of the Borough

Introduction

3.1 It is essential that the Enterprise Strategy fits the needs and desires of the Borough’s residents and business owners. So, in addition to reviewing what local statistics tell us, we have consulted widely with local stakeholders and business people. The following sections provide a snapshot of the Borough and its needs. Further details can be found in Annex A, whilst a SWOT analysis that brings these issues together can be found in Annex V.

3.2 [short statement here – broad facts – how many firms, how many jobs, which sectors dominate…]

Population

3.3 The Borough is youthful and ethnically diverse. Over a third of residents are under 25 and around 35% are aged 25-44. This is a similar profile to that of London as a whole. The Borough’s youthful profile reflects the number of young migrants settling in the area combined with the availability of more affordable accommodation for young commuters.

3.4 Around one third of the working age population is from an ethnic minority background. However, the figure is much higher for school age children where 65% of the population is minority ethnic. This diversity gives the Borough its special feel and creates a market for ethnic products and services.

3.5 However, the skills base of the population is low and this is mirrored by the preponderance of the workforce in lower skilled, lower paid jobs.

3.6 The Borough has a low employment rate, significantly below the comparator rate for London. However, the youth employment rate, whilst still low, is above that for neighbouring boroughs in north and east London. The Borough’s economic inactivity rate is relatively high and becoming worse. Whilst the number of JSA claimants has decreased, this has been more than compensated by an increase in ICB claimants.

3.7 The youth employment figure gives hope for the future but the inactivity rate is concerning. Efforts need to be made to encourage ICB claimants back into the workforce.

The Business base

3.8 The most marked change in the Borough’s business base is the move away from the traditional manufacturing industries to a broader services based economy. Retail, distribution,
hospitality and leisure now represent a third of all employment in the Borough, greater than the London average. Even more notable is the fact that the public sector accounts for nearly 30% of employment, compared with a London average of 19%. Three is little sign however, of any high tech or knowledge based industries in the Borough.

3.9 Business formation in the Borough is low. VAT registrations are lower than neighbouring boroughs such as Barnet and Haringey and compared with London as a whole.

3.10 The Borough’s business base is dominated by micro enterprises. Nearly three quarters of all firms have less than five employees. Self employment rates, although once low, are now rising steadily and sole traders account for around 25% of businesses.

3.11 The majority of businesses are male owned (74%) and over a third have owners from a minority ethnic background, particularly Asian or British Asian.

**Business premises**

3.12 The changing makeup of the Borough’s business base has led to change in the requirements for business premises. The age of most of the Borough’s industrial areas means that they were developed without the standard of layout and facilities now required by many companies. It is therefore proving difficult to accommodate the demands of all sizes of enterprise within the Borough, particularly those that have expanded and outgrown their existing premises. Increasing the available business space is dependent upon the recycling of brownfield land and problems with these sites (regarding ownership and contamination) have led to delays.

3.13 The Borough’s many small firms are also demanding in terms of accommodation. The diversity of business type means a diverse range of space requirements. A high degree of flexibility in the size, design and cost of small business units is therefore needed. A growing element within the small business sector is that of the cultural industries. Small clusters of these have appeared around Walthamstow Town Centre and the other smaller town centres and these require space that allows creativity to flourish.

**Town Centres**

3.14 Part of the Borough’s distinctive ‘feel’ is due to its vibrant town centres. The major centre is Walthamstow, home to the longest street market in London. There are also key centres in Leytonstone, Bakers Arms, South and North Chingford, Wood Street, Leyton and Highams Park. These centres are not only an important hub for retailing but also for leisure activities. The biggest threat to these centres will come from the development of Stratford City and hence it is essential that these centres are supported and developed to ensure that their businesses can withstand the increasing competition from outside the Borough.
Local business perceptions

(i) Overall

3.15 In order to gain a greater understanding of what Waltham Forest is like as a place to do business, we consulted with 400 local enterprises. These local business owners were open and frank in their responses and the following are the key findings:

- A quarter of businesses perceive the Borough as being ‘average’
- The area is generally perceived to be in need of both physical and economic regeneration
- Only just over half of the businesses (59%) stated that were satisfied with the Borough as a place to run a business:
  - Industrial sectors reported the highest relative levels of dissatisfaction – retail and manufacturing (excl. publishing and printing) sectors
  - Well established businesses were relatively more likely to be very dissatisfied with the Borough as a place to run a business
- The main reasons for dissatisfaction were either environmental or infrastructural issues

3.16 Where the Borough was found to be a good place to do business, the reason given was proximity to customers (33% of businesses stated this). This implies a business economy largely centred on local demand/consumer market. The key concern is that a degenerating transport infrastructure will have a significant effect on this. The wholesale and distribution sector was most likely to state this as the reason

- Only a fifth of respondents stated that that area had improved over the past 12 months

(ii) Business support

3.17 Clear lack of awareness on the availability of business support in the Borough, with 85% of respondents stating that they were either unaware of any support or didn’t know of any support services. This indicates a deficiency in both the marketing and cohesion in the current supply of services

3.18 Improvements in business support services. A significant proportion of respondents (21%) stated that the Borough should provide more specific business advice/training support e.g. access to finance, marketing advice, access to contracts
(iii) The impact of the Olympics

3.19 58% of local business felt that the area will improve as a result of the Olympics. However a fifth stated the area will not change much implying a lack of awareness of the potential business opportunities/impacts the event will bring.

3.20 Businesses are generally either only seeing short-term gains from the Olympics and hence failing to see the bigger picture or don’t feel the event will affect their business.

In order to exploit the Olympic opportunities, businesses stated that they required:

- more information on the types of contract on offer/kind of contracts required
- more marketing advice/how to promote their business
- more information, advice and guidance

Implications

3.21 The Borough has undergone a fundamental change over the last few years as traditional manufacturing has declined. It is now dependent on its micro enterprises but these businesses seem unimpressed with their surroundings and to have little knowledge of the business support on offer or any detailed appreciation of the opportunities presented by the Olympics. It is against this background that we have developed our Enterprise Strategy.
4 Key proposals

Introduction

4.1 The aim of this Enterprise Strategy is to exploit the many strengths and opportunities identified within the Borough whilst addressing the weaknesses in order to mitigate the potential threats – as identified in the SWOT analysis which can be found in Appendix 2. The proposals set out below are aligned with the regional and sub regional enterprise strategies whilst ensuring that the suggested actions are set in a context that is relevant to Waltham Forest.

Supporting Business Leadership

4.2 The principle driver of the enterprise strategy will be the Waltham Forest Business Chamber which will represent the aforementioned Business Forums and Associations in the Borough. The Waltham Forest Business Board will consist of members from the Business Chamber and involve other key stakeholders such as land owners and corporate business champions. In the short term, the Waltham Forest Business Board will be responsible for finalising our LEGI bid, and if successful, will also be the body charged with delivering the bid’s proposals.

4.3 We are committed to strengthening and developing our business leadership model. This will involve investment in the capacity building of Chamber and Board members, further support for emerging and developing Forums and Associations, and further work to integrate the Business Chamber and Board into the London Borough of Waltham Forest’s Local Area Agreement.

Geographically strategic location

4.4 The Borough has the major strategic advantage of being located within two of the growth areas – the London-Stansted-Cambridge Corridor and Thames Gateway. But it will also benefit from the impact of Stratford City, the Olympic Park and the potential rejuvenation of the Upper Lee and the Lower Lea. It is essential that these are exploited to the full by Waltham Forest businesses.

4.5 The opportunities presented by Stratford City, in particular, need to be addressed as a matter of priority, as the draw of this new location could pull businesses and customers away from the Borough’s town centres. Equally, Stratford City represents a massive growth in economic activity right on the Borough’s southern boundary.

4.6 In the next five years, the Olympics will also create considerable opportunities for businesses in the Borough:
• **Supply contracts.** The major supply contracts will most likely go to large firms but we intend to ensure that our small businesses are in a position to play a profitable role in the supply chain. From the lessons learned in the Trade Local initiative in Haringey, we intend to provide specific training to local small businesses in how to bid for contracts from large firms. At the same time we will ensure our local business leaders and politicians are at the forefront of making contacts with the major contractors to raise the profile of our local businesses.

• **Inward investment.** The ‘Olympic Boroughs’ are going to be the focus of much media attention over the next six years. This gives Waltham Forest an important opportunity to attract inward investment. Through our Inward Investment Team we intend to promote the Borough and ensure that setting up in WF is a smooth and straightforward process. We aim to attract not only Olympics-related businesses but other companies for whom WF is a logical home in the longer term (e.g. back office and support services for City firms) and higher value light industry especially printing, publishing and media production. In this way we intend to create a lasting legacy for the Borough’s business base.

**Town Centres**

4.7 The Borough’s population is predicted to grow over the period to 2016. Plans for housing supply are already beginning to address the number of additional homes that are identified in the London Plan and the GLA’s latest housing capacity estimates. The Borough’s town centres need to capture the purchasing power of this additional population and service what may be an increasingly diverse and affluent population with retail and personal services.

4.8 Furthermore, a key way of addressing the competitive challenges presented by Stratford City will be to strengthen the Borough’s own town centres to make them as attractive as possible as a location for doing business, shopping and leisure activities.

4.9 We will therefore be consulting with businesses in Walthamstow, Leyton and Leytonstone to gauge their interest in becoming Business Improvement Districts (BIDs). Under the BID scheme, additional revenue is raised from local business through the rating system but this revenue is then used to improve the appearance and security of the area. The BID improvements can cover additional street cleaning, improvements in street lighting, additional planting and local wardens patrolling to ensure that both good order and tidy streets are maintained.

4.10 The benefit to the area is that it becomes a much more desirable place both to shop and to do business. If local people can find the shops they need in a safe and clean environment, they are less likely to look further afield for their shopping needs. Better still the improved amenities are likely to encourage an influx of shoppers from other areas.
Flexible workspace

4.11 We recognise the importance of providing workspace that is as flexible as possible and allows for ‘grow-on space’ as businesses expand. These aims are enshrined in the Borough’s planning policy as set out in the latest UDP. We are actively supporting the redevelopment of old manufacturing units and brownfield sites for alternative usage. We appreciate that the needs of creative entrepreneurs are particularly diverse and hence will be working with the ‘Four Greens’ network to understand the spatial needs of the creative industries.

4.12 Likewise, we are directing new retail and leisure opportunities towards the Borough’s designated town centres in order to sustain and increase their vitality. Through our planning policy we will prevent changes of use that might lead to any dilution of the accessible commercial feel of our key retail/leisure areas.

‘One stop’ support for local businesses

4.13 A worrying finding of the Business Survey was the lack of awareness of the availability of business support in the Borough. It is essential that local businesses know where to find support and can access it locally. Such advice needs to cover every stage of the business development process from pre-start up through the early stages to growth and diversification.

4.14 We are proposing to set up a series of ‘one stop shops’ in the Borough’s town centres along the lines of the one to be trialled in the Blackhorse Lane area. These one stop shops will provide a mix of support covering advice on jobs, training (including advice on ‘train 2 gain’) and business advice. It is essential that these centres are available locally as entrepreneurs do not have time to travel long distances for support.

4.15 We will ensure that the one stop shops are well promoted and details will be available through the Council, Business Link and other local business organisations and via their websites.

4.16 In parallel with the LSP’s “WorkNet” approach towards increasing employment in disadvantaged neighbourhoods, we will develop a local entrepreneurship service of business coaches and mentors to help residents in the Borough’s disadvantaged neighbourhoods to realise business ideas.

Capacity building

4.17 The current low skills base impedes the Borough’s competitiveness, especially as this means the workforce is not well prepared for the challenges of entrepreneurship. We intend to tackle this problem in a variety of ways.
4.18 Training provision will be part of the support provided at the one stop shops but whilst such courses can raise theoretical business skills, hands on mentoring, coaching and functional support is an essential element in assisting new entrepreneurs.

4.19 We intend therefore to ask East London Business Alliance (ELBA) to consider extending their operations to include Waltham Forest. This would involve, for instance, ELBA including the Borough’s small businesses in their mentoring programmes. Through these programmes representatives of successful businesses elsewhere in London (such as the City of London) volunteer their time to mentor small business owners in business skills. These schemes have the great benefit in that the mentoring is provided ‘on site’, especially important for entrepreneurs who cannot afford to spend time away from their business.

4.20 Of course, nothing beats the passing on of local business knowledge. We therefore propose to set up a ‘time bank’ system to encourage local entrepreneurs to take part in the scheme. Business owners who give their time to mentor others would earn units in the ‘time bank’ which could then be ‘cashed’ in return for training or other support for their own businesses.

**Encouraging young entrepreneurs**

4.21 LBWF is a youthful Borough. We believe it is essential to encourage young people to consider running their own business as a viable career option. We therefore aim to build on the limited amount of entrepreneurship education currently offered as part of the national curriculum. One way in which we intend to do this is by offering ‘enterprise education bursaries’. The Council will sponsor a number of local school students to spend time in the holidays working in local small businesses to gain an understanding of what it takes to be an entrepreneur.

4.22 We will also work closely with Waltham Forest College, sixth form colleges and school sixth forms to develop and strengthen the entrepreneurship elements of the curriculum. This will include encouraging and supporting the Borough’s educational establishments to run business games and after school young entrepreneurs’ clubs.

4.23 However, sometimes the hardest thing is locating would-be young entrepreneurs. We therefore intend to set up an outreach scheme to operate in the five priority wards. This will involve outreach workers talking to young people through meetings at local youth groups, schools, and faith groups, allowing them to raise young people’s awareness of entrepreneurship.

**Women in business**

4.24 Female entrepreneurs are not well represented in the Borough - three quarters of local businesses are owned by men. The problems facing women wishing to start their own
businesses, particularly women from deprived communities, can be substantial. These can range from cultural sensitivities over the role of women in the workplace, through a lack of confidence in approaching finance providers to the need for affordable childcare to allow women to devote their energies to business development.

4.25 We are very aware of these problems and for the last four years have been co-funding Street Cred, a business support organisation focusing on assisting female entrepreneurs. We now propose to extend this assistance by developing an incubator centre, which while open to all entrepreneurs, has specific female friendly features. These features would include business support advisors specialising in the particular needs of women entrepreneurs (including an understanding that most of these business ventures would need to fit around family commitments) as well as crèche facilities. The aim would be to produce a welcoming environment where women would feel confident about taking their first steps in business development.

Celebrating our diversity

4.26 One of the things that makes Waltham Forest special is the cultural diversity of the business base. Over a third of our businesses are BME owned. Many of these are engaged in the ethnic food and creative sectors. These help to give areas of the Borough a distinct cultural identity which attracts shoppers from all over London.

4.27 However, most of these businesses are very small. A block on their growth is the fact that they sell mainly into their own communities and hence the customer base is limited. Our aims therefore are to:

- Promote the ethnic business clusters of LBWF more widely to increase the number of visiting shoppers from outside the Borough
- Provide targeted support to BME businesses to help them diversify their customer base and hence grow their businesses
- Encourage internationally-facing businesses by exploiting language advantages, customary knowledge and trade connections especially with Africa and Asia

Social enterprise

4.28 As part of our goal to regenerate the more deprived areas of the Borough, we recognise the important role that social enterprise has to play. We are active members of the ULV Social Enterprise Development Partnership and hence intend to play our part in achieving the Partnership’s objectives by:

- Supporting the growth and sustainability of the social enterprise sector in the Borough
• Improving access to finance for social enterprises by strengthening their links with mainstream funders and identifying better ways for them to use public funding

• Working with social enterprises to help them win more public sector contracts

• Building stronger links between social enterprises and local commercial companies to help the social enterprises become more effective as businesses

**Infrastructure weaknesses**

4.29 Although there are adequate rail routes into central London, moving around the Borough can prove difficult due to congestion. A lack of sufficient parking was also identified by the Business Survey respondents as an unattractive aspect of doing business in the Borough.

4.30 Improving major infrastructure links will require long term discussions with the Department for Transport and Transport for London. However, more near term improvements should be possible in relation to parking problems. We propose the following solutions:

• We will review the possibility of entering into a public private partnership with a private investor in the field (e.g. NCP) to see whether further parking areas can be developed

• We will also discuss with local supermarkets the possibility of a ‘bizpark’ scheme, whereby local business employees could make use of a section of the supermarket car park in return for a charge paid by the employer.
5 Action Plan

[Need to discuss implementation timeline with the Steering Group]
Annex A: Evidence base

Primary characteristics of the economy

Population and workforce characteristics

➔ Growing population – younger & more diverse

5.1 Prime working age population has increased although overall population has grown slowly compared with London as a whole

![Indexed change in the working age population (base year 1998=100)](image)

5.2 Youthful Borough, similar in age structure to London as a whole

5.3 Multi-cultural working age population leading to variety in consumption patterns

<table>
<thead>
<tr>
<th>Ethnic Composition of the working age population (2004)</th>
<th>London</th>
<th>Waltham Forest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>percent</td>
</tr>
<tr>
<td>White</td>
<td>3,246,200</td>
<td>67.8</td>
</tr>
<tr>
<td>Mixed ethnic group</td>
<td>88,300</td>
<td>1.8</td>
</tr>
<tr>
<td>Indian</td>
<td>316,000</td>
<td>6.6</td>
</tr>
<tr>
<td>Pakistani/Bangladeshi</td>
<td>223,600</td>
<td>4.7</td>
</tr>
<tr>
<td>Black or Black British</td>
<td>490,600</td>
<td>10.2</td>
</tr>
<tr>
<td>Other ethnic group</td>
<td>414,500</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey

➔ Lower skilled, lower SOCs, lower paid resident workforce

5.4 There is a low proportion of people with qualification level NVQ3+ in LBWF and this proportion has decreased over the period – low skills base is also mirrored in the occupational composition of the workforce

<table>
<thead>
<tr>
<th></th>
<th>London</th>
<th>Waltham Forest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>percent</td>
</tr>
<tr>
<td>1: managers and senior officials</td>
<td>601,900</td>
<td>17.6</td>
</tr>
<tr>
<td>2: professional occupations</td>
<td>558,700</td>
<td>16.3</td>
</tr>
<tr>
<td>3: associate prof &amp; tech occupations</td>
<td>627,800</td>
<td>18.3</td>
</tr>
<tr>
<td>4: administrative and secretarial occupations</td>
<td>453,500</td>
<td>13.2</td>
</tr>
<tr>
<td>5: skilled trades occupations</td>
<td>267,600</td>
<td>7.8</td>
</tr>
<tr>
<td>6: personal service occupations</td>
<td>216,000</td>
<td>6.3</td>
</tr>
<tr>
<td>7: sales and customer service occupations</td>
<td>214,800</td>
<td>6.3</td>
</tr>
<tr>
<td>8: process, plant and machine operatives</td>
<td>163,500</td>
<td>4.8</td>
</tr>
<tr>
<td>9: elementary occupations</td>
<td>303,100</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey

5.5 LBWF has exhibited improvements in educational results over the period but still lags behind both Barnet and Enfield

→ Employment has declined over the recent period and is predicted to decline

5.6 LBWF has a low employment rate but this has increased slightly over the most recent period – significantly below the comparator rates for London and England

5.7 Low Youth employment rate as compared to London and England but relatively higher than all comparator Boroughs (other N London Boroughs and Newham/Hackney) – active youth population

5.8 Economic inactivity rates in LBWF are high relative to London and have worsened over the recent period, with this increase being larger for males relative to females – latent labour force

5.9 Unemployment rate in LBWF has decreased over the recent period – LBWF exhibits a higher rate of unemployment than London
5.10 The number of JSA claimants has decreased sharply but ICB claimants have increased and lone parents have declined only slightly

**Business base**

→ Long term loss of industrial employment

<table>
<thead>
<tr>
<th>Employment by broad sector category 1998-2004</th>
<th>Waltham Forest</th>
<th>London</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
<td>2004</td>
</tr>
<tr>
<td>D : Manufacturing</td>
<td>7,600</td>
<td>4,700</td>
</tr>
<tr>
<td>F : Construction</td>
<td>3,100</td>
<td>2,600</td>
</tr>
<tr>
<td>G : Wholesale and retail trade; repairs</td>
<td>11,700</td>
<td>12,600</td>
</tr>
<tr>
<td>H : Hotels and restaurants</td>
<td>2,700</td>
<td>2,700</td>
</tr>
<tr>
<td>I : Transport, storage and communication</td>
<td>2,300</td>
<td>2,700</td>
</tr>
<tr>
<td>J : Financial intermediation</td>
<td>1,000</td>
<td>700</td>
</tr>
<tr>
<td>K : Real estate, renting and business activities</td>
<td>8,000</td>
<td>8,300</td>
</tr>
<tr>
<td>L : Public administration</td>
<td>2,900</td>
<td>2,900</td>
</tr>
<tr>
<td>M : Education</td>
<td>6,300</td>
<td>7,500</td>
</tr>
<tr>
<td>N : Health and social work</td>
<td>8,700</td>
<td>7,900</td>
</tr>
<tr>
<td>O : Other services</td>
<td>2,700</td>
<td>3,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57,200</strong></td>
<td><strong>56,400</strong></td>
</tr>
</tbody>
</table>

Source: ABI Employee Analysis

5.11 Change from manufacturing dominance to a broader services based economy which has led to a shift towards lower paid service sector jobs and low rates of economic activity and employment (and as a result increasing rates of economic inactivity and high non-employment)

→ Slow adaptation to new economy – business services, leisure, ICT, creative and cultural

→ Strengths in retail, manufacturing, public sector, personal services

5.12 Dominant sectors in the constituent wards of LBWF are (NRF wards highlighted in yellow):
### All employment (2003) | All employment (2004) | pre-dominant sector(s)
--- | --- | ---
Cann Hall | 1,200 | 2% | 1,000 | 2% | retail
Cathall | 1,100 | 2% | 1,300 | 2% | leisure
Chapel End | 3,300 | 6% | 3,200 | 6% | retail, business services
Chingford | 3,300 | 6% | 3,500 | 6% | leisure, transport, business services
Endlebury | 1,300 | 2% | 1,500 | 3% | transport
Forest | 5,100 | 9% | 5,700 | 10% | healthcare, business services
Grove Green | 1,100 | 2% | 1,100 | 2% | leisure
Hale End and Highams Park | 2,100 | 4% | 1,900 | 3% | creative
Hatch Lane | 1,400 | 2% | 1,200 | 2% | transport
High Street | 3,800 | 7% | 3,600 | 6% | retail, transport, business services
Higham Hill | 4,100 | 7% | 4,100 | 7% | transport, business services
Hoe Street | 2,900 | 5% | 2,800 | 5% | business services
Larkswood | 2,400 | 4% | 2,700 | 5% | leisure
Lea Bridge | 4,000 | 7% | 3,700 | 7% | manufacture, retail, transport
Leyton | 3,800 | 7% | 4,000 | 7% | transport, business services
Leytonstone | 3,500 | 6% | 3,300 | 6% | retail, business services
Markhouse | 2,800 | 5% | 3,100 | 5% | transport, food & drink
Valley | 3,600 | 6% | 3,300 | 6% | retail
William Morris | 2,200 | 4% | 2,100 | 4% | business services
Wood Street | 2,900 | 5% | 3,300 | 6% | business services

- low enterprise formation rates & low proportion of firms in high value, knowledge sectors
  - geographical concentrations of low employment/low enterprise

- self-employment rate increasing
  - Historically low self employment rates but currently higher than the London rate - LBWF current rate of 18.5% with comparator London rate of 15.1%

- small firms economy
  - Micro businesses (1-4 employees) make up nearly 3/4s of all firms

### Workplace size-band analysis

<table>
<thead>
<tr>
<th>Workplace size-band analysis</th>
<th>London</th>
<th>Waltham Forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4</td>
<td>247,461</td>
<td>269,025</td>
</tr>
<tr>
<td>5-10</td>
<td>47,837</td>
<td>46,328</td>
</tr>
<tr>
<td>11-49 employees</td>
<td>35,771</td>
<td>37,002</td>
</tr>
<tr>
<td>50-199 employees</td>
<td>8,995</td>
<td>10,119</td>
</tr>
<tr>
<td>200 or more employees</td>
<td>2,557</td>
<td>2,613</td>
</tr>
<tr>
<td>Total</td>
<td>342,621</td>
<td>365,087</td>
</tr>
</tbody>
</table>

Source: ABI Workplace Analysis
67% are micro businesses i.e. with 1-4 employees, with a significant proportion of sole traders (25%) – MORI Business Survey Result

LBWF exhibits similar trends to that of London with the exception of a sharp decrease in the number of firms with 100+ employees in LBWF as compared to London

MORI Business Survey – supplementary evidence

- Business characteristics: ethnically diverse workforce dominated by micro businesses
  - Largely male owned businesses (74%)
  - Significant proportion of BME owned businesses – 37% non-white
  - Largest representation from the Asian or Asian British category

Q.2. Which sector best describes your business' principal activities?

<table>
<thead>
<tr>
<th>Sector</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing (all excluding publishing and printing etc)</td>
<td>28</td>
<td>7.0</td>
</tr>
<tr>
<td>Publishing, printing and reproduction of recorded media</td>
<td>6</td>
<td>1.4</td>
</tr>
<tr>
<td>Construction</td>
<td>41</td>
<td>10.2</td>
</tr>
<tr>
<td>Sale, maintenance and repair of motor vehicles and motorcycle</td>
<td>16</td>
<td>4.0</td>
</tr>
<tr>
<td>Wholesale and distribution</td>
<td>21</td>
<td>5.2</td>
</tr>
<tr>
<td>Retail trade, except of motor vehicles and motorcycles, repair</td>
<td>82</td>
<td>20.4</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>36</td>
<td>9.1</td>
</tr>
<tr>
<td>Transport and communications</td>
<td>12</td>
<td>2.9</td>
</tr>
<tr>
<td>Financial intermediation and insurance activities</td>
<td>12</td>
<td>3.0</td>
</tr>
<tr>
<td>Real estate, renting and business activities</td>
<td>21</td>
<td>5.1</td>
</tr>
<tr>
<td>Education</td>
<td>14</td>
<td>3.4</td>
</tr>
<tr>
<td>Health and social work</td>
<td>21</td>
<td>5.1</td>
</tr>
<tr>
<td>Other community, social and personal services</td>
<td>61</td>
<td>15.1</td>
</tr>
<tr>
<td>Other service activities</td>
<td>21</td>
<td>5.2</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>2.8</td>
</tr>
<tr>
<td>Total</td>
<td>401</td>
<td>100.0</td>
</tr>
</tbody>
</table>

67% are micro businesses i.e. with 1-4 employees, with a significant proportion of sole traders (25%) 

Significantly higher levels of male employees relative to female employees

Significant proportion of staff from a BME background, indicating a diverse active workforce – only 38% of businesses stated that they had no staff from a BME background
5.16 Very low levels of disabled employees – not unusual

5.17 Just under three quarters (74%) of the businesses surveyed have been trading for over 2 years, with 56% of businesses being well established (trading for over 5 years)

⇒ Business perceptions: average Borough with main reasons for dissatisfaction revolving around environmental or infrastructural issues

5.18 Significant proportion of businesses (26%) perceive the Borough as being ‘average’

5.19 Area generally perceived to be in need of both physical and economic regeneration

5.20 Only just over half of the businesses (59%) stated that they were satisfied with the Borough as a place to run a business – implying a significant amount of dissatisfaction

⇒ Industrial sectors reporting the highest relative levels of dissatisfaction – retail and manufacturing (excl. publishing and printing) sectors

⇒ Well established businesses were relatively more likely to be very dissatisfied with the Borough as a place to run a business

5.21 Those who were fairly satisfied with the area (as opposed to very satisfied) often stated negative environmental/infrastructural reasons for not being very satisfied

5.22 Main reasons for dissatisfaction were again either issues environmental or infrastructural issues

5.23 Main reason that LBWF was found to be a good place to do business was proximity to customers (33% of businesses stated this) – this implies a business economy largely centred around local demand/consumer market – degenerating transport infrastructure will have a significant effect on this

⇒ Industrial sector most likely to state this as the reason - Wholesale and distribution sector

5.24 Main factors in need of improvement were largely related to infrastructural or business development/support issues

5.25 Only 21% of respondents stated that the area had improved over the past 12 months

⇒ Again, of those who stated the area had degenerated over the past 12 months, the main reasons related to either infrastructural or environmental issues

⇒ Over half (52%) of respondents stated that they felt the area would either not change or get worse over the next 12 months
Industrial sectors most likely to feel that the area had got worse over the time period – Sale and maintenance of motor vehicles, retail and manufacturing sectors

5.26 Levels of growth: Firms that had been established for more than 5 years were more likely to state their business would not grow or decline over the next twelve months – this may be a result of the industrial decline in the area

➔ The impact Olympics: lack of awareness of business opportunities

5.27 Olympics: 58% felt that the area will improve as a result of the Olympics, with 21% stating the area will not change much – indication of lack of awareness of the potential business opportunities/impacts the event will bring

➔ There is a general lack of awareness of the Olympics and its potential – if not exploited the Borough will lose out on a huge opportunity

➔ Businesses are generally either only seeing short-term gains from the Olympics and hence failing to see the bigger picture or don’t feel the event will affect their business

➔ In relation to the Olympics, businesses stated that they required more information on the types of contract on offer/kind of contracts required; more marketing advice/how to promote their business; more information, advice and guidance

➔ Business support: clear lack of awareness

5.28 Clear lack of awareness on the availability of business support in the Borough, with 85% of respondents stating that they were either unaware of any support or didn’t know of any support services – indicates a deficiency in both the marketing and cohesion in the current supply of services

5.29 Improvements in business support services: Significant proportion of respondents (21%) stated that the Borough should provide more specific business advice/training support e.g. access to finance, marketing advice, access to contracts
Annex 2: SWOT analysis

5.30 Taking into account the strands of evidence, we have undertaken a SWOT analysis of the Borough. This analysis allows for the identification of relationships between the Borough’s strengths, weaknesses, opportunities and threats. It is these relationships that define Waltham Forest’s current and potential business environment and it is this environment that the enterprise strategy is challenged with improving. Indeed, enterprise opportunities will only be realised if the adopted approach builds upon strengths, mitigates weaknesses, grasps opportunities and, where possible, guards against threats.

5.31 The table overleaf illustrates the key strengths, weaknesses, opportunities and threats for Waltham Forest’s business environment. The commentary below groups these characteristics under the three headings of demographics, location and economy and infrastructure.

**Strengths**

*The Borough’s demographics*

5.32 During the past decade, a substantially younger and more ethnically diverse population has arrived to replace families and older people that have migrated from the Borough. This has led to a vibrant mix of residents many of whom bring with them cultures and traditions from around the world which, in turn, has led to the demand for a wide variety of restaurants, café’s, delis, clothing, music, and art.

5.33 As the trend of new arrivals from around the world continues, so too does an inflow of new ideas, new skills and, potentially, new entrepreneurialism. Whilst many of these people may lack knowledge or understanding of London and the UK, or not have a firm grasp of the English language, they do hold a fundamental USP: they hold knowledge of both different approaches to starting and operating businesses and of the cultural culinary and clothing practices which are now being demanded by Waltham Forest and wider London residents.

*The Borough’s location*

5.34 With London’s population continuing to rise and house prices remaining out of reach for even high earning first time buyers, young professions moving to London are now renting and buying homes further from central London and in areas that 10-15 years ago would have been seen as undesirable. Town centres such as Leytonstone and Walthamstow which are well connected by Underground links to central London are benefiting from having new relatively high income earning groups living, and all importantly spending, in the community.
5.35 Whilst there is a tendency for northern London Boroughs to think south towards central London when considering public transport and road network access, a significant competitive advantage held by Waltham Forest is its connectivity to major access routes around London via the North Circular and to the East and North (East Anglia, East Midlands and the West Midlands) and the South (towards the channel and Europe) via the M11 and M25. This makes Waltham Forest a prime location for businesses wanting to access the London market, but also maintain/develop a presence in these wider regions and have access to Stansted, Luton and Heathrow airports.

5.36 In addition, public transport is also a strength in the Borough. Served by the Victoria and Central Underground lines the Borough has good access into Central London. Moreover, with an excellent bus network - Walthamstow bus station is the third busiest in London – and with an extensive rail network (Walthamstow is just 40 minutes on tube and train from Stansted airport), public transport is key asset.

**The Borough’s economy and infrastructure**

5.37 Amongst the strongest growing areas in Waltham Forest is retail, which has expanded strongly and now accounts for more employment than the Borough’s manufacturing workforce. Tourism and leisure have also grown reasonably – up by 7% in the last 5 years – and now represent 4,500 jobs.

5.38 As the borough welcomes new populations, and as economic structures change, the Borough has recognised the need for physical change. Significant redevelopments have taken place in Walthamstow, with a new town square, gardens and children’s playground, public performance space and the new aforementioned bus station. In addition, major plans are underway for redevelopment at Blackhorse Lane on the Western edge of the Borough, with new substantial mixed use projects being proposed.

5.39 The Borough is strongly connected to the lower Lea Valley, an area which will shortly begin to benefit from the transformational potential of the 2012 Olympic Games and the development of an entire new “edge City” development at Stratford and the eventual arrival of businesses with 20,000 or more jobs.

5.40 A large part of the Borough is contained within the Upper Lee Valley area which is identified as an area of considerable opportunity. This is based on an economic growth strategy that recognises the distinctive geography of the Valley based on a strong concentration in sectors that are regarded as important to the London economy yet which have seen slow growth (or loss) in employment – especially production industries. It also acknowledges the relatively low share of sectors that are growing strongly elsewhere in the London economy – especially financial and business services and creative industries – and recognises the need to strengthen
these sectors in the Valley. The strategy specifically targets the high proportion of small and medium sized enterprises which face constraints to growth and survival and aims to fill the gaps in business support, promotion and inward investment activities – particularly services to black and minority ethnic businesses, start-ups and access to growth finance or to supply chains.

**A SWOT analysis for the Waltham Forest enterprise environment**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>High demand for consumption variety - multi-cultural population and economy</td>
<td>Low skills – low levels of accredited qualifications, issues around basic skills in boroughs deprived wards</td>
</tr>
<tr>
<td>Latent entrepreneurship - inflow of migrant and immigrant workers</td>
<td>Concentrations of low employment rates and high inactivity rates – leading to virtuous circle of neighbourhood decline</td>
</tr>
<tr>
<td>Location - Upper Lea Valley Growth Corridor and the Thames Gateway</td>
<td>Weak collective leadership – large number of very small firms</td>
</tr>
<tr>
<td>Affordability – relatively lower rents, house values and business premises</td>
<td>Poor premises – insufficient premises for start up and grow-on businesses</td>
</tr>
<tr>
<td>Youthfulness – strong youth presence in south of Borough, and increasing levels of young professionals</td>
<td>Shortage of London Growth sectors – low presence of financial and business services</td>
</tr>
<tr>
<td>Transport – Excellent road links to the North Circular and M25 and good public transport links</td>
<td>Transport – town centre congestion/congestion on key access routes/poor parking facilities in town centres</td>
</tr>
<tr>
<td>Clustering – concentrations of food, creative industries and leisure sectors</td>
<td>Declining historical industrial base – coupled with policy rigidity re: SELs</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
<td><strong>Threats</strong></td>
</tr>
<tr>
<td>Business Leadership Model</td>
<td>Stratford City – displacement of white goods trade especially from Walthamstow</td>
</tr>
<tr>
<td>Cluster development – growing small retail firms base through cluster development</td>
<td>London divergence – gap between Borough and London economy worsens</td>
</tr>
<tr>
<td>2012 Olympics and Stratford City – opportunity to redefine/put area on the map and stimulate 5 borough partnership response to business needs and opportunities</td>
<td>Thames Gateway – Gateway attracts public funds, interest and 2012 attention</td>
</tr>
<tr>
<td>Public sector footprint – significant supply chain demand and potential to provide cornerstone for social enterprise economy,</td>
<td>Exclusive Economic Growth – economy grows but local residents do not benefit</td>
</tr>
<tr>
<td>Thames Gateway and London-Stansted-Cambridge-Peterborough (LSCP) Growth areas – increasing populations, improving infrastructure</td>
<td>Gentrification – leading to high levels of income leakage (through dormitory Borough issue) and exclusion, isolation of less wealthy</td>
</tr>
<tr>
<td>Further Education Infrastructure – Waltham Forest College, George Monoux College.</td>
<td>General economic recession</td>
</tr>
<tr>
<td>Town Centres – development of dynamism and sense of place i.e. Walthamstow Market</td>
<td></td>
</tr>
</tbody>
</table>
5.41 More importantly, the Borough forms part of the London end of the ODPM’s London-Stansted-Cambridge-Peterborough Growth Corridor and is consequently expected to see considerable housing and employment growth. Furthermore, the Borough also adjoins the Thames Gateway Boroughs which are the other designated Growth Area and – most importantly – is close to Stratford which is destined to become a major centre of development hosting financial and business services and an international / inter-regional transport hub. The regeneration and economic growth potential of all these areas has now been significantly boosted by the opportunities arising from the 2012 Olympic Games.

5.42 Waltham Forest therefore has a large number of housing and employment development opportunities – ranging from the growth of its industrial estates around Blackhorse Lane, potential investment around Leyton town centre, location of a new Eurostar depot at Temple Mills, the major redevelopment of healthcare and HE institutions around Whipps Cross and substantial housing developments throughout the Borough delivered for example by London and Quadrant Housing Association. Major investments are in train for Walthamstow town centre whilst elsewhere there are opportunities in the Upper Lee Valley, the Lower Lea Valley and flowing from growth of Stansted airport, Stratford City and southwards to Canary Wharf and the Royal Docks.

**Weaknesses**

*The Borough’s demographics*

5.43 With an economy that was driven by engineering and electrical manufacturing, deindustrialisation hit Waltham Forest harder than most London Boroughs. Indeed, whilst Waltham Forest’s economy is now more diversified and service sector led, the structural unemployment of those affected by the decline of traditional industries is still being felt. This is one of the explanations why, despite the Borough experiencing growth in its working age population, the rate of employment has not increased over the past 10 years. Indeed, despite a slight recovery in employment rates over the past two years, overall rates remain substantially below that for London. Also, non-employment is unevenly distributed across the Borough. In our analysis for the Waltham Forest ESAP Action Plan, we identified that the Borough has seven wards in which greater than one in five of the working age population rely on DWP working age benefits (Incapacity benefit, Income Support (mainly as lone parent) or Jobseeker’s Allowance).

5.44 Another explanatory factor for the low employment rate lies in the characteristics of new arrivals. While new arrivals to Waltham Forest are an indication of entrepreneurial opportunity, many individuals and families have migrated to the UK in an attempt to achieve the decent standard of living and/or quality of life that, for whatever reason, their country of residence could not provide. In the short to medium term at least, many find themselves
unprepared for the demands of employment in the UK with competence in basic skills: English, maths and IT often being seen as prerequisites for employment. As a consequence many new arrivals find themselves needing support from the public sector, whether through JSA, income support and/or information, guidance, training and brokerage.

Of equal concern is that the in-work population also displays vulnerabilities. For example, almost half (46%) of the working age population lack a VQ Level 2 qualification which is significantly above the London average.

**The Borough’s location**

5.45 The only potential weakness associated with the Borough’s location is that it lies on the periphery of the Thames Gateway, London-Stansted-Cambridge-Peterborough Growth (LSCP) areas and, whilst one of the 2012 Olympic Boroughs, again is not benefiting from the same levels of public funding and interest as Newham. The issues surrounding whether the Borough’s proximity to these locations will be a threat or an opportunity are discussed further below.

**The Borough’s economy and infrastructure**

5.46 As with much of London, traffic congestion is a serious and debilitating factor for businesses in the Waltham Forest. Congestion around key access routes such as the A406 stifle the Borough’s excellent road network access around, and to the north of London. Moreover, congestion and lack of parking facilities in town centres has been heralded as a serious hindrance for local businesses as it is argued that it has reduced accessibility for shoppers. When compared to competing comparison retail locations such as Brent Cross, this would appear to be a real disadvantage.

5.47 With a large number of micro and small businesses operating in the Borough, it has been cited through consultation that there is a severe lack of ‘fit for purpose’ premises for businesses to start-up (or move operation out of the domestic home), or grow-on space for employers wanting to expand. This is a major concern as it may in part be responsible for low VAT registration rate of just 30 per 10,000 in 2003 compared to almost 50 per 10,000 for London. Indeed, many businesses that are below the VAT threshold may simply have chosen to ‘stay small’ and continue to operate from home. More worryingly, businesses may actually be leaving the Borough to expand elsewhere.

5.48 Sectors that are strategically significant in the London economy are under-represented in the Borough. For example, financial and business services which are a powerful growth driver in London represent a smaller proportion of the economy – just 18% compared with 33% London-wide. The projections for the Borough’s economic growth are especially bleak in this context.
GLA estimates show that, without a policy intervention, the number of jobs in the Borough will decline by about 4,000 (to 47,000) over the next decade. This is mainly because the Borough has few firms in growth sectors and is comparatively over-represented by sectors that are expected to contract. For example, manufacturing and construction will decline sharply thereby offsetting any growth in retail. Equally, the strong growth in financial and business services will not benefit the Borough as significantly as elsewhere in London – although Waltham Forest can expect to benefit from growth in health, education and other services.

5.49 Although small and medium sized businesses form a particularly high proportion of activity in the Borough, entrepreneurship is comparatively weak with self employment representing just 13% in the Borough’s employed population compared with 15% in Enfield, 17% Haringey and 15% across London. It should be noted however that the rate and absolute number of self employed in Waltham Forest has remained flat over the past 5 years whilst in London and the adjoining Boroughs both the rates and absolute numbers of self-employed have grown.

5.50 More significantly, the rate of new enterprise formation is well below the London average – or indeed the rates seen in adjoining Boroughs. Waltham Forest has just 30 VAT registrations per 10,000 population compared with 50 for London as a whole and 48 in Enfield and 52 in Haringey. The rate of VAT registrations has remained stubbornly unchanged for the past decade.

5.51 Another infrastructural issue is related to business representation. The large number of small firms and sole trader firms in the Borough mean that anybody charged with representing business interests has a challenging task of ensuring that this representation is comprehensive.

Opportunities

The Borough’s demographics

5.52 The Borough’s town centres have the potential to become vibrant hubs that encapsulate the youthfulness and cultural diversity of the Waltham Forest. Building on, and reinventing, unique assets such as the Walthamstow market, the town centres have the opportunity to create the ‘sense of place’ and critical mass required to attract more people to work, shop and enjoy free time. Related to this, the Thames Gateway and the LSCP Growth Areas will bring significant new populations to the areas in and around Waltham Forest. This will bring with it a fresh wave of demand for convenience and comparison retail, evening entertainment and business services. The challenge is to enable micro and small businesses to be able to respond to this demand.
The Borough’s location

5.53 As one of the 2012 Olympic Boroughs, Waltham Forest has the opportunity to redefine some of its most deprived areas as vibrant and desirable places to live, work and play. There will undoubtedly be opportunities leading up to and during the Olympics for businesses to benefit from the wide range of business opportunities that will be demanded. But perhaps more importantly, however, the Olympics will, along with the other wards of North and North East London, put places such as Leyton and Leytonstone on the international map. Linking this with the opportunity for Waltham Forest’s town centres to undergo a step change in their appeal and vibrancy, securing a 2012 legacy for the businesses of Waltham Forest is an opportunity that cannot be allowed to pass.

5.54 Through LEGI funds, the Borough has the opportunity to bring together the 5 Olympic Boroughs, identify common opportunities and issues and plan to provide the necessary business support.

The Borough’s economy and infrastructure

5.55 Despite the fact that business leadership has been cited as a weakness, the new Waltham Forest Business Board and associated organisations mark the beginnings of a fully representative business leadership structure that can drive forward the enterprise plan.

5.56 With the public sector comprising over a third of employment in the Borough, there are also clear opportunities to develop supply chain linkages between large public sector institutions and local business. The continuing expansion of Whipps Cross Hospital and, in particular, its onsite training facility offers real opportunities for local firms. However, many firms lack the capacity and procurement expertise to compete for large scale contracts, a problem which has been given as a reason why local businesses may not benefit as much as some have predicted from the Olympics.

5.57 It has already been acknowledged that the skills levels of Waltham Forest’s in-work population are below that for London. Engaging and persuading firms to invest the time and finances in skill development is a difficult task. However, Waltham Forest College’s enterprise team have an established business training department and have developed some excellent relationships with local businesses. There is a real opportunity to build upon the College’s business service offer through better understanding, alignment and promotion of the College and other service providers.

Threats

5.58 The threats faced by the Borough are more generic and are therefore discussed jointly.
5.59 The major threat is that the development of Stratford City dominates the area to the detriment of the Borough’s town centres. The sheer scale of the development and its excellent transport links will make it the key centre in eastern London and will draw in business from north as well as east London.

5.60 Stratford City is also likely to become the central hub linking the Thames Gateway with the London-Stansted-Cambridge Growth Corridor. Unless Waltham Forest moves fast it could be by-passed in the process and miss out on the benefits.

5.61 If the Borough does however, manage to capitalise on these various major developments, it could encounter a problem of a different sort. As the Olympic zone gains greater cache, the Borough is likely to become a more attractive area for young professionals to live and hence a process of gentrification will occur. This could then lead to social division between the less affluent original inhabitants and the wealthy incomers.

5.62 Finally, global, or UK economic recession would damage Waltham Forest’s economy and limit its ability to respond to the substantial level of opportunities available.