FOREWORD

It is telling that former Mayors of London – Boris and Ken Livingston – are spoken of on a first name basis. Where they differ from Oprah or Elvis is that their mononyms weren’t self-selected. Though Boris and Ken didn’t have the power of a Prime Minister, they had serious clout in key policy areas, and set the tone for relations with central government and the capital at large.

Whether Sadiq acquires the celebrity of Boris with a bicycle in his name remains to be seen, but there’s a lot he can do behind the scenes to help make London the best city in the world for entrepreneurs.

Here we present a selection of expert views on the policies that will ensure Sadiq excels. On housing, we have Andrew Carter from Centre for Cities setting out a radical programme for ensuring that entrepreneurs and their employees can afford to live in this great city. On the commercial property crisis, we have Sara Turnbull, Co-Chair, Open Workspace Providers Group & CEO, Bootstrap Company, calling for the new Mayor to keep a close eye on the office-to-residential permitted development rights which are choking office space supply.

A successful politician is one that knows when not to intervene. Ben Southwood from the Adam Smith Institute offers Sadiq some words of caution when it comes to regeneration policies. And Stuart Thomson of BDB sets out a vision of how entrepreneurs could help tackle the capital’s ongoing congestion problems.

We also have Chris Kirk of PwC explaining how apprentices can plug the skills gap; Sarah Drinkwater of Google for Entrepreneurs setting out why tech entrepreneurs are key to London’s future; Pat Saini of Penningtons Manches offering a detailed vision of how the Mayor should lobby central government on visa reform; and Debu Purkayastha, Entrepreneur-In-Residence at Octopus Investments, outlining three ways Sadiq can ensure London remains a global centre for entrepreneurship.

This briefing paper isn’t the last word on how the new Mayor can ensure our capital continues to thrive. But in these brief articles some of London’s biggest challenges are detailed and faced head-on. With over 1m votes, Sadiq has a mandate for change. He would do well to listen to the wisdom in these pages.

Philip Salter, Founder, The Entrepreneur’s Network
WHY SADIQ MUST CONSIDER BUILDING ON THE GREENBELT

The UK needs more homes and office space. While this is a national issue, it is most acute in the country’s most successful cities. Curiously, despite the consensus around the need for new housing, those homes which do get built are not always in the places with the highest levels of demand. Between 2008 and 2013 there were relatively more homes built in Barnsley (the second most affordable city in Britain in which to buy a house given local incomes) than in London or Oxford (the least affordable cities). Sadiq, the new Mayor of London, must take bold steps to ensure entrepreneurs aren’t priced out of the capital. This means considering all the options – including building on the greenbelt.

On most metrics, London is a great place for entrepreneurs to thrive. The capital’s booming economy offers many of the ingredients for a startup to succeed – a highly-skilled workforce, vibrant and innovative businesses, the chance to network and collaborate with clients and other firms, and excellent infrastructure.

It’s no surprise, therefore, that London is home to the highest number of startups per capita of anywhere in the country. But this success comes at a cost. Consider, for example, the high price of office space in the capital. High rent rises in the “Silicon Roundabout” area have forced some tech and digital startups to move to other parts of the city and beyond. A BNP Paribas report from 2015 suggested an additional 2m square feet of space would be needed by 2017 to accommodate the capital’s growing media and tech firms.

Yet potentially an even bigger issue is London’s housing crisis. Conservative estimates suggest that 50,000 homes need to be built every year for the next decade, just to meet demand. The London Chamber of Commerce has warned that high housing costs represent the biggest threat to the capital’s global economic competitiveness. More than half of London businesses say the cost of – and access to – housing is impairing recruitment, particularly for entry-level roles.

This could manifest itself in London losing entrepreneurs to other, more affordable, European capitals. We’ve witnessed it elsewhere: look at the downstream migration occurring on the West Coast, where Los Angeles (or “Silicon Beach”) is drawing tech entrepreneurs in droves from San Francisco with lower housing costs and a thriving cultural scene.

Despite the pressing need for solutions, the plans set out by Sadiq suggest he is not willing to take the difficult decisions necessary to resolve our housing crisis.

Most importantly, he has dismissed building new homes on the greenbelt – despite mounting evidence that this will have to play a role. We have found that more than 430,000 homes could be built at suburban densities, close to train stations on just 2 per cent of London’s greenbelt. The policies outlined in the new Mayor’s manifesto – including building on brownfield sites, adopting a “Londoners first” approach, and dealing with “rogue landlords” – won’t come close to addressing the scale of the capital’s demand for housing.

While our research shows that around 365,720 new homes could be built on brownfield land within the Greater London Authority (GLA) area, there are important caveats. Developing brownfield land is an expensive process, and it can take up to 15 years to repurpose the land for housing. And there isn’t enough brownfield land in London to build all the homes the capital needs: it does not offer the quick fix that politicians might like to suggest.

Of course, building on the greenbelt is a controversial and contentious idea. But the new Mayor must avoid following in Boris’s footsteps by ignoring the greenbelt opportunity for fear of jeopardising political support. He will need to show real political leadership and make the case for building on the greenbelt alongside developing brownfield. Not only will that be crucial in making London a better place to live and work for its 8m residents, it will also be vital in ensuring the capital continues to be a great place for entrepreneurs to thrive in the future.

Andrew Carter, Deputy Chief Executive, Centre for Cities

IT’S NOT JUST A HOUSING CRISIS – IT’S A COMMERCIAL PROPERTY CRISIS, TOO

That London is in the midst of a housing crisis is in no doubt. Around 25,000 new residential properties have been completed in Greater London in each recent year. Most estimates say we need at least double that number.

But while the residential market has dominated the discourse around affordable property in London, too little attention has been given to the increasing unaffordability of commercial space, despite it squeezing businesses of all shapes and sizes. Yes, expensive housing makes it difficult for firms to access the workforce they need. But commercial real estate costs are pricing entrepreneurs out of the London market altogether.

A recent Royal Institute of Chartered Surveyors UK Commercial Property Market survey (Q4, 2015) revealed that 81 per cent of contributors find commercial real estate in London to be overpriced. Occupier demand continues to increase, availability declines, and the price of office and retail space to businesses continues to soar.

4 http://www.rics.org/uk/knowledge/market-analysis/rics-uk-commercial-market-survey/
By way of snapshot, according to figures produced by Savills, serviced office providers at the top end of the West End market are achieving rental values of around £132.50 per square foot, pushing space out of reach for many new and growing London businesses. Startups operating in space-intensive creative industries – precisely the sorts of businesses we should be cultivating – are hit particularly hard.

In its efforts to alleviate the housing crisis, the UK government introduced permitted development rights for office to residential conversions back in May 2013. From this date, applicants were permitted to convert existing office accommodation to residential dwellings without seeking planning permission.

According to the Greater London Authority (GLA), this has led to prior approval being given for the conversion of around 1.3m square metres of office space in London. Retail-to-residential permitted development rights has seen less of an impact, though that may change if retailers spot an opportunity to capitalise on the value of this space in London. Londoners, desperate for any measure that will deliver more housing in the capital, have welcomed the move. But increasing housing supply should not come at the expense of affordable commercial space.

Key areas in London, including the Central Activities Zone (CAZ), are currently exempt from the policy – exemptions which expire this year. It must be an urgent priority for Sadiq to work with local authorities to secure and extend these exemptions, especially in areas where office stock is in dire need. It was encouraging that former Mayor Boris issued Supplementary Planning Guidance to protect commercial space in the CAZ, but Sadiq should go further and ensure London avoids and unaffordable loss of commercial space that would choke firms’ ability to find and afford offices.

There are other ways that the new Mayor could shape policy towards providing more commercial space in London, such as by pushing for Business Rate Relief to be extended to registered providers of open workspace that demonstrate a social value within their local community. The devolution of business rates to the Greater London Authority (GLA), as announced in the 2015 Autumn Statement, was also a welcome move.5

Further, Sadiq may use supplementary planning guidance calling for denser commercial developments in areas that already have cluster of commercial space. That may mean taller office buildings, or the encouragement of more retail space within mixed-use developments to increase the supply of new space coming onto the market.

5 http://www.adamsmith.org/blog/regulation-industry/why-osborne-should-be-applauded-for-his-business-rate-devolution-proposal/
As with the residential market, the new Mayor will not be in a position to wave a magic wand and immediately tackle all of the factors that are pricing businesses out of commercial space in London. However, the Mayor’s office, both in its advocacy work and policy work, can make a difference.

_Sara Turnbull, Co-Chair, Open Workspace Providers Group & CEO, Bootstrap Company_

**THE MAYOR MUST SHOW RESTRAINT IF LONDON IS GOING TO REGENERATE**

Regeneration is mostly a case of allowing, rather than deliberately doing. The new Mayor does not need to positively do much to make regeneration happen, except sit back and let it do its work. When the government has tried to rejuvenate Northern cities, it has largely failed. Place-based regeneration schemes have shifted activity without raising it, and the gains have evaporated when the programmes ended. But “private” regeneration – i.e. people living their lives the ways they want to – has worked incredibly well across the world.

First let’s be clear: government place-based schemes always fail. A recent review from the LSE’s Centre for Economic Policy Research looked at entrepreneurship and economic activity in 30 English disadvantaged areas with high quality fine-grained spatial data. It found that entrepreneurs just shift activity a smidgeon across the border, and then when the scheme is over, they shift it back. In the LSE’s words: “Employment increases in treated areas close to the treatment area boundary at the cost of significant employment losses in untreated localities just across the boundary. These differences vanish quickly when moving away from the boundary and do not persist after the programme is abolished.” These programmes do not work. Governments are as bad at picking location winners as they are at picking sectoral winners or individual firms.

But the market can do the job. Look at Brixton now versus twenty years ago. Look at Shoreditch. It’s hard to not see Camberwell or Peckham following suit. Around the world, look at areas of Washington DC, New York or even deprived Detroit. People have a habit of sniffing out bargains, especially tolerant bohemian youngsters or aspirational but cash-strapped recent migrants.

When the migrants come, and a bit of commerce begins, and crime falls, and houses stop being boarded up and run-down, and jobs arrive, then young couples and creatives come. Eventually you have a thriving district of a city with independent coffee shops, cafes serving brunch, hip fusion restaurants, nightclubs in exposed-brick lofts, and tech jobs – precisely the sorts of amenities that will entice entrepreneurs from across the globe to set up shop. It’s happening, and it really doesn’t require much more than good institutions, decent policing, and a bit of goodwill.

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6 [http://personal.lse.ac.uk/einio/LEGI_Einio_Overman_Jan2016.pdf](http://personal.lse.ac.uk/einio/LEGI_Einio_Overman_Jan2016.pdf)
However, this does require some serious negative effort and restraint. As noted, Sadiq will need to keep his fingers out of the pie. Positive regeneration schemes have failed, almost every time they’ve been tried. Worse still are the post-WWII housing developments in London which have reduced density, leading to higher rents now, even if they were subsidised in between. They have made cities ugly and inhuman, and they have not created lasting success. Glorious modern, diverse Brixton would disappear if the government replaced it with a motorway, as was planned in the 1960s. And look what happened to Birmingham, which had its centre bulldozed for great ringroads intended to get people in and out of commercial zones.

If Sadiq wants to regenerate the remaining ailing parts of London, he needs to let gentrification happen, and let it speed up. If he can restrain any latent urge to demolish swathes of terraces and replace them with towers, or to slash police numbers and let crime run rampant, London will regenerate itself.

Ben Southwood, Head of Research, Adam Smith Institute

ENTREPRENEURS CAN HELP LONDON OVERCOME CONGESTION

While we all dream of getting around the capital without delay, the reality is often very different. Perhaps we shouldn’t be too surprised: London is growing at speed – its population is expected to reach 10m by 2030 and, by some estimates, 13m by 2050.

This growth is not just a result of net migration, which despite the government’s best efforts peaked at 323,000 in the year ending September 2015, but of birth rates and life expectancy, too. Far from cause for panic, the city’s expanding number of residents is a measure of its economic and cultural success: London is a place where people want to live and work.

But that success brings certain challenges – not least in ensuring the transport infrastructure is in place to ensure London fulfils its potential. According to outgoing Mayor Boris’s London Infrastructure Plan 2050, £973bn of spending is needed on transport alone to keep up with the rising population and number of people working in the capital.

Yet its transport system is showing signs of strain. While the city flourished as an early adopter of rail and the underground back in the Victorian era, mistakes were made. London has expanded at a rate far quicker than improvements to networks, making fundamental change difficult.

7 Why aren’t we building more streets in London, Nicholas Boys Smith (October 2013)
8 http://www.economist.com/blogs/blighty/2013/05/birmingham
Transport for London (TfL) continues to plan and develop much-needed infrastructure projects, and there exists an understanding that what’s good for London is good for the whole country. Consider Crossrail 2, whose supply chain alone, its managing director has predicted, will “support over 60,000 jobs around the UK and see £5bn spent on services provided by Britain’s small and medium-sized firms”.10

With air pollution linked to nearly 10,000 unnecessary deaths in the capital every year, tackling London’s air quality crisis must be high on Sadiq’s agenda. It means continuing to make cycling both more attractive and safer, as well as considering the future shape of the Congestion Charge and low emission zones.

The Mayor should be actively engaging with businesses to come up with innovative solutions to London’s growing congestion. He could take a leaf from Austin’s book, where carpooling is encouraged through the “Carma” app; businesses are actively encouraged to offer telecommuting opportunities for employees; and every bus is fitted with a cycle rack, so park-and-bike is always an option. Businesses are at the cutting edge of new technology and Sadiq should utilise their expertise. And it’s not all about public transport: London’s road network also needs to be kept open and built on.

Entrepreneurs are flocking to London: nine of the top 10 UK local authorities for startups in the two years to 2015 were in the capital.11 But they are not always willing to pay the higher rents in places such as Mayfair. People are spreading out – Crossrail, completion of the London Overground and the East London line have encouraged them to eschew high-rent locations.

Such projects can also provide solutions to the UK’s housing crisis, in turn ensuring that London retains its status as the best place in Europe to start and grow a business. House prices have surged within a 10-minute walk of new Crossrail stations and 91 per cent of tenants want to live within 1km of a transport link. With housing shortages a significant risk to London’s growth, transport hubs can be the much-needed catalyst for change – especially to local areas.

Consider High Speed 1, which kickstarted the King’s Cross regeneration. By the 1990s, Kings Cross had become run down, offering poor housing and acres of underutilised brownfield space. More recently, major occupiers, including Google and Twitter, have established their UK headquarters in the district, which has in turn attracted other exciting, fast-growth tech companies.12

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Selling London helps sell business. A great reputation for the city will improve the reputation of the businesses operating here. Transport is at the very hub of that reputation.

*Stuart Thomson, Planning and Infrastructure team, Bircham Dyson Bell
Author of “New Activism and the Corporate Response”*

**HOW APPRENTICES CAN PLUG THE SKILLS SHORTAGE**

While outgoing the Mayor can be commended on his efforts to raise the profile of apprenticeships, Sadiq looks likely to take this further. Under Boris, funding was provided to target businesses of every size and sector, and a network of apprentice ambassadors was created to promote the benefits of apprenticeships in school. This employer-led programme – in which businesses were asked to come up with ways of encouraging more firms to recruit apprentices in their sector – worked well. It’s estimated that 3,500 new apprenticeships have been created across the capital.

Most businesses which take on apprentices, however, are well-established and of a certain size. Running an apprenticeship scheme takes time and resources, but entrepreneurial businesses tend to be new, small, and run on a tight ship. Taking on an apprentice is often the last thing on a founder’s mind.

But entrepreneurs and apprentices could benefit enormously from each other. Entrepreneurial companies operate in an environment of constant change and adaptation, dealing on a daily basis with real-time problems. These are vital skills for the modern economy – where better for an apprentice to learn them than a rapidly-growing business?

Entrepreneurs, on the other hand, need keen, enthusiastic staff who are willing to be flexible and who don’t have what might be viewed as a “traditional business” mindset. Many fast-growing businesses are also desperate for digital technology skills – skills that are increasingly built into the DNA of newer working generations.

The country as a whole, too, can benefit. Entrepreneurs are natural risk-takers who constantly experiment with new ideas, who like to stay close to their customers, and who learn by watching what others do. It isn’t a typically British mentality, we certainly need more of it, and entrepreneurial apprenticeships could be the solution.

We know that apprentices and entrepreneurs need each other, but how can they be brought together? This is where the new Mayor comes in. First, he needs to make apprentices and entrepreneurs more aware of each other and how such a scheme can be mutually beneficial. Matching services, such as “Get In Go Far,” could help but smaller businesses are less likely to know they exist; a campaign targeted at entrepreneurial businesses would be an excellent first step.
Sadiq’s next challenge will be to improve opportunities for building wider networks. We know that apprentices in small businesses tend to lose out when it comes to peer support, and the social and business networks provided by larger organisations. We’ve had considerable success running the London Professional Apprenticeship (LPA) programme, which was co-funded through the Olympic legacy development fund and which provided 250 apprenticeships to attract outstanding young Londoners into professional services roles. We need to support entrepreneurial apprentices with a scheme that brings them together and offers access to the interview training, negotiation and networking skills that are often available in larger firms.

But the biggest challenge for entrepreneurs comes in providing the structure and time for an apprenticeship programme. The nature of entrepreneurial businesses – time pressures, the rapidly changing environment and a lack of experienced people to mentor apprentices – makes that difficult. The traditional apprenticeship model, therefore, doesn’t really apply.

So I’d like to see the new Mayor lobby for investment in programmes which help smaller employers set up and run apprenticeship programmes. PwC has first-hand experience of this through our Professional & Business Apprenticeships programme, part of the government-funded Employer Ownership of Skills initiative. Our programme provided simple access to funding for business of all sizes and flexible, high-quality training for employers to make sure that they get the most out of their apprenticeships (and vice versa).

We have a real opportunity to create a new generation of innovative, entrepreneurial thinkers in London through a well-organised apprenticeship system. These skills are unlikely to be learned anywhere else than at the frontline of entrepreneurial businesses – and could be just what the city needs.

Chris Kirk, Education and Skills Lead, PwC

WHY TECH ENTREPRENEURS ARE KEY TO LONDON’S FUTURE

Over the course of Boris’s terms in office, the growth of London’s startup ecosystem was nothing short of incredible. Employment in the tech sector is booming, startups are fast becoming scale-ups, and London has emerged as a leading centre for innovation in Europe. The tech and information sectors have been responsible for 30 per cent of job growth in London since 2009.

The question facing Sadiq is how London will build on these successes and lay the foundation for the next stage of growth. We supported the launch of the Mayoral Tech Manifesto, which laid out thirteen key initiatives - from giving broadband a more prominent role in the work of the London Infrastructure Delivery Board to
working with Ofcom and the London boroughs to ensure a consistent planning permission regime across London.13

The report argues that a successful, sustainable and prosperous London in the 2020s will be a digital London, populated by digital Londoners and digitally-enabled businesses. We are already in a position of strength: the 2015 European Digital City Index ranked London top for both startup and scale-up readiness. But there is still much to do. The next four years represent a crucial juncture in London’s digital development, and the Mayor has a key role to play in ensuring London capitalises on its thriving population of tech entrepreneurs.

Every day, I meet founders and teams in search of the right technical talent to build their companies. Worryingly, Sherry Coutu’s Scale-Up Report showed that failure to make hires is preventing companies going truly global.14 We must build a stronger pipeline of tech talent, and ensure that a diverse range of digital specialisms thrive across the capital – building on the current landscape which ranges from fintech in the City of London to Euston’s MedCity. And it’s not just hard tech: the EU predicts that before long 90 per cent of all jobs will require some digital skills.

Sadiq should prioritise the skills gap, building a robust tech talent pipeline to help entrepreneurs find the new hires they need. Boris made good headway, but his successor must build on support for lifelong learning to upskill those whose formal education ended before these opportunities existed, or meaningful partnerships between business and media.

There are few cities in the world where a municipal leader is so well placed to help the digital community than London. The new Mayor should seek to build relationships not only with the tech community but also with key organisations from his own delivery agencies, borough councils and the London Enterprise Panel to ensure talent issues are addressed.

As the Tech Manifesto laid out, this will involve embracing the many changes which new technologies bring to London life. Disruption is being developed in the multiple tech clusters that have sprung up from Croydon to Stratford and Shoreditch. Sadiq should bring communities together to address these changes and ensure London can both take advantage and mitigate the risks. It could take the lead from other digitally outstanding cities such as Tel Aviv and New York.

One of the Mayor’s most vital responsibilities is as spokesperson and cheerleader for the city. There’s no doubt that Boris took to the role like a natural, and Sadiq must continue to emphasise that London is the best place in the world to start and scale a business. Trade missions play a key role in raising awareness of London as an investment destination, and in showcasing our top businesses. In 2015 alone, Boris led trade missions to the US, Israel, Japan and China. Sadiq must use his travels and trade missions to highlight London’s advantages, and tech entrepreneurs

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14 http://www.scaleuprepor
particularly those at the helm of scale-ups – should be a priority to join these delegations.

Encouraging London’s founders to keep a global outlook is essential for this city’s success in tech. London’s strength is in its diversity – our 50,000 members at Campus London come from over 160 countries – and we need to continue to think big.

Sarah Drinkwater, Head of Campus London, Google for Entrepreneurs

THIRD PARTY SPONSORSHIP WILL ENSURE STARTUPS BUST THROUGH BARRIERS TO GROWTH

London has become an increasingly attractive location to start and grow a business, both to UK nationals and foreign entrepreneurs. But there is a serious shortage of skills and experience in the capital’s thriving tech sector. It is estimated that there will be a shortfall of 300,000 digitally skilled employees in London alone by 2020.\(^{15}\)

And yet, while politicians actively support the concept of entrepreneurship, current immigration policy remains a deterrent towards the recruitment of skilled overseas workers, and is considered a significant barrier to the growth of burgeoning tech businesses in the UK. The combination of a serious shortage of home-grown talent with the right skills and high immigration hurdles to overcome for overseas talent means that the UK’s high-growth and fast-moving entrepreneurial sectors – tech and digital business – cannot always expand at the required rate to be globally competitive.

Although it’s not within his direct remit, the new Mayor of London should lobby central government hard for the introduction of a Third Party Sponsorship (TPS) visa as this could help to unlock the barriers to growth for entrepreneurial businesses of all sizes. It would allow overarching entities such as accelerators, incubators and venture capital firms to sponsor migrants in which they have invested or for whom they are providing a service.

A number of measures could be taken to avoid abuse of this system. Through the TPS, all sponsors would be approved via a rigorous application process, comparable to the current Tier 2 sponsor licence application process. Sponsors would be well-established entities in the business of providing support, finances or services to fast-growing businesses. They would be required to demonstrate not only their own ability to meet the obligations of sponsorship, but also to demonstrate a sophisticated vetting process. Because these organisations are already working with startups, this process would be difficult to abuse.

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\(^{15}\) Research finding from Penningtons Manches LLP and TLA submission to MAC in response to call for evidence on minimum salary thresholds for Tier 2 – 3 July 2015
Only startups with which the sponsor has a pre-existing relationship would be eligible to employ migrants via the programme, and the sponsor would need to show that they are providing services to the startup beyond sponsoring migrants. When the relationship between the startup and sponsor ends, the business would no longer be able to employ any migrants under the TPS visa programme.

Third party sponsors would be required to monitor startups once migrants are in place to ensure compliance. All migrants sponsored via the system would be permitted to work for one designated business only— and they must be undertaking a skilled role. All migrants would be monitored to ensure they are only doing the role for which they have been sponsored. This would be undertaken by the sponsor, who would have ultimate responsibility for compliance.

Combined, these measures would ensure an effective, evolutionary short-term solution to allow the UK’s most promising, proven startups to grow at the speed required to achieve success. It is a much needed stop-gap for startups which are not yet in a position to use Tier 2. And it can be safeguarded in several ways— such as limiting endorsements, or putting a time limit on them, or transferring businesses to the Tier 2 system once they reach a certain size.

TPS is a natural evolution of current immigration policy. Many of the entities involved are already playing a role in immigration, are already trusted partners of the UK government, and are already committed to the safe and regulated growth of entrepreneurial businesses in the UK.

The UK government has been very supportive of the technology sector to date, yet immigration legislation could undermine future growth and sends a message to the global digital community that London is not open for business to everyone. If we are to retain our global competitiveness, it’s time to take action.

*Pat Saini, Head of Immigration, Penningtons Manches*

**THREE WAYS THE MAYOR CAN POSITION LONDON AS A GLOBAL CENTRE FOR ENTREPRENEURSHIP**

There’s a reason why Londoners tend to view the capital as the centre of the world (geographically, at least). They start their days working (virtually) with Tokyo, Shanghai and Delhi, and finish it with colleagues in LA or San Francisco.

London is a top three global destination for ambitious professionals, and Europe’s favourite tech centre for global tech professionals. When I left university, investment banking and consulting were viewed as the top draws. Today, the tech sector burns bright for both graduates and professionals, but so too does

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entrepreneurship: according to a recent YouGov poll, 22 per cent of young people aged 15-18 want to set up their own businesses.

Now, new Mayor Sadiq must turbo-charge London as a centre for entrepreneurship. To do so, he should focus on infrastructure, cementing London as a centre of excellence, and making key appointments.

While the capital tops UK cities on many metrics, a UCL study has found that it lags behind Bristol, Portsmouth and Bath when it comes to broadband speeds. Better broadband makes it quicker and easier to do business and allows any sole trader to fully operate and grow in a global marketplace.

Like caged birds in captivity, Londoners have grown accustomed to slow internet speeds. We might be at the centre of the world, but we’ve come to accept that other cities outpace us. Now, we’ve reached a point where improvement appears impossible. The city’s average download speed, for fixed line and mobile, trails behind most European cities: Nesta and the European Digital Forum’s European Digital City Index ranks London 12th for digital infrastructure.

Investing in fibre to replace London’s leaky copper pipes is essential. In the UK, roughly 2 per cent of households are connected by fibre; in South Korea the figure is closer to 60 per cent. In the current economic climate, the billions of pounds needed to achieve this may seem unaffordable, but the payback in terms of economic growth makes it more than worth the investment. Indeed, some estimates peg the payback at 20 times Gross Value Added for every pound invested. A three-fold increase (given the existing low base) should be an ambitious, yet achievable, target over the mayoral term.

Google Campus, a five-story building near Old Street Roundabout with over 50,000 members, is a locus for startups in London. Yet despite Campus’s ever-growing popularity, its model has yet to be replicated elsewhere in the city. We need 200,000 square feet of real estate for incubating startups and small businesses spread over three to five locations across London. Funded by the Greater London Authority (GLA) and run by private enterprises (ideally startups themselves), it would see startups across all industries spend an average of six weeks being coached on the elements of success. Further, it could connect these entrepreneurs to potential investors, following the YCombinator and Entrepreneur First models.

But to give real weight to his aspirations for London as a top entrepreneurial centre, the new Mayor should consider new appointments for the capital. A new Chief Technology Officer could act as a point of contact for facilitating and coordinating London’s technology backbone and broadband connectivity – especially critical fail-safe emergency systems. Sadiq must make good on his pledge to appoint a Chief Digital Officer, who would act as a primary point of contact for startups and corporates for engaging with the GLA on digital initiatives. Finally, an

17 https://www.mgmt.ucl.ac.uk/capital-of-entrepreneurs
18 https://digitalcityindex.eu/city/16
Entrepreneurship Tsar could focus on attracting global entrepreneurial talent to London and overseeing the new “Centres of Excellence”.

These are ambitious, yet achievable, objectives for the incoming Mayor of London. With global cities hot on London’s heels, Sadiq must act fast.

*Debu Purkayastha, Entrepreneur-In-Residence, Octopus Investments*