

Regional Perspective-Islington, UK



Introduction

Islington is one of 32-borough areas, which make up London as a whole. The area is situated towards the north of Central London, which is an area of key economic importance to the capital and the country as a whole. The population is currently estimated to be 179,000, with is made up of a variety of people from minority ethnic backgrounds, groupings and social and economic divisions. The Islington economy is highly specialised. It accounts for a high concentration (63%) of all Business & Professional service employment in London. In this context the Central London economy is increasingly reliant on people possessing specialist knowledge and experience and high levels of educational attainment. In many quarters Islington can be seen as a 'place to be' and external perception is one of a trendy, affluent, middle class area, it also has both a strong economically and politically foundation.

Central London employs 1.7 million people representing 47% of the capital workforce and has a business population of 111,000 businesses, excluding micro-business not registered for Vat. Islington shares many of the features that define the Central London area as a whole. In terms of its wealth, it has a significant concentration of Business & Professional Services companies, many of them servicing the city and possesses vibrant and expanding Hospitality and Creative industries.

Economic Profile and Employment profile

Islington business population can be measured in a number of ways. A considerable number (9%) of residents are in self-employment and therefore running micro-businesses. Adding those 15,000 people in self-employment to the 9,645 vat registered businesses provides us with a better indication of the level of business activity in Islington. Figures differ according to whether they refer to VAT registered firms (which exclude any companies registered for VAT elsewhere, below the VAT threshold or in non-VAT activities) or to employment units.

The number of VAT register businesses within the Islington area increased by 5.4% between 1997 and 1998. This compares well with the 4% growth rate for Central London as a whole. The sector breakdown of Islington companies is as follows:

Islington Business Sectors

Sectors	No.Comp	% of Total
Real Estate	3260	33.80
Wholesale/Retail	1945	20.17
Public Admin	1615	16.74
Manufacturing	1205	12.49
Hotel/Restaurant	605	6.27
Construction	295	3.06
Transport?Comms	290	3.01
Finance	240	2.49
Education/Health	160	1.66
Agric/Fishing	25	0.26
Mining/Energy/Water	5	0.05
Total No. Companies	9645	100.00

Size of Businesses in Islington

The vast majority of employment units in Islington are small employing 10 or less people. Only 13.8% have 11 or more employees, and fewer than 1% have 200 employees or more. Islington is in this respect about average with Central London as a whole.

Business Services

The business services sector is the most important sectors in terms of employment, accounting for 496,000 jobs and 38% of total private sector employment in Central London in 1997. This sector is made up of high value added firms (accountants, law firms and management consultants), and lower valued added business services such as couriers, contract cleaners, IT support and recruitment and training. Based on information from the employer survey, the sector has experienced growth in domestic sales in the summer of 1999 and expect the growth rate to increase. This sector is the second most confident sector after Financial Services.

In Islington the Business and Financial Services sectors together account for 45,800 jobs or 35% of total employment, and are by far the largest employers in the borough.

Financial Services

This is the second most important sector in terms of employment accounting for 220,000 jobs and 17% of private sector employment in Central London. Growth in this sector has been very strong based on evidence from the employer survey. Both domestic and export sales have increased significantly, well above the London average.

Retail Services

This is consisted the third the most important sector within the area, accounting for over 184,000 jobs and 14% of all private sector employment.

In Islington, the Retail and Wholesale sectors account for 12,500 jobs or 9.6% of all employment

Creative Industries

This sector accounts for 110,000 jobs in Central London, making the area the most important one in the UK in terms of concentration of creative business activities.

The sector includes the visual arts (painting and sculpture), museums and galleries, the performing arts (theatre, dance, opera) and design, publishing and multimedia. There is strong export activity within this sector and future expectations are more optimistic compared to domestic sales.

Hospitality and Entertainment

These sectors account for 135,000 jobs or 11% of private sector employment in Central London. The Hospitality sector includes hotels, guest houses, restaurants, bars and pubs, and employ over 100,000. The Entertainment sector includes cinemas, gambling, and clubs and employ 35,000 people. Until December 1998 Hospitality and Entertainment was the second fastest growing sector behind Business Services. Recent evidence suggests that growth in domestic sales has slipped. Nevertheless, the sector – together with Business Services – have been the main net contributors to employment growth over the past year.

In Islington, the Hotel and Catering sector alone employs 5,100 people. Representing 4% of all employment. The borough appears to have benefited form the buoyant trend in the sector up to the end of 1998. A recent report by Discover Islington (March 1999) estimates that visitor expenditure in Islington amounted to £105 million, representing growth of 13% between 1997 and 1998.

EXISTING SUPPORTS FOR E-BUSINESS

Agencies and bodies in the region supporting entry to e-Business

Small businesses can obtain e-business support both from local and London wide agencies, as this area is increasingly seen as critical to maintaining London's competitive edge.

Local agencies

- a) There are a number of local agencies specialising in ICT support and offering services to small businesses. These include the Financial Services Sector Training, Well Tec, and Hoxton Bibliotech.
- b) In addition the Islington Chamber of Commerce (ICCT), and the Islington Enterprise Agency (IEA), have both been active in ICT related projects over the

last 5 years. These have ranged from training in using computers to running a small business, to raising awareness about the commercial possibilities afforded by the Internet, web building skills and practical help to developing a web presence.

- c) The University of North London regularly runs ICT related programmes, both to support decision making and hands-on computer learning.
- d) City and Islington College (a local educational institute in the Islington area) have recently introduced a dedicated ICT suite and programmes targeted at businesses. However, as far as businesses is concerned, the emphasis appears to remain on offering basic skills training to personnel of medium to large businesses.

Commercial

As already mention, Business Services, together with Financial Services, is the largest business sector in Islington in terms of employment. This indicates an abundant supply of ICT/e-commerce services from the private sector, including software developers, web developers, ICT consultants and other businesses in the media industry.

It must be noted that much of the ICT related support available to local businesses is delivered via partnerships involving public and private sector organisations. The latter group includes IDL and Prevista.

Public Sector

Local government

Islington Council supports a broad range of ICT related initiatives targeted at new and existing businesses, as well as local residents. Recent initiatives include provision of ICT training and access to computers on-site targeted at the local fashion industry, promotion of new technology among businesses in the creative industries, and development of teleworking strategies.

Some of the above initiatives were, until recently, delivered directly by the Council, through council owned organisations such as the Arts & Technology Centre, the Financial Services Sector Training (FSST), and the Wells Technology Centre (Wells Tec). These organisations have now become independent of the Council, as part of shift within the local authority away from direct provision, concentrating instead on strategic planning, partnership development and overall co-ordination.

Central Government Support

The Department of Trade and Industry (DTI) has developed a number of schemes to support innovation in small firms, and these are in principle available to Islington businesses.

Schemes include:

[UK online for business](#) is the new face and name of the Information Society Initiative. The new brand is part of UK online, a nation-wide initiative to create a base which puts the UK at the forefront of e-business.

The [SBS Smart](#) scheme provides grants to individuals and SMEs to review, research, or develop technologies leading to commercial products

[UK online for business](#) offers information on how to use the Internet and other technologies to reach new customers

[Business Links](#) have Innovation Technology Counsellors.

E-Business Skillset and Knowledge available in those agencies

Islington Council

The Regeneration Unit of the Council has extensive knowledge of designing, co-ordinating and implementing SME support programmes with a focus on ICT. The council also has in-house ICT skills within the Libraries Department and IT Support Unit. However, to date these have not been employed in any significant way in SME support.

ICCT

The chamber has extensive experience of promoting and capturing clients for ICT related programmes. Together with the IEA they provide the "public relations" interface, liaising with businesses throughout the life of projects, organising dissemination events, monitoring progress and conducting evaluation activities.

IEA

As described, the IEA normally shares the front-end responsibilities with the chamber, as far as ICT projects is concerned. In addition, they also have experience of one-to-one business support assessing and helping clients to develop e-commerce proposals in the context of the entire business operation.

Hoxton Bibliotech

This organisation specialises in the technological aspects of ICT development, and therefore has a range of in-house skills in ICT including web design and development, multimedia production, and ICT training and consultancy.

Islington Development Profile

Organisation

The Regional Development Agency for Islington is not just the local authority but the partnership of SME support organisations involved in USHER, together with other local organisations collaborating in related projects.

This broad partnership is not yet a legal entity in its own right but has in effect become the main SME support mechanism in the borough. The partnership is comprised of public/not-for-profit (LBI, ICCT, IEA, FSST, Hoxton Bibliotech), and private (IDL, Prevista) sector organisations, with the local authority providing overall coordination and financial support.

SME support activities are organised around funded projects, and different members of the broad SME partnership would have involvement - at various levels - in these projects.

Routine business enquirers are generally dealt with by the chamber of commerce and enterprise agency. The chamber provides some information and advice to non-

members. However, more substantial support is only available to members. The IEA offers intense support but free/subsidised access is limited by the different eligibility criteria of funded projects.