LONDON & PARTNERS

LONDON'S BUSINESS SUPPORT STRATEGY

Coordinated, inclusive and sustainable support for London's SMEs

LONDON GROWTH PLAN

MAYOR OF LONDON

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Executive summary

London's one million micro, small and medium-sized enterprises (SMEs) are the backbone of the city's economy, yet the business support system that many rely on to grow and thrive is fragmented and failing too many.[1][2] While London has strong, and in places, excellent provision – from university enterprise programmes and borough services to sector accelerators and national schemes – the overall system is hard to navigate and does not work equally for everyone. Despite an extensive offer, fewer than half of SMEs that need support access it. Businesses report encountering a complex landscape, unclear pathways and persistent inequalities in access to high-quality provision, particularly for established SMEs and scaleups.

These weaknesses are now exposed by rapid economic change and a funding cliff-edge. SMEs must adapt to AI, productivity and net zero pressures. While London's businesses can access national programmes – including Innovate UK, the British Business Bank, UK Export Finance and tax incentives – the end of the national Government's UK Shared Prosperity Fund (UKSPF) leaves a £22m annual funding gap in London's business support ecosystem.[3][4] Without action to secure sustainable, locally responsive funding, proven programmes will close just as demand rises.

This strategy sets out actions across three foundations, that, together, provide a roadmap for building the coordinated, inclusive and sustainable business support system London's SMEs need and deserve.

Foundation 1

Backing London's businesses with world-class infrastructure

Make business support easy to find through frictionless, pan-London navigation.

Foundation 2

High-quality support for every London business

Working with providers and investors to address gaps in business support.

Foundation 3

Securing sustainable funding

Convening partners and advocating for long-term investment in London's business support system.

This strategy provides a clear, evidence-driven roadmap to build the coordinated, collaborative, inclusive and sustainable business support system that London's future growth depends on. It is grounded in an independent evidence review by WPI Economics, which draws on more than 70 sources, including national SME surveys and wider secondary research. The review should be read alongside this document; its conclusions are integrated throughout and provide the basis for the actions outlined below.

It is a joint strategy developed by London & Partners and the Mayor of London, with input from London Councils and some of the major private investors of business support provision in London.

Foreword

Borough Market

Foreword

London's unique entrepreneurial spirit and ecosystem is one of our greatest economic strengths. Our city has the highest rate of new business formation in the UK, is home to around one in five of the nation's SMEs and London's SMEs employ more than half of the capital's workforce. At the heart of this success story are the more than one million diverse, micro, small and medium-sized enterprises that form the rich fabric of London's economy.

Yet London is also facing challenges, particularly in relation to productivity and access to employment opportunities for young people. These challenges are significant, but London's strengths are greater. Our creativity, global reach, entrepreneurial culture and diversity offer extraordinary potential for innovation, renewal and inclusive growth.

Through this strategy, my administration is setting out a renewed commitment to ensure that every SME in London is given the opportunity to thrive and grow. The actions identified here will equip enterprises with the tools they need to scale, access finance, improve productivity, reach new markets and create vital new job opportunities.

A strategy of this ambition can only succeed through strong collaboration with local authorities, business support providers, community organisations, financial institutions and our brilliant entrepreneurs themselves. Working together, we can align resources, share insights and co-design solutions that respond to the real needs of London's diverse business community.

This strategy is a roadmap to ensuring that London remains the best place in the world to start, solidify and scale a new business. It is critical to helping us build a fairer, safer, greener and more prosperous London for everyone.

Sir Sadiq Khan, Mayor of London

Foreword

London's SMEs are the beating heart of London's high streets and communities, and our early-stage innovators and high-growth scaleups – particularly in sectors such as life sciences and green innovation – are growing rapidly.

As London's growth agency, London & Partners wants to ensure that these organisations from across the capital get the support they need to grow – benefitting the diverse entrepreneurial Londoners who rely on them for their income, as well as London's wider economy.

The new strategy sets out a clear framework to help SMEs start, scale and grow in the capital, mobilising actors across London to deliver a coordinated, forward-looking system that works for businesses at every stage of growth. It is designed so that every entrepreneur, regardless of background, has the opportunity to start and grow a successful business.

This strategy was a team effort. More than 800 stakeholders were reached in developing this strategy, including London Councils and major business support funders, and more than 70 contributed directly to the independent evidence base or strategy itself.

Now that the strategy is published, I look forward to working with partners to deliver the actions which will ensure London's business support system is world-class.

I am therefore delighted that, as part of delivering the London Growth Plan, London & Partners has worked with the Mayor and organisations from across London to develop this Business Support Strategy.

Laura Citron OBE, CEO of London & Partners and London's Growth Mission Lead

The challenge

Jennifer, Owner – Genny's Emporium, Lewisham

Image credit: Elliott Wilcox

The challenge

London's SMEs are the backbone of the city's economy. They account for 99% of businesses and generate more than half of private sector employment.[5]

Rather than being driven by a single dominant industry, London's economy is shaped by SMEs in all sectors, powering high streets, sustaining industrial estates and driving innovation hubs citywide. Their needs vary significantly across London, so effective support must reflect not only different stages of business growth and sector needs, but also London's geography, drawing on local knowledge and integrating with borough-level networks and services.

London's entrepreneurs are equally diverse, coming from every background and bringing different perspectives, ambitions and routes into business. A growing pool of new entrepreneurs is emerging, driven in part by structural shifts in the labour market: as AI and automation reshape entry-level employment, more Londoners are turning to entrepreneurship. This includes young people turning ideas into businesses, and others who are finding their own routes into enterprise — whether through community networks, employment services or personal career transitions.

At the same time, many existing SMEs struggle to attract talent, highlighting an opportunity to better connect skilled graduates and aspiring entrepreneurs with the businesses that need them most, especially as persistent gaps in representation demonstrate that opportunity is not yet equally shared.

London's SMEs span every stage of growth, from pre-start and early-stage ventures testing new ideas, to established businesses, many of them family-run, focused on productivity, consolidation and succession planning.

Many operate in the foundational economy: high-street retailers, hospitality venues, local tradespeople and professional firms that serve local communities and underpin everyday economic life. These businesses are vital for neighbourhood vitality, local employment and social cohesion.

Alongside them sits a dynamic cohort of high-growth scaleups which, while small in number, make a disproportionate contribution to economic growth and require tailored support to navigate access to finance, enter new markets and to attract the skilled talent they need to grow. London is also home to frontier innovation businesses operating at the cutting edge of science and

London's SMEs as drivers of economic productivity

The London Small Business Survey shows that SMEs accessing external business advice see labour productivity increase by 22%.[21]

Be the Business estimates that even a 1% productivity uplift across SMEs could add £94bn annually to UK GDP.[16]

Goldman Sachs and Enterprise Research Centre analysis suggests that cultivating more Productivity Heroes among established SMEs could unlock £106bn in additional revenues.[20]

Our ambition

By 2035, London will have a world-leading business support system that is inclusive, sustainable and easy to navigate, so every micro, small and medium-sized business in the capital has the support to start, grow and thrive.

technology in sectors such as life sciences, green innovation and advanced technologies — enterprises that are shaping the capital's long-term competitiveness and global standing.

A dynamic SME sector is essential to London's economic strength. Even modest productivity gains could contribute billions to London's economy; the London Growth Plan specifically targets a 2% annual productivity increase, a trajectory that would add £107bn to the capital by 2034. Helping SMEs adopt technology, including AI, and access growth opportunities is the critical lever to achieving this and reversing post-financial crisis stagnation.

This diversity is not a challenge to be managed but a strength to be nurtured, one that demands a coordinated, inclusive and flexible business support system capable of responding to evolving needs. Most SMEs in London are micro-businesses (employing fewer than 10 people), so they often rely on external advice and support to grow.

Catherine, Owner – SoLo Craft Fair, Southwark Image credit: Elliott Wilcox

Persistent inequalities in access to business support

Analysis from the British Business Bank found that 15% of businesses led by people from minoritised backgrounds identified a need for finance but something stopped them from applying – more than double the rate for white-led businesses.[7]

Businesses led by people with disabilities account for 25% of SMEs but only 8.6% of turnover; 56% received no external support when starting their business.[8][9]

Yet the business support system they rely on is fragmented, uneven and leaving too many SMEs without the support they need to start, grow and thrive.

Despite more than 200 accelerators and support programmes, fewer than half of SMEs that need support access it, with businesses reporting a complex landscape, unclear pathways and frustrating application processes.[6][7] Support fails to reflect real business journeys: pre-start businesses benefit from relatively strong provision for business basics, while established SMEs and scaleups face more significant gaps, inconsistency and complexity. Long-standing inequalities also persist. Underrepresented groups, including women, entrepreneurs from minoritised backgrounds and founders with disabilities continue to face structural barriers to starting and scaling businesses.

At the same time, SMEs are confronting rapid change. Pressures to adopt AI, boost productivity and transition to net zero are intensifying, yet most businesses are not equipped to respond, and existing support has not kept pace with the scale or speed of change.

London's SMEs can access national programmes – including Innovate UK, UK Export Finance, the British Business Bank and tax incentives – but locally coordinated support faces a critical funding challenge. These challenges are heightened by the end of the UK Shared Prosperity Fund (UKSPF) in 2026, a national government programme which currently provides the majority of public funding for business support in London and leaves an estimated £22m annual gap in London's business support system.[3] This follows an earlier loss of the European Structural Funds and Local Enterprise Partnership funding (approximately £150m annually combined), representing a dramatic reduction in public funding for business support.

Without decisive action, proven programmes will close just as demand is rising, threatening not just individual programmes but the infrastructure underpinning London's business support system.

London does not lack ambition or expertise but a coordinated, inclusive and sustainable system. This strategy sets out a clear and shared vision for how London's business support providers, investors and local and regional government can work together to build an evidence-driven system with enduring impact.

The economic case for intervention is clear: protecting and enhancing business support is critical to enabling London's future growth and is central to the London Growth Plan's missions on productivity, inclusion, green growth and global competitiveness.

Who does what in London's business support ecosystem?

Throughout this strategy, we use the following terms to describe the organisations involved in London's business support ecosystem:
Funder: An organisation that funds others to deliver business support. Examples include the Greater London Authority, Innovate UK, His Majesty's Government and charitable foundations.
Funder-provider: An organisation that provides business support which it pays for from its own funds. Examples include banks, technology companies and industry trade bodies that run programmes for SMEs - whether as core business activity or through a philanthropic foundation.
Provider: An organisation funded by others to deliver business support. Examples include London & Partners, enterprise agencies and borough-commissioned services.
Investor: Used to refer collectively to funders and funder-providers, as defined above.

Huckletree, Soho

Strengthening the foundations of business support

London's business support ecosystem involves a vast range of partners across the public, private and philanthropic sectors – including, but not limited to, London boroughs, further and higher education institutions, Business Improvement Districts, sub-regional partnerships, enterprise agencies, high street banks, corporate accelerators, industry bodies and charitable foundations – who together provide substantial support to SMEs across the capital. This strategy aims to coordinate and build on London's existing strong provision – bringing together the best of what's already working — to strengthen the bedrock of productivity without duplicating existing efforts.

Each sector within London has its own specific support needs. However, the sheer scale of London's SMEs means that this strategy hasn't sought to cover all of these. Rather, it provides a broadly sector-agnostic foundation to ensure every SME can thrive, and then purposefully aligns with the London Growth Plan to deliver targeted specialist support for high-growth sectors under action 2E.

By bridging the gap between pre-start and early-stage growth and addressing persistent inequalities, the strategy ensures London's ecosystem is as diverse and dynamic as the businesses it serves.

Case study

BIG South London is a collaboration with more than 30 organisations – including boroughs, universities, colleges, workspace providers, Chambers of Commerce and Business Improvement Districts – working to boost innovation and growth across five south London boroughs. By connecting local businesses to the resources, expertise and facilities available within south London's higher and further education institutions, the partnership has delivered £40m in gross value added (GVA) to south London's economy, supported more than 1,000 businesses, helped create more than 1,000 new jobs and levered more than £15m in additional investment into research and innovation activities since 2021.

Ersun, Owner – 1917 Chill Cafe, Bromley Image credit: Elliott Wilcox

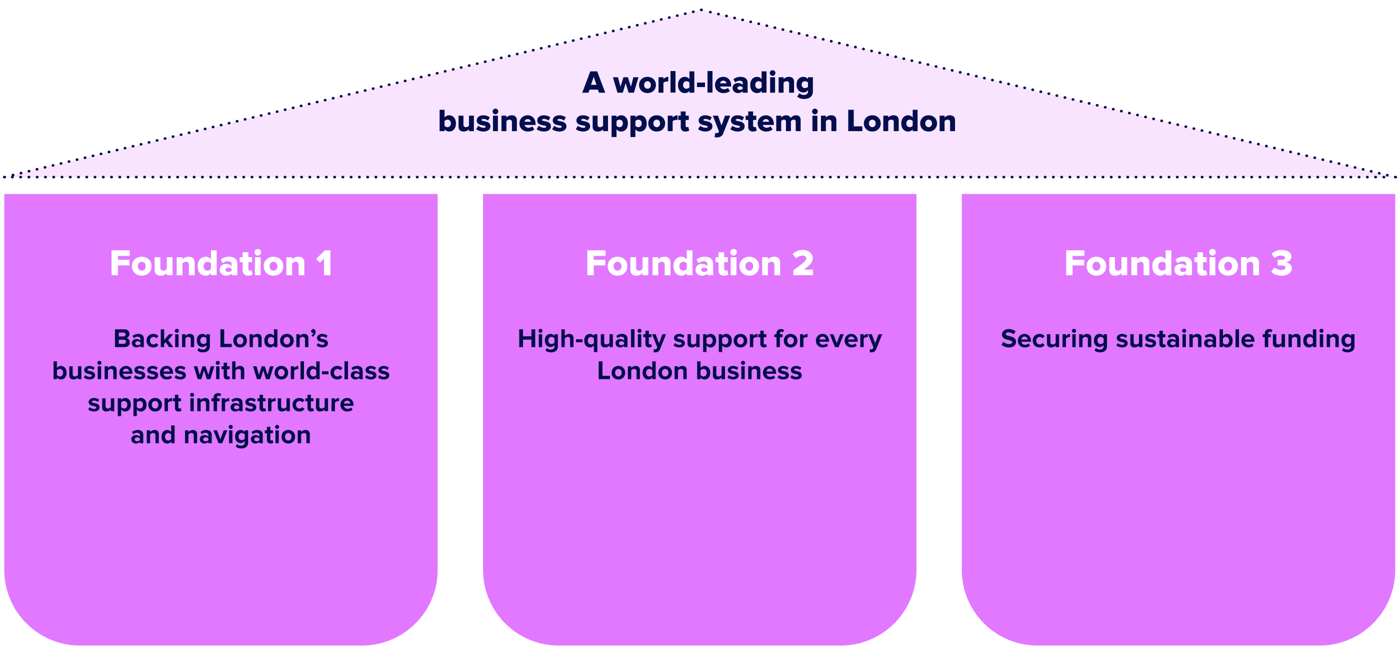
These three foundations provide a clear roadmap for building the coordinated, inclusive and sustainable business support system London's SMEs deserve.

Foundation 1
Backing London's businesses with world-class support infrastructure and navigation
London's business support landscape must be easier to navigate and better coordinated. This foundation focuses on strengthening the core navigation infrastructure that underpins inclusive access to effective support for SMEs across the capital.

Foundation 2
High-quality support for every London business
Current provision does not reflect the diversity of London's SMEs or the challenges they face as they grow. Support is uneven across business stages, with a "missing middle" for established SMEs and a need for specialist provision for businesses with specific sector or growth stage needs. This foundation sets out clear investment opportunities for investors to work in partnership with London government to address the critical gaps in the evidence review, including high-quality provision for underrepresented entrepreneurs, stage-appropriate support, emerging needs such as AI and net zero and later-stage growth capital.

Foundation 3
Securing sustainable funding
Building a resilient funding base for London's business support system requires moving beyond the short-term cycles that disrupt provision and hinder long-term impact. The end of national government's UKSPF, while creating a gap, also presents an opportunity to assess what has worked, learn from provision across the capital and build a stronger, more evidence-informed foundation for future investment. This foundation sets out how London government will convene investors, strengthen partnerships and advocate for the conditions needed to unlock long-term investment.

Together, these three foundations form an integrated approach to strengthening London's business support system. This strategy distinguishes between actions that London government can deliver now and areas where the evidence points to clear needs, but delivery depends on securing funding and partnership commitments. For these areas, the strategy sets out the direction of travel, with specific outcomes to be agreed as delivery arrangements are confirmed.



The plan

Camden Market, Camden

The plan

Backing our businesses with world-class support

London has the ingredients for a world-class business support system – but businesses deserve a fully coordinated, inclusive and sustainable offer worthy of the world's greatest city. To make this happen requires actions from partners across London – including public and private business support providers and investors – working in alignment with national programmes to ensure SMEs can access the right support, in the right place, at the right time.

The following plan sets out how these partners can achieve that, under the three foundations.

Harley, Owner – Harley's Flowers, Lewisham

Image credit: Elliott Wilcox

Foundation 1
Backing London's businesses with world-class business support infrastructure and navigation

Making finding the right business support frictionless through excellent business support navigation.

Actions

- **1A** Enhance Pan-London digital navigation and connectivity
- **1B** Launch a new Pan-London finance navigation tool for SMEs
- **1C** Pilot workspace navigation and brokerage
- **1D** Strengthen London's public business support referrals and brand
- **1E** Coordinate navigation with national and other regional business support

1A Enhance pan-London digital navigation and connectivity
London's business support landscape is diverse and complex, and many SMEs require tailored assistance to navigate available provision and access the support most relevant to their needs. Business navigation services have played a key role in addressing this challenge.

Most recently, Grow London Local, funded by the Mayor of London and delivered by London & Partners, has provided a pan-London navigation offer. It has supported more than 37,000 businesses through one-to-one sessions and digital tools, reaching more than 370,000 businesses via its digital platform since 2023.[10]

London & Partners will continue to provide these essential navigation services – connecting businesses to a diverse network of specialist providers, from community based organisations and university enterprise programmes to borough services and sector specific accelerators. This single digital front door to London's business support system will set the standard for a world-class, pan-London navigation offer.

Building on existing digital reach across all boroughs – which is currently complemented by in-person outreach through borough partners, higher and further education institutions and community hubs – London & Partners will expand its digital sector coverage and strengthen its role in connecting businesses to the right support at the right time.

The way businesses find and access support is evolving as AI develops. London & Partners will continue to develop the Grow London Local online platform and presence in response, ensuring services are structured and accessible across digital channels.

London & Partners will also test demand from SMEs at business stages the platform does not currently serve, such as scaleups, for better connections to specialist provision by stage and sector.

This presence will also connect entrepreneurs to high-quality training and work-based learning opportunities, strengthening leadership capability across London's business base.

Alongside this, because many micro-SMEs and start-ups are unaware of alternative ownership models such as mutuals and cooperatives, Grow London Local will raise awareness and signpost businesses to specialist advice through its online presence, supported by complementary engagement and outreach activities. This builds on growing borough-level activity in this space, including cooperative development programmes in boroughs such as Islington and Greenwich, and aligns with national policy ambitions for the cooperative sector.

London & Partners will continue exploring new navigation modules to signpost to relevant provision, including a cybersecurity and resilience offer. This helps businesses raise awareness of, and respond to, threats by connecting them to resources like the national Cyber Essentials campaign. London & Partners will also explore expanding talent navigation modules to signpost SMEs towards inclusive hiring and foundational recruitment guidance.

1B Launch a new pan-London finance navigation tool for SMEs

Accessing the right finance remains one of the biggest barriers to SMEs starting and growing. Finance-related topics consistently rank as the most searched category on Grow London Local's digital platform across businesses of all sizes and stages, and London also faces among the highest rates of debt finance rejection of any UK region.[11] Despite this high demand, many SMEs struggle to identify, access and navigate appropriate finance options. Businesses led by people from minoritised backgrounds are particularly affected: 15% identified a need for finance but did not apply – often due to perceived barriers such as likely rejection, cost, or process complexity – more than double the rate for white-led businesses. Many also lack access to trusted networks that support informed finance decisions.[12]

To help SMEs identify and access the finance most suited to their needs, Grow London Local will launch a new campaign to improve awareness and understanding of available funding options. As part of this campaign, a dedicated finance navigation hub will be introduced in 2026. This pan-London digital hub will provide clear signposting to financial literacy and finance-readiness support, working with private sector partners to ensure comprehensive coverage.

The hub will consolidate relevant resources in one accessible place, enabling businesses to navigate financial literacy tools, practical guidance and find tailored support more easily. It will also deliver monthly webinars and regular masterclasses across different areas of London, helping SMEs to build confidence, develop financial management skills and improve investment readiness.

1C Pilot workspace navigation and brokerage
High property costs constrain SME growth, with 21% of London businesses citing premises costs as a barrier (vs 12% nationally).[13] Scaleups and businesses requiring specialist spaces such as labs, maker spaces and studios are particularly affected.

Beyond affordability, access to a suitable workspace plays a wider role in London's SME ecosystem. Workspaces support collaboration and peer-to-peer learning, help businesses build networks and contribute positively to employee wellbeing. Sustaining a diverse and affordable supply of workspace is therefore critical not only to business growth, but to inclusive economic development across London.

Grow London Local will continue to signpost SMEs seeking workspace to providers listed within its service directory. Future workspace navigation approaches with relevant providers will consider referral pathways between workspace access – including affordability, suitability of space type and flexibility of lease arrangements – business support and additional support available for tenants. This could include signposting to help SMEs navigate commercial property arrangements – which can be complex and unfamiliar, particularly for first-time commercial tenants – as well as closer information-sharing between Grow London Local and boroughs on workspace demand patterns and local provision.

Alongside this function, several Greater London Authority programmes focus on the direct provision of affordable workspace. The Mayor's Creative Enterprise Zones programme is designed to protect existing and provide new affordable workspace for creative businesses, with £2.2m in additional investment enabling the Zones to unlock more affordable creative workspaces, champion planning policies that support cultural initiatives, provide advice and business support and create jobs as part of the Mayor's work to reverse the decline in studio spaces.[14][15] The Creative Land Trust secures long-term affordable workspace for artists through freehold and long-lease acquisitions,

Case study

Camden Collective is a registered charity based in the heart of Camden Town providing free hotdesking and subsidised office space to startups. Since 2009, it has revitalised 18 vacant buildings, from single occupier shops to a former hospital housing 500 members, by taking on temporary leases for empty spaces at peppercorn rates and transforming them into thriving melting pots for entrepreneurs.

Collective removes financial barriers to entry, offering free workspace, an organic, creative community and room to grow. Its inclusive model aims to reflect the diversity of the local area, resulting in a member base with significantly higher representation of women and Black, Asian and businesses led by people from minoritised backgrounds than the London average.

By incubating hundreds of businesses and supporting the creation of numerous jobs, Camden Collective strengthens the local economy by bringing creativity and innovation back to inner London.

Deicola, Owner – Camden Guitars, Camden

Image credit: Elliott Wilcox

with a goal of building a portfolio of studios for 1,000 or more artists and makers across London. The Greater London Authority's Space for Culture team also operates a space register that triages requests and provides tailored support, including space readiness assessments, to cultural organisations seeking space.

The Greater London Authority is also exploring how the activation of vacant high street units could be delivered through a new Civic Estate Agency, including alignment with High Street Rental Auction powers at the local level. Similar models are being explored elsewhere in the capital, including in Enfield, where coordinated high street improvements are combining new business trading space, public realm enhancements and enterprise incubation to strengthen local economic resilience.

1D Strengthen London's public business support referrals and brand

London's boroughs are already working together, and with Grow London Local, to ensure businesses can be referred across borough boundaries to the support they need. Boroughs also provide regulatory services such as planning, licensing and environmental health that represent direct touchpoints with local businesses and natural opportunities for signposting to business support. With the national government's UKSPF – an important source of funding for borough-led business support – coming to an end, establishing frictionless referral pathways to remaining pan-London and national provision is critical.

To achieve this, London & Partners, the Greater London Authority and London Councils will continue working together and with other relevant partners – such as sub-regional partnerships, enterprise agencies, Business Improvement Districts, universities and Job Centre Plus – to develop shared referral criteria and pathways to make sure businesses find the support they need including exploring connections to borough employment and skills services to help SMEs access talent and support inclusive recruitment. As part of this work, partners will also explore the feasibility and benefits of creating a single, London-wide business support brand with boroughs, to provide a clearer, more consistent offer for SMEs.

London & Partners will also ensure their Grow London Local Business Support Managers have regular training on borough and partner provision to maintain consistent, well-informed referrals.

1E Coordinate navigation with national and other regional business support

London will continue to embed its "no wrong door" approach to business support, ensuring that SMEs can access the right help regardless of where they first engage with the system. Working in partnership with the Department for Business and Trade, Innovate UK and delivery partners, London & Partners will ensure that London's business navigation services are aligned with the national Business Growth Service.

This approach will enable effective cross-referral between local, regional and national services, reduce duplication and ensure businesses receive timely, tailored support at each stage of their growth journey.

In its role as lead coordinator for the South East Cluster of Growth Hubs, London & Partners will continue to align activities with neighbouring regions. This includes leading on the delivery of shared resources — such as commissioning common fact sheets, hosting webinars and procuring a cluster-wide digital campaign to raise awareness of the sector. By acting collectively, the cluster will leverage economies of scale to ensure the best use of public funds across the region.

Grow London Local Lates event

Foundation 2
High-quality support for all of London's SMEs

Providing intelligence on business support needs to enable investors to address gaps in support, including provision for underrepresented entrepreneurs, stage-appropriate support, emerging needs such as AI and net zero, investment readiness and frontier innovation firms.

Actions

Sharing intelligence on business needs and provision

2A Share information on business needs and provision publicly

Addressing gaps in current provision by targeting funding and provision

2B Close the inclusive entrepreneurship gap across the broad SME sector

2C Strengthen quality and coordination of mentoring pathways

2D Support scaleup SMEs to export and compete internationally

2E Expand targeted provision for established SMEs

2F Develop sector-specific business support plans for frontier innovation

2G Support emerging needs

2H Support the entrepreneurs of the future

Improving the quality of business support across London

2I Share learning on what works

2J Explore options for a business support quality indicator

With the ending of national public funding through the UKSPF for regional and local business support in 2026, it is critical that the remaining local public and privately funded business support is effectively targeted and keeps up with evolving business needs. It also provides an opportunity for funders and investors of business support to assess existing and previous provision to gain a better understanding of the most effective interventions to support businesses in growing, thriving and being as productive as possible.

Evidence consistently shows that information and advice alone are not sufficient to drive business growth. The most effective support extends beyond signposting to include practical implementation assistance — helping businesses act on recommendations, make investment decisions with confidence and embed new practices. This is particularly important in technical areas such as digital adoption and decarbonisation, where founders may lack the specialist knowledge to translate advice into action. The actions in this foundation reflect this principle: support must be designed to drive behaviour change, not just knowledge transfer.

Chapel Market, Islington

Under this foundation, the Greater London Authority and London & Partners will commit to sharing data on business support needs with providers and investors to help them adapt programmes and innovate to ramp up provision to fill gaps as they emerge.

This foundation also identifies the gaps in provision that shape London's current business support needs, to help guide investors to target support where it's most needed. While some of these gaps are present across much of London's broad SME sector, some are related to SMEs in specific stages or sectors.

Sharing intelligence on business needs and provision

2A Share information on business needs and provision publicly
To enable business support providers across London to identify and respond to current and emerging needs, the Greater London Authority will explore establishing a business support needs databank which pools data from providers, investors and London & Partners programmes to identify gaps between provision and business need. This could include information on demand from Grow London Local referrals and results of surveys of SME needs.

Providers from across London would be encouraged to provide information – including local intelligence on how business needs vary across localities – to ensure a more comprehensive and geographically nuanced picture of demands and gaps in provision. Over time, the Greater London Authority will also explore how anonymised and aggregated business support data could be made available as a public resource, enabling external organisations to develop innovative tools and services that help London's SMEs.

Addressing gaps in current support by targeting funding and provision

2B Close the inclusive entrepreneurship gap across the broad SME sector
People with disabilities, women and people from minoritised backgrounds face an entrepreneurship gap driven by structural barriers. SMEs led by people with disabilities report lower turnover, and businesses led by women and people from minoritised ethnicities access less finance.[7][9]

These groups are not homogeneous — the barriers, ambitions and support needs of entrepreneurs within each category vary significantly, and effective provision must reflect this diversity, and intersectionality, rather than treating any group as a single segment.

Providers of business support in London can help overcome structural barriers through scaling up specifically targeted programmes for underrepresented groups. This should include support that is co-designed with the communities it serves – drawing on lived experience to shape programme design, delivery and evaluation – alongside targeted place-based outreach through culturally trusted community hubs (building on borough-led approaches that have proven effective in reaching underrepresented entrepreneurs) and structured mentoring and peer networks.

JiL Fresh Cuisine, Southwark

London & Partners will continue to provide dedicated networking opportunities for underrepresented founders through its range of programmes, including quarterly female founder breakfasts, peer learning gatherings and embedding one-to-one support and mentoring throughout programme delivery. Existing face-to-face networks – including those for SMEs led by people with disabilities, female founders, entrepreneurs from minoritised backgrounds, LGBTQ+ business owners and deaf entrepreneurs – have supported more than 3,800 entrepreneurs to make connections and facilitated targeted events.[17] Scaling these models across London – delivered by organisations with lived experience, co-designed with the communities they serve and embedded in place-based outreach through culturally-trusted hubs – is critical to closing the entrepreneurship gap.

To support investors in increasing effective provision for underrepresented groups, the Business Support Investor Group (action 3A) will explore effective models for scaling these programmes, sharing the results with the wider business support community. This could also include working with financial institutions on inclusive lending practices and standards.

2C Strengthen quality and coordination of mentoring pathways

Programmes combining mentoring and peer learning have demonstrable positive effects on business outcomes, but London's provision remains fragmented and uneven in quality. Entrepreneurs with disabilities identify mentoring as their top support need (51%), yet there are documented gaps, particularly in the availability of mentors with lived experience.[9] More broadly, underrepresented groups engage more effectively through community-based and culturally trusted intermediaries, suggesting coordination of existing provision is needed to reach diverse founders.

The Business Support Investor Group (action 3A) will work with the business support ecosystem to explore establishing coordinated approaches to mentoring standards, quality

Case study

Pathway Fund enables London based organisations to build credible investment vehicles that channel capital into Black and founders from minoritised backgrounds and high-potential SMEs.

This directly addresses a structural gap: less than 2% of UK venture capital funds are Black led. By providing catalytic investment, ecosystem scaffolding and a London launchpad, Pathway has helped these managers establish themselves, attract further capital and demonstrate the commercial and social value of diverse leadership in expanding access to growth finance across London's SME ecosystem.

Their success has been significant enough that Pathway is now running the second round of its Emerging Venture Fund Manager, expanding the pipeline of founders from minoritised backgrounds and strengthening London's inclusive funding infrastructure – supporting the wider ambition to close the entrepreneurship gap and improve access to growth capital.

Fabric shop, Brixton

assurance and accessibility. This could include mapping existing provision to identify gaps, supporting the development of mentors with lived experience and ensuring provision is actively marketed to underrepresented communities through trusted channels. This builds on Grow London Local's existing role in signposting SMEs to quality mentoring offers.

2D Support scaleup SMEs to export and compete internationally

Scaleups represent around 0.5% of UK SMEs but generate more than half of SME output, playing a disproportionate role in productivity, exports and high-quality job creation.[19] Scaleup leaders identify three interconnected top barriers: access to markets (58%), talent and leadership (55%) and finance (42%), alongside infrastructure (29%) and tax complexity (26%).[19] Addressing these challenges requires joined-up support rather than isolated interventions.

London Tech Week 2024, Olympia London

London & Partners will continue to deliver its international programme for high-growth companies, Grow London Global, providing integrated, tailored support to London-based scaleups to access international markets. The programme has delivered more than £800m in gross value added (GVA) to London, and includes leadership development, trade missions, investor readiness, talent and skills support, market expansion guidance and peer learning. Ongoing support and networking have been provided through an alumni network, complementing earlier-stage provision.

While Grow London Global has addressed many of these interconnected challenges, scaleups also need improved access to growth capital itself, not just readiness support, alongside sector-specific guidance for businesses. The Business Support Investor Group (action 3A) will explore how to address these needs in partnership with direct-to-SME capital providers, business support providers and sector bodies.

2E Expand targeted provision for established SMEs

Established SMEs are vital but often underserved drivers of productivity. Evidence suggests that strategic business advice, particularly around growth planning and market positioning, is the single most critical factor in improving business success.[21] Expanding programmes targeted at these established businesses, those trading for 3-plus years with stable revenue, could therefore make a particularly strong contribution to London's productivity and business resilience.

There is some evidence of the needs of this group of SMEs, along with examples of effective interventions — such as productivity masterclasses, peer learning groups, leadership development and succession planning support for family businesses and support for fair pay practices that strengthen both workforce retention and business sustainability.[22]

However, to ensure these programmes drive productivity gains, further work is needed to share learning between investors and providers on what works, including for established

SMEs led by underrepresented groups. The Business Support Investor Group (action 3A) will therefore investigate this as part of its workplan.

Alongside this provision, access to supply chains remains a further, targeted growth level. Members of the London Anchor Institutions' Network (LAIN) have collectively awarded more than 2,800 contracts worth £2.72bn to small and diverse-led businesses since 2021 and have pledged to direct up to 30% of addressable procurement spend to the sector.[23] This will be supported by targeted supply chain mentoring from partners like Siemens Mobility and Willmott Dixon Interiors via Grow London Local.

2F Develop sector-specific business support plans for frontier innovation

The London Growth Plan identifies five priority sectors, including: frontier innovation (life sciences, quantum, AI and green innovation), financial and professional services, creative industries, the experience economy and international education. Different sectors face distinct structural barriers requiring tailored support. For example, frontier innovation SMEs face long research and development timelines, specialist capital and workspace needs, complex regulation, and challenges commercialising research. Creative industries require project-based financing, access to studios and production facilities and guidance on intellectual property. Advanced manufacturing needs patient capital for equipment investment and connections to supply chains.

In contrast to other priority sectors which are generally well served by existing horizontal business support provision, frontier innovation sectors require more tailored support.

To help identify tailored support needs, London & Partners will work with SMEs, sector representatives, the Greater London Authority, universities, boroughs and sub-regional partnerships that host innovation clusters, to develop sector-specific business support assessments. These will reflect the geography of London's innovation assets – from life sciences clusters in south and west London to AI hubs across the capital – beginning with life sciences, AI, quantum and green innovation, in alignment with the London Growth Plan's ambition to turn frontier innovation from a powerful but relatively smaller sector into one of the powerhouses of the London economy. These sectors are also identified within the evidence review as industries of the future, requiring tailored support, with London & Partners' 2025 frontier innovation survey finding significant skills gaps and distinct structural barriers. Early examples of borough-led collaboration – such as an eight-borough coalition across central and inner London focused on inclusion in life and health sciences – point to a growing appetite for this kind of coordinated, sector-specific approach.

These assessments will map business support needs against existing provision and identify opportunities to coordinate existing and potential future providers of tailored support. This approach could be extended to other sectors facing distinct barriers as resources allow.

Institute for Cancer Research, Sutton

2G Support emerging needs

As London's SMEs and the world around them evolves, business support will need to adapt to meet changing needs. The new databank (action 2A) will help providers across London to understand these emerging needs in a timely manner. However, we already know through existing evidence of two quickly emerging needs:

Supporting SMEs with digital and AI adoption

While 60% of small businesses view AI as essential in the next five years, only 2% currently use it for automated decision-making.[24][18] However, where adoption occurs, results are significant: SMEs using AI report a 35% average increase in operational efficiency in the first year.[24]

Many SMEs struggle with limited time, digital skills gaps and confidence in choosing solutions that fit their needs and budgets. To support effective technology adoption and sustained absorption into business operations, there is a need for provision that provides practical implementation support, trusted intermediaries to help SMEs navigate the evolving market and regularly updated sector-specific guidance.

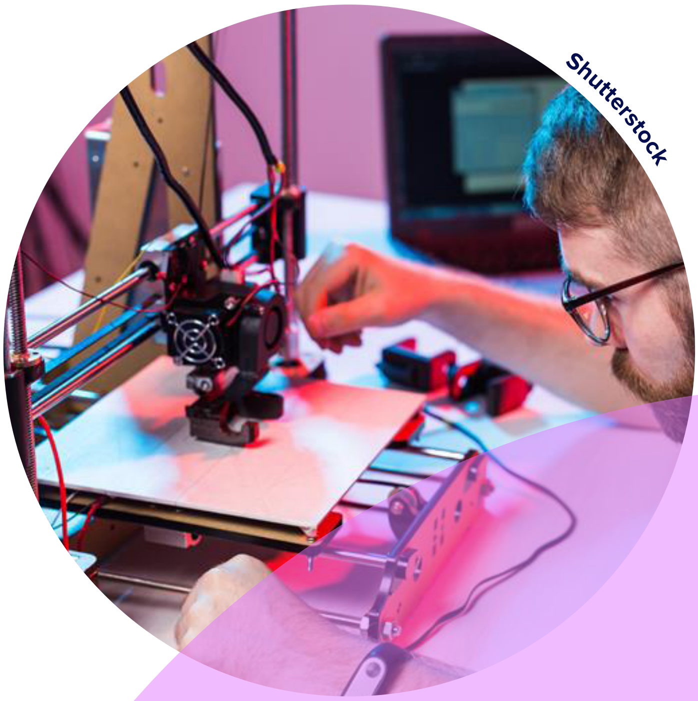
The fast-moving development of AI means that the question is no longer whether SMEs should adopt AI, but how to implement it in ways that complement workforce capability, enhance higher-value tasks and prioritise reskilling over displacement to support sustainable and inclusive growth.

London & Partners will therefore work with the Business Support Investor Group to explore effective models for scaling AI provision for SMEs, learning from programmes that have successfully supported measurable productivity gains through technology.

In parallel, the Mayor of London's Taskforce on AI and the Future of Work will undertake discovery research to understand the impact of AI on Londoners and which interventions are effective for those at risk of being left behind.

As part of this agenda, London & Partners will also build on the successful first year of Made Smarter London, which recently injected more than £300,000 into small manufacturers to accelerate their adoption of AI and digital technologies.

Following a strong pilot phase, London & Partners will scale the programme in 2026/27 to support even more small businesses in modernising operations and driving productivity.


Shutterstock

Supporting SMEs to decarbonise and build climate resilience
SMEs contribute around half of UK business emissions, and while most SMEs are aware of the need to act, more than half are not ready to prioritise decarbonisation due to resource constraints and a fragmented support landscape.[25][26]

To meet London's climate goals, SMEs will need clear guidance and support to reduce their carbon emissions. While programmes already exist in London to do this, they will need to be scaled up and possibly replaced when UKSPF funding comes to an end. Evidence suggests that the most effective way of supporting SMEs is:

- Integrating carbon reduction advice into core advice, such as finance, marketing and business planning, as SMEs are more likely to engage with these services, and it enables carbon action to be framed as a commercial imperative (through cost savings and brand advantages).
- Through thematic programmes that provide specialist advice for specific decarbonisation interventions and/or sector-specific support.

Beyond reducing emissions, SMEs also need support to build resilience to climate impacts. Programmes such as West London Business's Better Futures – which supported more than 600 businesses and delivered an estimated return of more than £18 for every £1 invested – have generated valuable evidence on effective SME climate interventions.[27] Drawing on evidence such as this, the Business Support Investor Group (action 3A) will explore an action plan to scale climate support across London, covering both decarbonisation and resilience, and will consult with the Greater London Authority's environment team on delivery approaches where appropriate.

2H Support the entrepreneurs of the future
As AI and automation reshape the labour market, more Londoners are finding new routes into entrepreneurship. Gen Z company directors increased 42% in a single year, and there is growing recognition of the role that employment and skills services can play in connecting individuals and communities to enterprise as a pathway to economic participation.[28] However, these emerging entrepreneurs often lack the networks, mentoring and structured support to build sustainable businesses, while established SMEs struggle to compete with large corporates for early-career talent. Bridging this gap is essential for London's future productive capacity.

Working in coordination with borough job brokerage schemes, the Inclusive Talent Strategy's talent brokerage functions, and the forthcoming Maple Review on barriers to entrepreneurship from economic deprivation, London & Partners and the Greater London Authority will explore how Grow London Local's navigation and signposting capabilities can be further leveraged to support graduates in starting and growing their own businesses. This will focus on deepening Grow London Local's engagement with core higher and further education institutions across London (action 1A), to provide clearer pathways for individuals to access the entrepreneurship ecosystem.


Eden Park, Canary Wharf

Improving the quality of business support across London

2I Share learning on what works
There is a significant body of evaluation evidence from legacy programmes – including the European Regional Development Fund (ERDF), UKSPF and Growth Hub initiatives – alongside provider-level assessments. However, these typically measure different things and are rarely shared in ways that allow meaningful comparison of what works.

To address this, London government will look to agree a consistent set of outcomes for publicly supported business support programmes in partnership with the broader ecosystem, including consideration of how user feedback on business support services is incorporated and used to inform the evaluation of programmes. This will enable effective comparison of impact over time, help guide future investment towards high-impact support and build a shared evidence base without imposing disproportionate reporting burdens on providers.

2J Explore options for a business support quality indicator
There are currently few mechanisms for SMEs to understand the quality of business support. To address this, London government will explore high-level ways to measure and share quality ratings — whether through SME feedback and marketplace-style ratings, formal quality marks, peer-review schemes or a combination of approaches. Any model should build trust, drive continuous improvement and ensure that quality is informed by the experiences of the businesses the system exists to serve.

The Watermans Arms, Richmond

Foundation 3
Securing sustainable funding

Securing sustainable funding for London's business support system requires collective action. This pillar sets out how London government will convene investors, strengthen coordination across the funding landscape and advocate for the conditions needed to unlock long-term investment in high-quality support.

Actions

Coordinating investors and securing long-term investment

3A Establish a Business Support Investor Group for London's SMEs

3B Fiscal devolution to back London's SMEs

3C Fair successor growth funding

Coordinating investors and securing long-term investment

3A Establish a Business Support Investor Group for London's SMEs

London benefits from a rich mix of organisations that invest in and deliver business support. Together, they have the power to shape the scale, quality and reach of provision across the capital. By sharing intelligence and coordinating activity, these partners can move from a fragmented landscape to a more connected system that delivers greater impact for London's businesses.

Therefore, London & Partners will bring together investors – funders and funder-providers – to explore more coordinated approaches to investing in business support for London's SMEs. Initial members (as set out in appendix 1) have committed to establishing a Business Support Investor Group, aimed at improving alignment, setting clearer collective priorities and enabling more coordinated investment in areas of greatest need across London's SME business support system. Public sector funding and business support investment priorities will continue to be aligned through existing London Growth Mission governance structures.

Areas for exploration within this group will include:

- Effective models for scaling targeted programmes for underrepresented groups, sharing the results with the wider business support community.
- Sharing learning between investors and providers of effective interventions to increase the productivity of established SMEs, including those led by underrepresented groups.
- The most effective interventions to support SMEs in reducing their carbon emissions.
- Shared evaluation principles and metrics for business support programmes.
- New funding approaches, including co-funding

models and earned-income approaches.
- The sharing of information on business needs and provision, including the potential role of shared data.

The group will also explore how to strengthen London's wider ecosystem of investors who provide direct capital to SMEs, rather than programme or support-based funding. This includes angel investors, venture capital funds and community development finance institutions. Some already demonstrate what a more sustainable model can look like: Funding London, a Greater London Authority-managed company, has enabled more than £1bn of investment into 800-plus London SMEs through a model that seeks to recycle returns into successor funds alongside private sector partners, reducing long-term reliance on grant funding. Strengthening this ecosystem is essential to sustaining a strong pipeline of investment-ready businesses.

3B Fiscal devolution to back London's SMEs

Building a world-class business support system requires greater fiscal autonomy for London. As UKSPF ends in 2026, leaving an estimated £22m annual gap in business support funding, following earlier reductions in European Union (EU) and Local Enterprise Partnership (LEP) funding, London's SME support infrastructure faces continued instability without longer-term fiscal certainty. The UK Government should therefore grant enhanced fiscal powers, for instance strengthened land value capture, to enable London to reinvest in business support, productivity and inclusive growth.

Providing these powers without the need for case-by-case central approval would allow for long-term planning and reduce reliance on short-term funding cycles that disrupt effective business support. It would also bring London in-line with the devolved powers of many other global cities and UK devolved administrations, which have smaller populations.

Granting enhanced fiscal powers would enable London to scale interventions that not only help grow the local economy, but that also deliver significant national economic returns. A locally retained tourism levy could provide a further, more sustainable, source of funding to reinvest in London's SME support system, reinforcing London's contribution to UK-wide growth.

3C Fair successor growth funding

London is a major net contributor to the UK's public finances and a critical driver of national prosperity, contributing a fiscal surplus of nearly £50bn annually to HM Treasury. Post-UKSPF, while London received funding for critical growth infrastructure such as the DLR extension to Thamesmead, as part of its Integrated Settlement from national government, there was limited funding for business support programmes, despite its strong alignment with the priority sectors set out in the Industrial Strategy.

Recent analysis shows that London's productivity growth has stalled since the financial crisis, with the sharpest slowdown occurring after 2019. Underinvestment in business support programmes risks widening gaps in productivity, access to finance and inclusive growth at a time when national prosperity is significantly linked to the success of London's SMEs. Sustained investment through a successor growth funding settlement is therefore essential to protect and strengthen the SME ecosystem that underpins both London's and the UK's economic performance. Should further growth funding be made available in future Spending Reviews or successor programmes, it should be allocated on a fair and proportionate basis, reflecting London's economic contribution, scale of SME demand and alignment with the 8 national Industrial Strategy priority sectors.


Royal Docks, Newham

Next steps

Raquel, Owner – Glaze Me Pretty, Carshalton, Sutton Image credit: Elliott Wilcox

Next steps

This strategy sets a clear direction to align everyone with a role in supporting London's SMEs to thrive. It outlines how London government will strengthen the business support ecosystem, guide investment to priority opportunities and make the case to UK government for investment and devolution.

Above all, it provides a shared narrative for the ambition, resilience and potential of London's micro, small and medium-sized businesses and a clear direction for coordinated action by the Greater London Authority, London Councils and London & Partners, alongside expectations for government, investors and delivery partners.

Progress will be reviewed annually through the London Growth Plan to ensure momentum, transparency and accountability. As individual actions secure funding and move into delivery, specific outcomes and metrics will be agreed with delivery partners and reported through the relevant programme governance structures. Delivering this vision will require genuine partnership and a shared commitment to measuring what works to build a coordinated, inclusive and sustainable business support system for London's SMEs.

This strategy is complemented by a strong, separately published independent evidence base, which sets out the key challenges facing SMEs and the business support system in the capital, alongside the case for investment.

Columbia Market, Columbia Road

Appendix

Chinatown

Appendix

Business Support Investor Group

The Business Support Strategy establishes a new Business Support Investor Group, bringing together leading public and private investors of support (action 3A).

London's SME support landscape is extensive but fragmented. The Strategy sets out a clear ambition to improve coordination, reduce duplication and better align investment with areas of greatest need. The Business Support Investor Group is a key delivery mechanism for that ambition.

The following organisations are confirmed as founding members:

Appendix 2

Developing this strategy

The strategy builds on a robust foundation to propose policies, actions and partnerships that are evidence-led, deliverable and designed for measurable impact. It is the result of extensive evidence gathering and stakeholder engagement including:

- **Independent evidence review** by WPI Economics drawing on both primary research and secondary sources that incorporate direct feedback from SMEs – including national surveys such as the Longitudinal Small Business Survey and data from more than 370,000 SME interactions with Grow London Local - to examine support, demand, supply, funding landscapes and gaps.
- **Consultation workshops** with 30-plus participants representing providers, investors, businesses and local authorities.
- **Investor roundtable** exploring coordinated investment approaches.
- **Analysis of Grow London Local data** ccovering 370,000-plus business interactions.

Primary evidence sources used in this evidence base and to inform this strategy, alongside references, include:

1. This figure covers all registered businesses in London, including those without employees. The strategy recommendations focus on the estimated 512,000-plus actively trading SMEs in London — the businesses most likely to seek and benefit from business support. Source: Office for National Statistics (2025). UK business: activity, size and location.
2. Department for Business and Trade (2025). Business Population Estimates for the UK and Regions 2025: Statistical Release.
3. Greater London Authority, Economic Development Unit (2025). Unpublished administrative data, December 2025.
4. The £22m per annum figure represents an average of the funding gap across 2022–2026 (£88.2m total). This replaces the £26.2m figure referred to in the WPI Economics Evidence Review, which was based on the funding gap calculated from the amount available from UKSPF in the most recent year (2025/26).
5. Department for Business and Trade (2025). Business Population Estimates for the UK and Regions 2025: Statistical Release.
6. Based on analysis of BEIS Small Business Survey (2021), ONS Business Demographics (2022), and BEIS Study on barriers to take-up and use of business support (2011).
7. British Business Bank (2025). Small Business Finance Markets 2024/25.
8. Federation of Small Businesses (2022). Business Without Barriers: Supporting disabled people and those with health conditions in the workforce.
9. Small Business Britain (2023). The Lilac Review: Improving Support for Disabled Entrepreneurs.
10. London & Partners (2026). Grow London Local: Data Release Q3 2025–26.
11. Oliver Wyman (2024). Accelerating Regional Growth: A study on spatial disparities in business finance.
12. British Business Bank (2025). Small Business Finance Markets 2024/25.
13. Department for Business, Energy and Industrial Strategy (2019). The Impact of Business Accelerators and Incubators in the UK.
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16. Be the Business (2023). G7 Productive Business Index: Putting Productivity in Context.
17. London & Partners (2026). Grow London Local: Data Release Q3 2025–26.
18. HM Government (2025). Backing Your Business: Our Plan for Small and Medium-Sized Businesses.
19. ScaleUp Institute (2025). ScaleUp Annual Review 2025: Powering Up the ScaleUp Economy.
20. Goldman Sachs 10,000 Small Businesses; Aston Centre for Growth; Saïd Business School (2024). Generation Growth: The Small Business Manifesto.
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22. Venthams (no date). Succession planning for SMEs.
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24. Small Business Britain and BT (2025). The AI Opportunity for Small Business.
25. British Business Bank (2024). Smaller Businesses and the Transition to Net Zero.
26. UK Finance (2024). Unlocking the SME Net Zero Transition.
27. West London Business. Better Futures programme evaluation (UKSPF-funded).
28. British Business Bank (2026). Backing the Next Generation of Entrepreneurs.

The full methodology and detailed evidence are available in the strategy evidence base: WPI Economics (2025), A Business Support Strategy for London's SMEs: **Evidence Review**.

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