

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2165

Title: Business Continuity Fund – Borough Market Traders Fund

Executive Summary:

MD2158 approved the establishment of a £300k Business Continuity Fund to support businesses impacted by recent tragic events in London including the terrorist attacks in Westminster Bridge, Finsbury Park Mosque and Borough Market as well as the Grenfell Tower Fire. This Director Decision form asks for approval for expenditure of £175k, from that fund, as a contribution to the Borough Market Traders' Support Fund (BMTSF).

BMTSF is a partnership between Borough Market (BM), Better Bankside (BB) and United St Saviour's Charity (UStSC) to support businesses impacted by the terrorist attack on 3 June. It is administered by UStSC. Each of the three organisations have contributed funds to the overall pot and a crowd funding campaign through Just Giving was established.

BMTSF distributed just over £120k to traders/businesses in the first two tranches of funding rounds. Applications for support have, however, been received totalling more than £900k and Borough Market have requested further funding from the Greater London Authority Business Continuity Fund (an initial £10k of the £300k Business Continuity Fund has already been awarded to the BMTF, as per MD2158).

Decision:

That the Executive Director of Development, Enterprise and Environment approves:

- expenditure of £175,000, from the Business Continuity Fund and as a contribution to the Borough Market Traders Support Fund, to support business affected by the London Bridge Terrorist attack.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Fiona Fletcher-Smith

Position: Executive Director of Development, Enterprise and Environment

Signature: 

Date: 26.9.2017

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 MD2158 approved the £300,000 Business Continuity Fund of which initial payments were made of £50k to Portobello Business Centre and £10k to Borough Market Traders Fund.
- 1.2 Borough Market: The terrorist attacks of June 3, 2017 resulted in the temporary closure of Borough Market, and a cordoning of the wider area to enable the police to carry out a thorough forensic investigation. Local businesses had been negatively impacted by this cordoning and closure so Borough Market (BM), Better Bankside (BB) and United St Saviour's Charity (UStSC) came together to set up the Borough Market Traders Fund (BMTSF) for those affected. Each of the 3 organisations contributed funds to the pot, and a crowd funding campaign through Just Giving was established. The Just Giving website closed on the 31 July 2017.
- 1.3 The BMTSF invited applications from all businesses located within the widest police cordon – any business who would have been prevented from trading as a result of the cordon, including businesses located within the jurisdiction of Team London Bridge. In the event, the 88 applications which they received were, with one exception, all businesses based within Borough Market or the immediate surrounding streets. Businesses were asked to detail the losses sustained because of the closure; losses from perishable stock, staff costs, loss of income, damage to property etc. The 88 applications detailed losses in excess of £900k.
- 1.4 The BMTSF distributed just over £120k to traders/businesses in the first two tranches of funding rounds. The remaining funding within BMTSF amounts to approximately £30k and this includes the £10k Greater London Authority contribution on behalf of LEAP, also approved through MD2158.
- 1.5 Borough Market have requested further financial support from the Greater London Authority Business Continuity Fund, to distribute to affected businesses.
- 1.6 The preceding MD215 provided delegation to the Executive Director for Development, Enterprise and Environment to take all steps necessary for the GLA to distribute the funds to appropriate organisations that will be subject to suitable verification of applications of funding against criteria agreed with the GLA, make decisions on the allocation of funds and report on the use of grants.
- 1.7 This DD is seeking approval to provide an additional £175,000 from the Business Continuity Fund to support the Borough Market Traders Fund to administer the funding to businesses that have been affected.

2. Objectives and expected outcomes

- 2.1 The Business Continuity Fund will be used to mitigate the immediate impacts of the London Bridge Terrorist attack and help those individuals and businesses who have suffered financial hardship and losses as a result of the temporary closure of the Borough Market area, and who have no other means of support.
- 2.2 It is not intended to mitigate for any longer-term reduction in turnover due to wider trading patterns, although the provision of business support advice may well include advice that will help mitigate this risk.

- 2.3 This Funding should not duplicate existing support to businesses in these areas that is available, but can be used to supplement the support, if there is a shortfall of funds.
- 2.4 This Funding is made available for (but not limited to) the following activity:
- the costs of providing 1:1 business support to help businesses navigate the challenges and get back on their feet
 - direct grants to businesses whose turnover has been impacted by the disaster which are not covered by any insurance; and
 - bridge funding to businesses which are covered by insurance but whose payments are not coming in quickly enough - with the expectation that once the insurers have paid out, the funding will be recovered
- 2.5 An initial £10k of the £300,000 has been awarded by the London Economic Action Partnership (LEAP) to support the existing Borough Market Traders Fund, which is managed by United St Saviours Charity, which was approved by MD2158. The £10k has not yet been distributed and will be included in the third round of the distribution of funds in addition to the £175k funding that this DD is seeking approval for.
- 2.6 The funds will be distributed and monitored by a Fund Management Committee, which includes representatives from the three organisations that founded the Trader Support Fund; United St Saviour Charity (UStSC), Better Bankside and Borough Market, as well as a Trader representative and a grants expert. A GLA representative will also sit on the Committee. UStSC administer the Fund.
- 2.7 Specific Roles and Responsibilities of the Fund Management Committee:
- Fund Administrator: United St Saviour's Charity will hold the funds, produce relevant paperwork, process and assess applications, recommend and award funds, accounting for and reporting on income and expenditure.
- Communication: Borough Market (to traders and PR), Better Bankside (Communication to membership and PR – Jointly with BM)
- Clerical Support: Borough Market – organisations of meetings, minute taking, recording of decisions and reporting to the GLA.
- 2.8 Due to the extent of the support required additional funding is being sought from Government to support the overall Business Continuity Fund.

3. Equality comments

- 3.1 The GLA as a public authority must comply with the Public Sector Equality Duty set out in section 149 (1) Equality Act 2010. This provides that, in the exercise of their functions, public authorities must have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- a. The obligation in section 149(1) is placed upon the Mayor, as decision maker. The due regard described above must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.

- b. This duty also applies in the delivery of the Business Continuity Fund, and means that delivery of this fund must consider the needs of all individuals and have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people.
- c. The Project Manager will give due regard to the above obligation when commissioning organisations for the distribution of this fund.

4. Other considerations

- 4.1 There is a risk that the £175,000 may not be sufficient to provide the level of support required, The Mayor of London has asked the Government to provide match funding to the overall Business Continuity Fund.
- 4.2 The support requirements that businesses require are still not all known, therefore there is a need to ensure flexibility with the criteria set for this funding.
- 4.3 Due to the limited amount of funding, the eligibility criteria will need to be tight and therefore there is a possible reputational risk if businesses do not meet the eligibility criteria. Mitigations will be put in place through referral to other potential avenues for support such as the London Growth Hub, the Local Authority and other support organisations.
- 4.4 As the Mayor was asked to note in MD2158, the Executive Director should be aware that there is a risk that the GLA could set precedent with this funding should other major incidents occur in London.

5. Financial comments

- 5.1 The additional grant of £175,000 to the Borough Market Traders Fund will be met from the Business Continuity Fund established via MD2158.

6. Legal comments

- 6.1 The powers to administer the Business Continuity Fund were described in MD2158, namely that, under section 30 of the Greater London Authority Act 1999, the GLA has power to do anything to further the promotion within Greater London of, among other things, economic development and wealth creation, and social development. The Business Continuity Fund falls within that power.
- 6.2 To the extent that any management fee is to be paid to any of the distributing organisations, it will be set at a level that does not require competitive procurement under the GLA's Contracts and Funding Code. As noted in MD2158, given the importance of timely distribution of the funds, it is appropriate for Executive Director for Development, Enterprise and Environment to elect not to run any competition to identify organisations to distribute the funds.

7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract [for externally delivered projects]	No procurement (Due Diligence to be completed by Sept/Oct 17)
Announcement [if applicable]	N/A
Delivery Start Date [for project proposals]	Sept/ Oct 2017*
Final evaluation starts and finish (external): Financial Impact Assessment to be managed by Southwark Council with GLA support	Nov 17 - Mar 2018*
Delivery End Date [for project proposals]	Dec 2017*
Project Closure: [for project proposals]	Dec 2017*

*please note these are indicative timelines, as the nature of this funding is dependent on many factors that can delay the process, i.e., the traders not being able to submit the required evidence quickly to support a claim.

Appendices and supporting papers:

- MD2158

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Sejal Patel has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Debbie Jackson has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

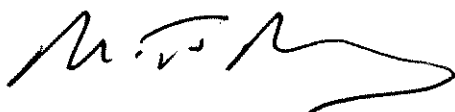
Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 25 September 2017

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

25.09.17

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE