

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3376

Growth Hub Funding for 2025-26

Executive summary:

This decision seeks Mayoral approval to receive £540,700 from the Department for Business and Trade, and to award that sum (in grant) to London & Partners. This would be a contribution to the costs of London & Partners' Grow London Local project – in particular the delivery of London's Growth Hub.

This funding will support staffing and delivery activity. It will complement support already provided by the GLA to the Grow London Local project via London's 2025-26 UK Shared Prosperity Fund allocation.

Decision:

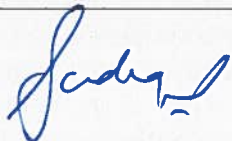
That the Mayor approves: the GLA's receipt of £540,700 of grant funding from the Department for Business and Trade, and the award of that funding to London & Partners, as a contribution to the costs of delivering its London's Growth Hub (part of its Grow London Local project).

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

11/6/25

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. Grow London Local is part of a network of 38 Growth Hubs across England. Growth Hubs were established by the government to provide access to the knowledge, expertise and specialist resources required to help businesses start, grow and scale – including developing and grasping new opportunities and new routes to market. Growth Hubs provide an impartial and free-to-access single entry point for businesses. They act as a link between businesses; national and local policy and initiatives; and private-sector provision.
- 1.2. Following the GLA's 2022-23 business support review, it was agreed (through MD3149) that London & Partners (L&P) would, via an expanded remit, take responsibility of London's Growth Hub and its core 'single front door' business support service. The Growth Hub was rebranded from London Business Hub to Grow London Local, to align with L&P's wider Grow London programme branding.
- 1.3. Since assuming responsibility, L&P has used resources from both Growth Hub funding and the UK Shared Prosperity Fund (UKSPF) to expand the remit of the 'single front door' business support service. This involves improving coordination and streamlining referrals to simplify the business support landscape. This, in turn, makes it easier and more efficient to access the right support to start, sustain and grow a business in London.
- 1.4. The Department for Business and Trade (DBT) has funded London's Growth Hub since 2016. The new government has increased Growth Hub funding to £540,700 (from £470,000). Of this, £56,500 is ringfenced for its role as cluster lead for the South East England region. This funding was confirmed via email in March 2025.
- 1.5. As per last year, it is proposed that 2025-26 Growth Hub funding be granted to L&P. This is to supplement its UKSPF funding; and enable it to continue the delivery and expansion of the London Growth Hub, as part of its Grow London Local project (notably its Grow London Local website). This will be actioned by the award of grant funding to L&P as a contribution to Grow London Local activity. With this, L&P will seek to meet targets around website usage; number of businesses using the online diagnostic service; and number of businesses and pre-starts receiving light and medium-intensity support (DBT monitoring and evaluation framework definitions). L&P will be the cluster lead role for the South East England region. This includes running regular knowledge and information transfer sessions and workshops with the other South East England-based Growth Hubs; representing the cluster and/or London at DBT meetings; and responding to data callouts for the region. The GLA will remain accountable to DBT for the Growth Hub funding.
- 1.6. L&P is successfully delivering London's Growth Hub, and has significantly overachieved the majority of targets set under last year's grant-funding agreement. As of quarter 3 of 2024-25, this includes supporting over 10,000 businesses through the online portal; and over 200,000 unique visitors to the Grow London Local website.

2. Objectives and expected outcomes

- 2.1. The provision of this funding will support the following specific objectives:
 - continued provision of L&P's Grow London Local website, with an increased awareness of the service within London's small business community; emphasis should be on acquiring new clients whilst supporting the needs of returning customers
 - achieving at least 2,000 online diagnostics

- drawing around 175,000 unique visitors to the platform
 - 200 businesses receiving medium-intensity support provided through an information, diagnostic and brokerage referral call with a business support manager
 - deliver regular (quarterly at least) knowledge and information sharing sessions with South East Cluster Growth Hub leads on key topics such as trade, intellectual property and tariffs.
- 2.2. The proposed award of funding is aligned with the Mayor's 'helping local economies to thrive' mandate. This seeks to achieve several London-level, long-term outcomes. The main ones to which this funding should contribute are: stable, long-term economic growth benefits all of London's communities; and high streets and town centres are thriving across London
- 2.3. This reflects the key role of London's SMEs in generating employment opportunities and sustainable growth, as part of a thriving foundational economy.
- 2.4. Alongside this, the wider London-level outcomes to which this programme is expected to contribute are:
- Londoners have access to good work
 - London's economy has the skills it needs to thrive
 - Londoners live in neighbourhoods that are well planned and designed
 - London is an attractive and high-quality destination for visitors
 - London is a world-leading global city
 - London is a net zero-carbon city.
- 2.5. The proposed award of funding also aligns with the Mayor's mandate for the proposed 'boosting London's growth sectors' programme. This reflects the importance of London's growth sectors in strengthening the UK's global position at the cutting edge of innovation, and the creation of high-wage jobs.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of the need to eliminate unlawful discrimination, harassment, and victimisation; and to advance equality of opportunity, and foster good relations, between people who have a protected characteristic and those who do not. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic, that is connected to the characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life, or in any other activity where their participation is disproportionately low.
- 3.2. London's Growth Hub, Grow London Local, plays an important role in supporting diverse entrepreneurs and business owners, with targets set to ensure underrepresented businesses are supported through its business support service. Efforts are made to engage with hard-to-reach communities, including the use of translators; production of marketing material in various languages; and outreach via local community groups. The website also hosts a range of London-based business-support schemes. This includes providing information and events aimed specifically at women; individuals from Black, Asian and Minority Ethnic backgrounds; and other underrepresented groups.

- 3.3. The programme's success in supporting underrepresented entrepreneurs is corroborated by diversity data reported for last year. According to this data, 88 per cent of companies and entrepreneurs supported were from minoritised backgrounds; were female; or declared a disability.
- 3.4. As Grow London Local is not a public-sector website, L&P is not legally required to meet level 2 (AA) of the Web Content Accessibility Guidelines. However, it will endeavour to work with its website delivery partners to implement accessibility compliance to a similar level. Consideration of accessibility requirements is also taken when selecting any physical spaces used for hosting events.

4. Other considerations

- 4.1. The risks associated with this decision are detailed in the table below:

Risk description	Mitigation
L&P does not recruit or support sufficient SMEs through the Grow London Local website online diagnostic tool to meet grant-funding agreement targets.	L&P will increase marketing efforts, setting out the benefits of using the 'self-serve' option via the website, in parallel with in-person business support services. Progress will be closely monitored by the GLA's grant manager.
The DBT grant must be spent within the financial year otherwise it can be clawed back. Any delays to spend can cause a risk.	The GLA grant manager will closely monitor spend and milestone payments made to L&P for delivery to ensure no slippage occurs.

Links to Mayoral strategies and priorities

- 4.2. L&P's Grow London Local project responds directly to the requirement for effective small business support set out in the Mayor's mandate for the proposed 'helping local economies to thrive' programme. It also aligns with several other mandates, notably 'boosting London's growth sectors' and 'supporting Londoners to benefit from growth'. As such, it reflects the GLA objectives to create the conditions that will allow entrepreneurs and business owners of all backgrounds, and from all industries (including innovative and high-growth sectors), to access advice and support; secure opportunities to build networks; and gain access to finance.
- 4.3. The support for London's SMEs, as provided by L&P's Grow London Local service, is recognised as aligning with a core element in the recently launched London Growth Plan, under the 'backing our businesses' action. The Growth Plan recognises the important role London's entrepreneurs play in creating jobs, innovation and sense of community. It calls for businesses to be supported to raise finance; win new customers; hire and train great talent; use new technologies; develop their leadership skills; reduce their carbon footprint and energy bills; and grow internationally through the Grow London Local service.

Conflicts of interest

- 4.4. The individuals involved in drafting and clearing this document have no interests to declare.

Subsidy control

- 4.5. The Subsidy Control Act 2022 requires that grant funding comply with its subsidy control principles. Officers have assessed the proposed award of funding to L&P, in respect of its Grow London Local project; and are satisfied that it aligns with the seven subsidy control principles as set out below.
- 4.6. The subsidy pursues the following specific policy objective of a "single front door". This objective is to simplify the business support landscape across London, to support under-served small businesses, especially those run by Black, Asian and minority ethnic Londoners to get the help and support they

need to sustain and grow. It has been designed to address market failures (such as structural problems with the market for business support) and weaknesses in how business support is currently being commissioned, coordinated and delivered.

- 4.7. The proposal is proportionate to the specific policy objective, and covers staffing costs and other direct costs related to the delivery of the project. L&P is acting as a conduit of the subsidy, the benefits of which are not retained by L&P but flow through it to the SMEs it is seeking to support.
- 4.8. There is no direct benefit to L&P. This is because the use of the funding is ring-fenced (and may not be used to cross-subsidise other areas of L&P activity); no profit is allowable under the terms of the grant, and so the subsidy's beneficial effects outweigh any negative effects. Business support is not a statutory obligation; therefore, without the grant, the activity will not take place.
- 4.9. Without the subsidy, this project would not be pursued to the level anticipated. This would lead to the Fund's policy objectives not being achieved, and support not being delivered. The proposal has been designed to achieve the specific policy objective; as such, there is low risk of the subsidy producing negative effects on competition or investment within in the UK.

5. Financial comments

- 5.1. This Mayoral Decision is seeking approval for the receipt and expenditure of funding in 2025-26 of £540,700 awarded by the DBT for the delivery of London's Growth Hub, delivered by L&P via the Grow London Local programme.
- 5.2. As part of the 2025-26 GLA budget setting process, an indicative budget figure of £440,000 was included for this programme, as approved by MD3330. This indicative figure was based on the funding levels for 2024-25 as confirmation of London's allocation of Growth Hub funding for 2025-26 had not yet been confirmed. The confirmed allocation of funding of £540,700 results in an additional budget request and uplift of £100,700.
- 5.3. This programme and additional budget uplift for expenditure and income will be included within the 'helping local economies to thrive' draft delivery plan. All appropriate budget adjustments will be made.

6. Legal comments

- 6.1. Under section 30 of the Greater London Authority Act 1999 (GLAA), the GLA may do anything that it considers will further one or more of its principal purposes, which are promoting: economic development and wealth creation in Greater London; social development in Greater London; and the improvement of the environment in Greater London.
- 6.2. In determining whether or not to exercise its power to further one or more of its principal purposes, the GLA is required to consider the effect this may have on the remaining purpose or purposes – in so far as that is practicable – and, over time, to secure a reasonable balance between furthering each of its principal purposes.
- 6.3. Section 33 of the GLAA requires the GLA to make appropriate arrangements with a view to securing that, in the exercise of its general power, there is due regard to the principle that there should be equality of opportunity for all people. The GLA is also subject to the public sector equality duty imposed by section 149(1) of the Equality Act 2010 in relation to the exercise of its functions (see section 3, above).
- 6.4. Section 34 of the GLAA provides for the GLA to be able to do anything that is incidental to the exercise of its functions, including its general powers under section 30.

- 6.5. Sections 1 to 4, above, concern the award of grant funding by the GLA. Officers must ensure that such grant funding is distributed fairly, transparently, in a manner that affords value for money, and in accordance with the requirements of the GLA's Contracts and Funding Code and the DBT's requirements.
- 6.6. The Subsidy Control Act 2022 requires that grant funding comply with its subsidy control principles. Subject to paragraph 6.7, below, the officers have set out at section 4, above, how the proposed grant complies with those principles.
- 6.7. If the Mayor makes the decisions sought, officers must ensure:
- as the proposed grant exceeds £100,000, that the grant is registered on the DBT's Transparency Database
 - that a grant-funding agreement is put in place between and executed by the GLA and L&P before any commitment to fund is made.

7. Planned delivery approach and next steps

- 7.1. The project will be delivered according to the following timetable:

Activity	Timeline
Grant-funding agreement awarded	April 2025
Delivery period	April 2025 – March 2026
Final claim to DBT	March 2026

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: If approved, the MD should be published after the grant-funding agreement has been entered into and executed by both the GLA and L&P.

Until what date: 30 June 2025.

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included 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:

Lucienne Blakely-Droz has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Richard Watts has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on the 27 May 2025.

✓

CHIEF FINANCE OFFICER:

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

Signature:

Fay Hannan

Date:

02/05/2025

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature:

D. Bellamy

Date:

27/05/2025

