

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2731

Title: EU Transition Business Support

Executive Summary:

This Mayoral Decision (MD) form seeks the receipt and expenditure of an anticipated grant from HM Government for London Economic Action Partnership (LEAP) activities to support businesses in the run-up to, and immediately following, the end of the EU Transition period on 31 December 2020. The expenditure outlined in this report will be fully funded by an anticipated ringfenced grant from HM Government, confirmed in a letter of comfort on 5 November 2020.

Decisions:

That the Mayor:

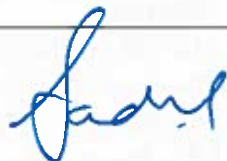
- 1) Approves receipt and expenditure of an anticipated £81,000 grant from the Department of Business, Energy & Industrial Strategy (BEIS) for one-to-one business advice on EU Transition;
- 2) Approves the use of a Single Source procurement process to secure additional core adviser capacity as part of the wider London Business Hub adviser programme to a value of £52,920; and
- 3) Delegates to the Executive Director, Good Growth to approve the receipt and expenditure of any additional funding from BEIS to expand this initiative. This delegation will be exercised without the need for further decision forms.

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:

11/12/20

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

Decision required – supporting report

1 Introduction and background

- 1.1 UK businesses will be required to make significant changes to the way they operate following the end of the EU transition period on 31 December 2020. Whilst many larger firms have dedicated significant resource to preparing for the changes ahead, the majority of small and medium-sized enterprises have not made preparations yet or do not believe they need to.
- 1.2 As part of an England-wide initiative, Local Enterprise Partnerships are being allocated funding by HM Government in order to increase business adviser capacity from 1 November 2020 until 31 March 2021. Use of these funds have been outlined in a 'letter of comfort' from the relevant Department of Business, Energy and Industrial Strategy ("BEIS") Director.
- 1.3 This funding will be used to supplement a wider programme of business resilience activity funded through existing Growth Hub budgets. This additional funding of £81,000 will be used to increase the GLA's business adviser capacity specifically in relation to trade, employment, intellectual property and data.
- 1.4 It should be noted that the letter of comfort from BEIS states that this activity "should be ringfenced for securing additional advisers and for adviser salaries only". Since receipt of this letter, a further clarification email was issued by BEIS which confirms that this funding can be used to procure external consultancy to undertake this activity on our behalf.

2 Objectives and expected outcomes

- 2.1 Although metrics and reporting requirements attached to this funding have yet to be confirmed by HM Government, the proposed funding will enable the GLA to provide in-depth support to at least 100 businesses. This would be exclusively on a one-to-one basis (as dictated by BEIS) and therefore does not include any wider activity to delivery online content, wider engagement and intelligence gathering as planned under existing funds and any additional funds that may be secured. All support will be delivered as part of the London Business Hub (LBH), the Mayor and LEAP's primary business support initiative.
- 2.2 The table below outlined below summarises the programme of activity to be funded from the anticipated BEIS grant:

Activity	Funding	Delivery route	Status
2x Business Support Advisers to provide one-to-one support to businesses on EU Transition	c£53,000	A Single Source Justification (SSJ) for existing London Business Hub provider	Existing delivery partner has confirmed capacity to support this programme. SSJ route being discussed with TfL Procurement.
Specialist legal/professional advisers on employment, trade and IP/data	c£28,000	TfL framework or Request for Quotes. Pro-bono support to be considered to enhance this budget.	Identification of potential partners.

- 2.3 Given the imminent decision on whether a trade deal will be secured, officers are already progressing activity under existing approved budget that has been identified to support activity in this area. This activity includes:
 - written EU Transition Guides;

- digital assets;
- intelligence gathering, lead creation and shared specialist support;
- webinars; and
- internal staffing resource.

2.4 Government officials are also pursuing a proposal that would see additional funding awarded to LEPs to:

- deliver an extensive programme of outreach across multiple channels, including with partners to raise awareness amongst businesses of the end of Transition and what they need to do;
- provide on the ground intelligence and analysis on business conditions, needs, concerns and attitudes; and
- provide coordination across London, Hertfordshire, Essex, Kent and East Sussex as the South East Growth Hub Cluster Lead in order to drive consistency and quality of advice and support.

2.5 Should funding be made available to deliver these additional activities, it is likely that the GLA will be required to accept the funding and spend it in short order, given the urgency associated with preparations for the end of the EU Transition Period on 31 December 2020. We also anticipate a spike in demand for support from businesses as soon as the current trade negotiations close. Funding will also be subject to clawback if not defrayed in full by 31 March 2021. This decision therefore seeks approval to delegate the authority to receive and spend funding to the Executive Director of Good Growth. This delegation will be exercised without the need for further decision forms.

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 as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2 Work is underway to ensure support provided through the London Business Hub is accessible to business owners that face particular barriers to starting or running a business. This includes work to identify specific barriers faced by groups that share protected characteristics (including areas of intersectionality), delivery of bespoke programmes to meet these needs and ensuring all mainstream programmes are promoted across these groups and designed in a way that is fully accessible.
- 3.3 This builds upon a programme of support and engagement with a diverse range of entrepreneurs and business-owners focus primarily on BAME, women and disabled business-owners, who face particular challenges in setting up and running a business.

4 Other considerations

- 4.1 The use of a non-competitive procurement process is proposed for delivery of part of this activity. A full Single Source Request Form is included at Appendix A and cites the non-competitive tender reasons of 'extreme urgency' and 'business-led commitment'. This route is proposed based on the need for advisers to be taking calls and meeting with businesses prior to 1st January 2020 when the transition period for the UK's exit from the EU will have expired, and ideally immediately following the outcome of current trade deals (date to be confirmed at the time of writing this report). An external delivery partner (Newable Ltd) already delivers the London Business Hub core business adviser programme and are uniquely placed to deliver this additional activity on the basis that:

- There is an acute business need to provide this support as a matter of urgency. In their report 'Preparing Brexit: How Ready Is The UK' (November 2020), The Institute for Government concluded that UK businesses were not ready for the end of the transition period. In many cases businesses are less prepared than they were a year ago. Some 21% of firms responding to a Confederation of British Industries (CBI) survey said their preparations had gone backwards in the first six months of this year, with a further 58% stating that their readiness had not improved [1].
- This issue is particularly acute for smaller businesses who do not have the resources to plan for the changes ahead. The combined impact of these factors has been particularly intense for small and medium-sized enterprises (SMEs), which have often lacked the bandwidth or financial resilience to manage Covid-19 and Brexit preparations simultaneously. Many believe that they will be unaffected by the changes, despite the fact that changes to employment, data, IP and impacts on supply chain being issues that nearly all businesses need to consider.
- By using our existing delivery partner, programme management infrastructure is already in place, including systems, engagement protocols (including GDPR consents for existing LBH businesses clients) and fully branded online delivery platforms. BEIS have confirmed that this funding cannot be used for management overheads and wider programme costs and therefore it is extremely unlikely another provider would be willing to provide this service for adviser salaries only.
- Programme deployment with a new delivery partner through a competitive process would not be possible prior to 31 December 2020 or indeed much sooner than the end of the programme timeline (31 March 2020), when taking into account procurement timelines, shortlisting, contract negotiations, programme design/mobilisation and possibly recruitment of staff.
- Informal confirmation of this funding was only provided on 5 November 2020, despite the imminent conclusion of EU/UK trade negotiations and the fixed end of the EU Transition period on 31 December 2020. Had funding been made available at an earlier date, a full competitive process could have been undertaken, although the funding constraints described above would have made the process commercially unattractive to new bidders. Given the current constraints placed upon us, a non-competitive process is considered the only viable route to delivery. It is also considered a cost-effective approach given the economies of scale and existing investment in the wider LBH programme delivered by Newable Ltd.
- Using our existing delivery partner would enable a much more efficient referral process and would fully utilise existing relationships with businesses.

4.2 Newable have confirmed that they have capacity to mobilise this activity by mid-December and would provide two full-time advisers for a period of 14 weeks at a total of £52,920, which reflects existing adviser costs across the wider programme already delivered by Newable.

4.3 The remaining funding will be used to procure additional advice on employment, trade, IP/data on a call-off basis. This support will be procured through an existing TfL procurement framework or via several smaller requests for quotes. The urgency in obtaining this support is less critical than the first line support proposed above.

Programme risks

4.4 Top programme risks have been identified as follows:

¹ Confederation of British Industry: www.cbi.org.uk/media-centre/articles/data-reveals-firms-concerns-over-non-negotiated-eu-exit-and-lack-of-preparedness-as-brexit-talkscontinue

Description	Probability (Low, Medium, High)	Impact (Low, Medium, High)	Mitigation
Delays in project approval, procurement and delivery	HIGH	HIGH	Decision-process to commence prior to Government funding confirmation. Executive Director-level support required to ensure procurement support is secured and SSJs secured where justified.
Internal staffing resource inadequate to manage the complexities of the project	HIGH	MEDIUM	Some staffing support to be drawn from existing resources but unlikely to be adequate. Executive Director-level support will be required in order to consider informal staffing support outside of formal GLA processes for new FTC posts, which may take longer than the length of the project.
Inadequate time and capacity to engage with all 1.1m SMEs in London	HIGH	HIGH	Use of high-volume engagement channels, one-to-many support models and clear messaging to supplement national activity.

Conflict of interests

- 4.5 There are no conflicts of interest to note for any of the officers involved in the drafting and clearance of this decision form.

5 Financial comments

- 5.1 This Mayoral decision is seeking approval to receive grant funding in the sum of £81,000 from additional LEP Growth hubs funding made available from BEIS Secretary of State on 5 November 2020. This will supplement an existing £95,000 of previously approved LBH funding. Approval is also being sought for the delegation of receipt and expenditure of any additional funding made available by HM Government in relation to the EU transition business preparedness, to the Executive Director of Good Growth.
- 5.2 The funding has been ringfenced for business support activity, increasing the capacity of business advisors during the European Union transition. Due to current HR protocols within the Authority, business advisors cannot be directly employed. It has therefore been proposed to procure advisory services in the form of external consultancy for the period January - March 2021 in the sum of £81,000. This additional grant funding received must be spent within the 2020-21 financial year and cannot be carried further into future financial years. The programme of activity will commence from December 2020 with completion and defrayment of grant funding in March 2021.

6 Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment, in Greater London.
- 6.2 In implementing the proposals in respect of which a decision is sought, officers should comply with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;

- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- consult with appropriate bodies.

6.3 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, to advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation) and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.4 Section 1 of this report indicates that the GLA intends to procure services. Section 9 of the GLA Contracts & Funding Code ("Code") requires the GLA to engage with TfL Procurement and seek a call-off from a suitable framework where possible before the commencement of the services. However, the Mayor may approve an exemption from this requirement under section 10 of the Code upon certain specified grounds. The officers have set out at section 4 of this report the reasons why they believe this meets the exemption. On this basis the Mayor may approve the proposed exemption if satisfied with the content of this report.

7 Planned delivery approach and next steps

Activity	Timeline
Online campaign across LEAP, LBH and GLA/Mayoral channels commence	December 2020
Face-to-face support commences	December 2020
Grant funding to be defrayed in full	31 March 2021

Supporting papers:

Single Source Request Form

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 either be published 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? NO

Until what date: (a date is required if deferring)

Part 2 - Sensitive information

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

Jamie Izzard has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Rajesh Agrawal has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 7 December 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

D. Gene

Date

8 December 2020

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

7 December 2020

