

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2359

Title: London Growth Hub 2018/19 Programme

Executive Summary:

Mayoral approval is sought to invest £875,000 Government grant in the London Growth Hub. The funding will be used to provide online and face to face business support to London's start ups, micro businesses and SMEs.

Government has awarded the London Local Enterprise Partnership (LEAP) a grant of £1,040,000 (divided in two tranches of £520,000 for 2018/19 and 2019/20) to support and develop the London Growth Hub. Of the £1,040,000, expenditure of £165,000 has already been approved and committed through a number of MDs and DDs. The LEAP Investment Committee already endorsed, at the beginning of the year, expenditure of this further £875,000.

Decision:

That the Mayor approves:


Expenditure of £875,000 for years 2018/19 and 2019/20, to support the delivery of the London Growth Hub programme, funded by grant received from the Department for Business, Energy & Industrial Strategy.

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:

16/10/18

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

Decision required – supporting report

1. Introduction and background

- 1.1 The London Growth Hub is one of the 38 'Growth Hubs' across England which were established to bring together public and private sector partners to promote, co-ordinate and deliver local business support and provide a mechanism for integrating national and local business support so it is easy for businesses to access.
- 1.2 The Department for Business, Energy & Industrial Strategy has committed to ongoing financial support for Growth Hubs over the next two financial years with an indicative allocation of funding for a further two years. Steps are therefore being taken to ensure that the London Growth Hub is supported by appropriate staffing resource, that the web portal is further developed to ensure it is fit-for-purpose, that face-to-face programmes of business support are developed and delivered, and that business awareness of the programme is significantly raised. Steps are also being taken to ensure that harder to reach groups are more proactively supported through targeted programmes and the forming of partnerships with community and grass-roots organisations.
- 1.3 Whilst the online portal will remain as a resource for businesses throughout their journey from pre-start to growth business, the proposed programme of face-to-face activity will see a move to target our support for pre-starts on those that face particular barriers to entrepreneurship. Other support will focus on existing businesses established for 12 months or more and will primarily focus on increasing business productivity and growth whilst ensuring the core principles of economic fairness and good growth are maintained. The programme will therefore play a key role in supporting delivery of the Mayor's Good Work Standard, both through our face-to-face interactions with SMEs, and through the online resources, which will be developed to include additional content to support good work practices and sustainable business models.
- 1.4 The indicative programme for 2018/19 and 2019/20, endorsed by the LEAP Investment Committee, is detailed in the table below. Any changes to this programme will be agreed in line with the LEAP's Schedule of Funding Responsibilities and, if necessary, through GLA decision forms.

Expenditure Detail	2018/19	2019/20
Marketing and promotional activity	£50,000	£50,000
Growth Hub portal maintenance, hosting and support	£0	£65,000
Growth Hub portal content production (webinars, factsheets etc., videos)	£30,000	£30,000
Staffing	£132,000	£112,000
Programme evaluation	£30,000	£30,000
Additional face-to-face triage, advice and support	£148,000	£198,000
Total expenditure	£390,000	£485,000

- 1.5 Mayoral approval is sought for the overall grant funded programme expenditure of £875,000 over two years, noting that individual business cases will be submitted to LEAP for each workstream.
- 1.6 The £875,000 of the London Growth Hub budget will support a series of events, masterclasses and other face-to-face support that will include sectoral and geographical elements such as:
- Business support to high growth SMEs in key priority sectors of life sciences, tech and digital and advanced urban services and focusing on: 1) business to business support; 2) access to expertise for product validation; 3) finance; and 4) intellectual property.
 - A project will be considered to support emerging Creative Enterprise Zones. The activities will provide creative sector SMEs with business skills that will support them with leadership, supply chains and business development. This project will form part of the 'Hub and Spoke' model that would be established if our current GLA funding bid is successful. This element of Growth Hub work will be subject to a separate decision form setting out the detail of the project.
 - Funding to develop a business programme that will provide targeted support for London SMEs pre- and post- Brexit. It is envisaged that some of the support required by businesses, pending the terms of Brexit will be in areas such as visas for specialised workforce, additional requirements for importing/exporting to the EU and taxation. This element of Growth Hub work will also be subject to a separate decision form setting out the detail of the project.
- 1.7 It is likely that an element of this funding will be used to support research that will inform any future delivery of business support activity.
- 1.8 Other programme spend included within the budget is as follows:
- Marketing activity: a marketing campaign that promotes brand recognition of the London Growth Hub as the main source of business support for London will be developed. With increased visibility of the face to face programmes, the London Growth Hub will use the brand name as a catalyst to engage stakeholders, in particular the private sector to support programme delivery.
 - Web portal and online content: budget allocation for the London Growth Hub also includes expenditure for maintenance, hosting and support of the web portal and content production (webinars, factsheets, videos, etc). In 2018/19 many of these costs will be met by an existing allocation from the LEAP's Growing Places Fund.
 - Staffing: To effectively deliver programme activities, two-year budget provision has been included to maintain a grade 6 Growth Hub Project Officer post and to create a new grade 10 Principal Policy Officer post, which would lead on business growth policy and programmes.
 - Programme Evaluation (2018/19 & 19/20): The evaluation will look at how the web portal is used, through a thorough analysis of traffic data and surveys. There will also be a qualitative analysis of the face to face programme to gauge relevance and depth of the services provided.
- 1.9 It should be noted that additional funds are being sought from the GLA's budget in order to grow the programme's face-to-face offer and that any additional GLA funds will be progressed under a separate decision.

- 1.10 Since being established as a virtual (online) business support platform in 2015, the London Growth Hub has gone on to achieve over 100,000 unique users of the web portal, 1,300 Members and over £15m social media engagements. Through a programme of business support pilots, events and pop-up support offers the Growth Hub has engaged with over 13,000 entrepreneurs and SMEs and provided face-to-face business support to over 2,000 of these businesses. Further work is now needed to raise engagement and awareness levels, improve the user experience of the portal, and establish a year-round face-to-face support offer.
- 1.11 The London Growth Hub programme forms a key part of the activity identified to support the Mayor's draft Economic Development Strategy. Nationally, Growth Hubs feature heavily in the Government's Industrial Strategy White Paper and will play a key role in delivering productivity growth and supporting London's core and growth sectors.
- 1.12 All projects that are delivered by external partners will be tendered by TfL to ensure compliance with open procurement processes.

2. Objectives and expected outcomes

- 2.1 Outcomes for each strand of activity will be developed through the individual business cases submitted to LEAP. High-level outcomes include supporting SMEs to grow their business, preparing them and signposting them to export to new markets, prepare them for Brexit and address challenges that new economic circumstances may bring.
- 2.2 Additional funding is being sought to supplement the core grant covered by this report. If successful in securing additional funding, the project will deliver over 18 months an additional 800 hours of information, diagnostic and brokerage, and 600 hours of one-to-one business support and 45 master classes.

3. Equality comments

- 3.1 As indicated in other sections of this MD, the Growth Hub has two components, the online tools and the face to face support programmes. Both elements require different type of engagement in terms of equalities.
- 3.2 For the online portal, we are ensuring that all relevant London-based business support schemes are included in the website. That includes specific information and events for women, BAME and other underrepresented groups.
- 3.3 For the face to face support we have developed a range of projects that proactively seek to satisfy the GLA's public sector equalities duty, namely through addressing underrepresentation of women, disabled people and people of BAME origin. There are a range of example projects under the banner of the Growth Hub that address the equalities duty like: the Access to Entrepreneurship and the Business Support and Leadership project which will target barriers faced by particular groups in entrepreneurship and ensure that local communities are benefiting from capital investment in workspace and business growth.
- 3.4 We are also hosting a range of round tables with BAME, LGBT and disabled women to identify what challenges they face when establishing their business and how we can best support them. The outcomes of the round tables will inform the next phase of the Growth Hub programming.
- 3.5 All the face to face projects we fund under the banner of the Growth Hub have targets for women, BAME and disability. Additionally, the face to face business will be delivered in areas with high deprivation indices.

4. Other considerations

- 4.1 It is a Government requirement that the delivery of the London Growth Hub is in line with LEAP's Assurance Framework, which outlines detailed arrangements for the approval, appraisal and delivery of LEAP funded programmes as well as requirements for governance and transparency as well as risk management.
- 4.3 Risks for each project will be identified when new budget approval is sought. But potential risks include not procuring on time, not receiving good quality tenders, projects not recruiting sufficient SMEs. But all these risks will be addressed on individual basis depending on particular project and circumstances.

5. Financial comments

- 5.1 Mayoral approval is sought for expenditure of £875,000 of the LEAP Growth Hub budget for years 2018/19 (£390,000) and 2019/20 (£485,000), to support the delivery of the London Growth Hub programmes listed under the table in paragraph 1.4. LEAP Growth Hub budget is fully funded by grant received from the Department for Business, Energy & Industrial Strategy

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to further, and or be facilitative of or conducive or incidental to the furthering of, the promotion of economic development and wealth creation in Greater London; and
- 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) 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
 - (c) consult with appropriate bodies.
- 6.2 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.3 To the extent that it is proposed that expenditure is incurred on the:
- The award of grant funding officers must ensure that the proposed funding is disbursed in a fair and transparent manner in accordance with the GLA's Contracts and Funding Code and a funding agreement is put in place between and executed by the GLA and proposed recipients before any commitment to the provide funding is made;

- The procurement of works, services or supplies, officers must ensure that the works, services or supplies are procured in accordance with the GLA's Contracts and Funding Code and that appropriate contract documentation is put in place and executed by the proposed providers and the GLA before the commencement of any works, services or supplies; and
- Staffing costs officers must ensure that they comply with all GLA HR policies and protocols (including HoPs approvals if applicable) in this regard.

7. Planned delivery approach and next steps

7.1 The next steps following consideration by the Investment Committee are summarised below:

Activity	Timeline
Procurement of contracts for the delivery projects	September - December 2018
Staff recruitment for grade 10 and grade 6	January to March 2019
Announcements	January 2018 – March 2019
Delivery Start Date	January 2019
Final evaluation start and finish (external)	March 2020
Delivery End Date	February 2020
Project Closure	March 2020

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

If YES, for what reason:

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

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:

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

✓

Sponsoring Director:

Lucy Owen 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 the 15 October 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allen

Date

15.10.18

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

15/10/2018

