

# GREATER LONDON AUTHORITY

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2268

### Title: Workspace Training Programme

#### Executive Summary:

The London Economic Action Partnership (LEAP) recently commissioned a report that explored the impact of the 2016/17 business rates revaluation on London's open workspaces and how local authorities are handling discretionary business rates reliefs.

Findings from the report show that the overall business rates bill for the 340 open workspaces in the GLA database has almost doubled and that business rates relief is not being applied consistently.

This decision form seeks approval for a training programme for local authorities and open workspace providers to ensure that workspaces understand their entitlement to business rates relief, that reliefs are applied consistently across local authorities, and that associated Valuation Office guidance is fully understood. These measures will help reduce the impact of the business rates revaluation on London's Small and Medium Sized Enterprises (SMEs) and to ensure that open workspaces remain affordable.

#### Decision:

That the Assistant Director of Regeneration and Economic Development approves:

Expenditure of up to £25,000 to support capacity building and training sessions on business rates and rates relief for local authorities and open workspace providers

#### 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:** Debbie Jackson

**Position:** Assistant Director – Regeneration and Economic Development

**Signature:**



**Date:** 25/09/18

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 Early in 2017 the LEAP commissioned the Workspace Affordability Crisis Reports that explored the impact of the 2016/17 business rate evaluation on London's open workspaces and how individual local authorities apply discretionary rate reliefs.
- 1.2 Findings from the report show that the business rate revaluation will have a knock-on effect on affordability, and that this potentially can impact on business creation and employment, given that open working spaces are rapidly become a vital part of the business ecosystem, particularly for start-ups.
- 1.3 In 2016 the Institute for Public Policy Research launched a report that concluded that a third of all businesses founded in the capital between 2009 and 2011 used an incubation, accelerator or a coworking space.
- 1.4 The report commissioned by the LEAP also found that:
  - There is very little understanding of how business rates work in general and in particular open workspace providers and their tenants and members are struggling to understand and grapple with the complexities of the system;
  - Decisions on discretionary business rates relief for London's open workspaces can be inconsistent across and within boroughs; and
  - Significant increases in the cost of business rates and increases on rent, will have an impact on workspace provision, which has a knock-on impact on affordability, diversity and inclusion for Londoners.
- 1.5 The funding sought will be used to address some of these issues by financing training for local authorities and workspace providers to enable them to tackle business rates effectively and consistently.

#### **2. Objectives and expected outcomes**

- 2.1 The proposed £25,000 will fund training that will support the affordability of open workspaces by unlocking the ways in which open workspace providers can reduce their business rates. The project will be funded by LEAP and delivered as part of its London Growth Hub business support initiative. The programme will be delivered by an external partner following a tender process to be launched in September 2018.
- 2.2 The main outputs expected to be delivered are:
  - Delivery of training on business rates targeted at local authorities and workspaces providers;
  - Deliver a minimum of ten training sessions on business rates and rates relief for open workspace providers and local authorities. We will divide the training by sub-region and each of them will have two sessions

- 2.3 The funding will only pay for administration costs and trainers. We expect the successful delivery organisation to find free venues through the local authorities and workspaces that take part in the programme.
- 2.4 Signposting to existing information such as guidance notes, and communication to workspace providers will also be provided as part of the wider London Growth Hub offer.
- 2.5 Expected outcomes for the training:
- Increase capacity of London's open workspace to understand business rates and relief options;
  - Improve consistency of approach to business rates and open workspaces across London; and
  - Reduce cost burden on SMEs as far as possible within existing rates regime.

### **3. Equality comments**

- 3.1 The request outlined in this report does not pose any impact on individuals with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation). We have considered the GLA's duties in this area, and will ensure that delivery of the training is done in a way that proactively supports those groups with protected characteristics,

### **4. Financial comments**

- 4.1 Assistant Director's approval is sought for expenditure of £25,000 on the GLA's training project for Local authorities and workspace providers. The cost will be funded from the London Growth hub 2018-19 budget. London Growth Hub budget is fully funded by BEIS as an allocation to LEAP to deliver Growth Hub services.

### **5. Planned delivery approach and next steps**

- 5.1 Our tender route will be in line with advice from procurement, and delivery requirements will be outlined in the appropriate procurement documentation, the subsequent bid from the successful delivery partner and the contract that will subsequently be put in place.

<b>Milestone</b>	<b>Target Date</b>
Launch Tender	Sep 2018
Select Delivery Organisation	Oct 2018
Sign Contract	Mid Oct-18
Training Starts	Nov 18

### **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 either be published within one working day after it has been approved or on the defer date.

**Part 1 Deferral: No****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 – 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:**

Shumus Mattar has drafted this report in accordance with GLA procedures and confirms the following:

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on the 17 September 2018.

**HEAD OF FINANCE AND GOVERNANCE:**

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

Signature



Date

25.09.18