

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2549

Title: Brexit Business Intelligence and Support

Executive Summary:

The UK Government has confirmed funding of £721,579 to the GLA as accountable body for the London Economic Action Partnership ('LEAP') to support the following Brexit related activity:

- £690,000 to support Brexit intelligence gathering and Brexit business readiness across the South-East Growth Hub cluster, covering the London, Hertfordshire and South East Local Enterprise Partnership (LEP) areas; and
- £31,579 to support delivery capacity for the London Growth Hub in 2019/20 (Hertfordshire and South East LEPs have received the same funding directly).

This decision seeks formal approval for the GLA to deliver a programme of activity that will be taken forward using this funding.

Decision:

That the Mayor:

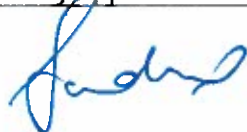
1. Approves receipt of £721,579 (£690,000 as per the grant offer dated 14 October 2019 and a further £31,579 as per the grant offer dated 18 October 2019) from the Department for Business, Energy and Industrial Strategy (noting that £405,000 has already been received by the GLA).
2. Approves expenditure to support the following programmes relating to Brexit intelligence gathering and business resilience across the South East:
 - £252,000 grant funding to support capacity-building to deliver Brexit intelligence gathering and resilience support, in the South East (£126,000) and Hertfordshire (£126,000) Local Enterprise Partnership areas;
 - £157,579 to support delivery of business support activity in London (£77,000) and related GLA salary costs (£80,000); and
 - £150,000 grant funding to deliver intelligence gathering, event promotion and online content to support business awareness and engagement across the South East Cluster.
3. Delegates authority to the Executive Director for Development, Enterprise and Environment for the expenditure of an additional £162,000 to support additional business readiness support for Brexit across the South East of England from January 2020, subject to a business case to be considered by LEAP.

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:

9/12/19

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

Decision required – supporting report

1. Introduction and background

- 1.1. Local Enterprise Partnerships (LEPs) have been established across England to help determine local economic priorities and lead economic growth and job creation. A key function of LEPs is 'Growth Hubs', which coordinate and provide business support across each LEP area. The UK Government has identified LEP Growth Hubs as the bodies through which they will deploy funding for local business support and intelligence gathering that will support businesses through the UK's departure from the EU. As part of this work, the Department for Business, Energy and Industrial Strategy (BEIS) has confirmed funding to the LEAP via the GLA in two grants: for £690,000 and £31,579. The GLA in its role as accountable body for LEAP will administer and coordinate the funding to support the following Brexit related activity:
 - £690,000 is split as follows:
 - Programme 1: to support Brexit intelligence gathering across the South-East Growth Hub Cluster, covering the London, Hertfordshire and South East LEP areas;
 - Programme 2: to support Brexit business readiness across the South East Growth Hub Cluster; and
 - £31,579 to support delivery capacity for the London Growth Hub in 2019/20 (Hertfordshire and South East LEPs have received the same funding directly).
- 1.2. Whilst much of the detail regarding the timing of and the terms on which the UK will leave the EU remain unclear, business preparedness and support for London's small and medium sized enterprises (SMEs) is essential in ensuring these businesses are prepared for the impacts of Brexit, and that LEAP can mobilise support as soon as the terms and timing become clearer.
- 1.3. While many larger companies are ready and well-prepared for a no deal scenario, many small businesses remain unprepared. According to a recent online survey conducted between July and September this year by the London Chamber of Commerce and Industry (LCCI), only nine per cent of London business leaders polled say their business is already prepared for a no deal Brexit and nearly a fifth say they require support in planning for this. <https://www.londonchamber.co.uk/news/press-releases/9-of-london-businesses-polled-prepared-for-no-deal/>
- 1.4. BEIS requested that the grant offer letters received in October 2019 were accepted and an initial claim for funding was both completed and submitted by 31st October 2019. This timeline was driven by an expectation at this point that the UK would be leaving the EU on this date. This funding has now been received and therefore the approval for receipt of this funding is being submitted retrospectively.
- 1.5. This decision also seeks formal approval for the GLA, in its role as accountable body for LEAP, to use the funding received by BEIS to help deliver the following activities.
- 1.6. There are two programmes relating to the Brexit intelligence gathering and business readiness.

Brexit intelligence gathering and business readiness (Programme 1)

- 1.7. This programme aims to support the three Growth Hubs within the 'South East' cluster to implement locally delivered activity to prepare businesses for the UK's planned departure from the European Union. Growth Hubs are funded by central government and deliver business support as regional public/private sector partnerships led by LEPs. They join up national and local business support, so it is easy for businesses to find the help they need. This work is essential in ensuring businesses are prepared for the

different Brexit scenarios, and that LEAP can mobilise support as soon as the terms and timing become clearer. The funding allocated to the three Growth Hubs is to increase capacity to deliver business readiness support to businesses within their areas.

- 1.8. The majority of the funding provided to LEAP from BEIS is to deliver support across three LEP areas, known as the 'South East Cluster'. An additional £31,578.94 funding has been provided by BEIS specifically for London-related activity (equivalent funding has been provided directly to each of the Cluster partners).
- 1.9. It is proposed that £409,579 of the funding received from BEIS is used for this programme on the following activities:
 - I. £126,000 grant funding to Hertfordshire LEP (covering Hertfordshire) for locally delivered business readiness support. This funding will be provided through a grant agreement issued by the GLA as accountable body for LEAP and will include all grant conditions placed on the GLA by BEIS in the letter of grant dated 14 October 2019.
 - II. £126,000 grant funding to South East LEP (covering Essex, Kent and East Sussex) for locally delivered business readiness support. This funding will be provided through a grant agreement issued by the GLA as accountable body for LEAP and will include all grant conditions placed on the GLA by BEIS in the letter of grant dated 14 October 2019.
 - III. £157,579 (£31,579 from the funding received to support delivery capacity for the London Growth Hub and £126,000 of the £690,000 funding) to be used by the GLA to support delivery of business support activity in London (£77,579) and related labour costs, e.g. temporary staffing resources at the GLA or external consultancy resource (£80,000). Specific activity will be agreed as part of subsequent procurement activity, but it is anticipated that the funding for London-based activity would provide direct support to in excess of 3,000 businesses with a much wider reach in terms of engagement and awareness raising. It is proposed that the delivery activity for London be split across:
 - Up to £53,579 to commission additional specialist Brexit readiness support for London based SMEs. Scope of this support will be determined by ongoing intelligence gathering activity and further clarity from Her Majesty's Government (HMG) following the December general election. Delivery partners will be appointed with support from TfL Procurement in line with the GLA Contracts and Funding code; and
 - Up to £24,000 to procure a partner to lead on stakeholder engagement for all Brexit readiness activity. This will include workshops, surgeries and business support "pop ups". Discussions are currently underway to appoint a delivery partner through the TfL and GLA Events Framework.
- 1.10. Staffing will be sourced through temporary staffing resources at the GLA or an external consultancy resource, in accordance with human resources policies and the GLA's Contracts and Funding Code as appropriate.

Intelligence gathering, event promotion and online content (Programme 2)

- 1.11. The second programme focuses on intelligence gathering, event promotion and online content to support business awareness and engagement across the South East Cluster.
- 1.12. This programme aims to support businesses across the South East (London, Hertfordshire, Essex, Kent and East Sussex, referred to herewith as the 'South East Cluster') to prepare for and implement key business changes required as a result of the UK's planned departure from the European Union. It is proposed that £150,000 of the £690,000 funding received from BEIS is used for this programme on the following activities:

- Up to £60,000 to purchase business data and deliver telemarketing activity to support business Brexit intelligence and awareness raising. This activity will be delivered through an existing contract held by the Hertfordshire LEP with Exemplas to provide telemarketing services, which Hertfordshire LEP have already commissioned at risk in order to ensure this intelligence can be obtained as a matter of urgency. Hertfordshire LEP will invoice the GLA for the respective costs incurred for this activity as part of their existing wider contract with Exemplas. The initial telemarketing campaign will be targeted at the 10-249 employee size businesses, with a view to engaging around the Brexit preparedness of businesses. The objective of the proposed telemarketing survey is to:
 1. garner intelligence and feedback from businesses;
 2. generate referrals to the www.gov.uk/brexit website; and
 3. generate referrals to the individual Growth Hubs for follow up; with a view to supporting potential event promotion and/or face to face contact.
- £55,000 to support business engagement and promotion of Brexit resilience support; and to develop a strategy for engaging small businesses across the South East Cluster, including reviewing existing intelligence (including current Brexit readiness support) and sector insights and recommending a suite of resources to be developed. The funding will also be used to promote business support events and resources, with the aim of engaging with 9,000 businesses by 31 March 2020 across the three local enterprise partnerships for South East England. It is proposed that this delivery activity will be commissioned by the GLA through one or more contracts with external providers to deliver physical and online promotional assets, event marketing services and other awareness raising activity, such providers will be procured by the GLA with support from TfL Procurement in line with the GLA Contracts and Funding Code.
- £35,000 to deliver online content to support business readiness. This includes a suite of resources, potentially including, but not limited to, fact sheets, podcasts and webinars by 31 March 2020. It is proposed that this delivery activity will be delivered through one or more contracts with external providers to produce digital content in the form of webinar and podcast production and hosting such providers will be procured by the GLA with support from TfL Procurement in line with the GLA Contracts and Funding Code.

Remaining funds

- 1.13. Approval is also sought to allocate the remaining funding of £162,000 from the £690,000 to support Brexit readiness activity as required once further detail is made available from the second tranche of intelligence gathering activity. Due to the continued uncertainties relating to the impacts of Brexit on small businesses, the scope and delivery mechanism for this funding will be determined in early 2020. A detailed business case will therefore be presented to LEAP in line with its Schedule of Funding Responsibilities once the proposals have been developed. This decision therefore seeks a delegation to the Executive Director of Development, Enterprise and Environment to approve delivery of this activity once considered by LEAP. Given the likely need to finalise plans for deploying these funds as a matter of urgency in the new year, it is proposed that the delegation be recorded by email following the formally minuted meeting of the LEAP Programme Board at which the business case for this activity is agreed.

2. Objectives and expected outcomes

- 2.1. Programme 1 is expected to provide at least 3,000 businesses with face-to-face support, events and workshops with London's share of the funding. Hertfordshire LEP and South LEP will deliver support to a further 3,000 businesses each. This support will ensure businesses taking part in the programme are ultimately more likely to survive and flourish when the UK exits the EU in January.

- 2.2. Programme 2 will start with a telemarketing campaign that will target 10-249 employee size businesses, with a view to engaging around the Brexit preparedness of businesses. The objective of the proposed telemarketing survey is to:
- gather intelligence and feedback from businesses;
 - generate referrals to the www.gov.uk/brexit website; and
 - generate referrals to the individual Growth Hubs for follow up; with a view to supporting potential event promotion and/or face to face contact.
- 2.3. Using a combination of the BEIS Brexit survey questions and intelligence gathering questions as to whether Brexit is presenting challenges and/or business opportunities, the telemarketing agency will capture volume data and responses to feed into the weekly survey. This will include both statistical numbers as well as narrative valuable to the intelligence and feedback reporting requirements. The telemarketing agency will source the data required to support this exercise and will deploy nine callers across 10 days to undertake the client contact.
- 2.4. Programme 2 will also deliver:
- a strategy for engaging small businesses across the South East, including reviewing existing intelligence and sector insights and recommending a suite of resources to be developed;
 - promotion of business support events and resources, with the aim of helping each LEP reaching 9,000 businesses by 31 March 2020 across the 3 LEPs; and
 - a suite of resources, potentially including, but not limited to, fact sheets, podcasts and webinars by 31 March 2020.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 ('the Equality Act'), the Mayor must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not when exercising his functions. This is known as the Public Sector Equality Duty. Protected characteristics under the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (the duty in respect of this last characteristic is to eliminate unlawful discrimination only).
- 3.2. The activities to be funded pursuant to this mayoral decision will feed in to wider activity being led by the London Growth Hub to ensure entrepreneurs and enterprises who face particular barriers (e.g. women, BAME and disabled business owners) are able to access the support they need to overcome the barriers they face and that awareness of the Mayor's business support offer is actively promoted to these groups. A full action plan has been developed to ensure delivery of this ambition.
- 3.3. Whilst larger businesses are often able to allocate significant resources to consider the impacts of Brexit on their business. However, many smaller businesses are unable to allocate such resource. Because minority ownership among smaller businesses is proportionately higher than among larger businesses, we anticipate this activity will positively benefit minority owned businesses. Data on business ownership among businesses taking part in support programmes will be captured and analysed as part of wider London Growth Hub evaluation activity.

4. Other considerations

Risks

Risk Description	RAG rating	Probability (Low, Medium, High)	Impact (Low, Medium, High)	Mitigation
Risk of claw-back from Government in relation to grant funding to Partner LEPs	RED	Medium	High	Back-to-back grant agreement to be put in place and staffing resource to be identified to ensure compliance.
Delay in approval/procurement	RED	High	High	Urgency procedures and Single Source Justifications to be considered. Close monitoring of approvals and working directly with approving officers.
Low awareness and subsequently low levels of take up	AMBER	Medium	High	By appointing a marketing agency to help raise awareness and raise the profile of our work across the cluster.

Links to Mayoral strategies

- 4.1. The Mayor has committed to support business through Brexit and has made this the focus of his 'London Is Open For Business' campaign.
- 4.2. The UK Government have invested over £100m in Brexit preparedness activity in order to ensure businesses are ready for an exit from the EU. Local Enterprise Partnerships have been identified as a key vehicle for local delivery of this activity through their respective Growth Hubs.
- 4.3. This activity aligns with the London Growth Hub's new delivery model, where business support will be focused on existing SMEs across London's everyday sectors. The LEAP Board were advised of the proposals at their meeting on the 26 September 2019, and a decision to support the proposed activity was made by the LEAP Programme Board on the 7 November.

Data

- 4.4. All data held as part of programme activities will be held in compliance with General Data Protection Regulations (GDPR) and where relevant the GLA's Information Governance Team will be consulted to ensure compliance.
- 4.5. Conflicts of interest: There are no conflicts of interest to note for any of those involved in the drafting or clearance of the decision.

5. Financial comments

- 5.1. This proposal seeks approval for the receipt and expenditure of £721,579 of grant funds from the UK Government to provide support for the following Brexit related activities:

Activity	Budget
Business readiness: Hertfordshire and South East LEPs	252,000
Delivery – London specific	77,579
Delivery, promotion and intelligence gathering – South East	150,000
Further brexit readiness support	162,000
Labour costs	80,000
Total	721,579

5.2 As stipulated in the grant agreement, all funds must be utilised within 2019/20.

5.3 The income and expenditure will take place within the LEAP Growth Hub budget.

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 GLA's principal purposes of promoting economic development and wealth creation, social development and the improvement of the environment in Greater London as set out in section 30 of the Greater London Authority Act 1999. In formulating the proposals in respect of which a decision is sought officers have complied 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
- determine whether to consult with appropriate bodies.

6.2 Notwithstanding that part of the proposed funding is to be given to LEPs whose geographic interest and focus is outside Greater London, it is anticipated that such funding will further the GLA's principal purposes as set out above. Supporting businesses in the immediate vicinity of Greater London to prepare for the UK's exit from the European Union is likely to promote economic stability in the areas in which the businesses are located and support economic prosperity in the aftermath of the UK's departure. Such stability and prosperity are likely to have an indirect beneficial impact on the realisation of the GLA's principal purposes of promoting economic development and wealth creation and social development in Greater London. It is, therefore, within the Mayor's powers to make the decision which is being requested and authorise the proposed funding.

6.3 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, sex, 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.

6.4 Officers have indicated in the report that part of the BEIS funding has already been claimed and therefore the approval for the receipt of the funding is sought retrospectively, the reasons for which

are set out at paragraph 1.4 of this report. Accordingly, the Mayor should take account of those reasons in considering whether to approve the recommendations of this report.

- 6.5 Officers must ensure that they are content that the GLA comply with any conditions to which the BEIS funding is subject and in any event no reliance should be placed upon such funding until there is a legally binding commitment from the Cabinet Office to provide the same.
- 6.6 Paragraph 1.7 above indicates that the contribution of £126,000 to Hertfordshire LEP and £126,000 to South East LEP amounts to the provision of grant funding and not payment for services. Officers must ensure that an appropriate funding agreement is put in place between and executed by the GLA and recipient before any commitment to fund is made.
- 6.7 Any services required by the GLA to support the activities described in this report must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code. Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of the services.
- 6.8 In the event that the additional staff required are procured on a consultancy basis, officers must ensure that the services are procured and appropriate contract for services documentation is put in place with support from TfL Procurement in accordance with paragraph 6.7 above. Alternatively, if the intention is to appoint staff (on a temporary or permanent basis) into newly created posts on the GLA establishment, then, officers must ensure the creation of any such new posts is referred to the GLA's Head of Paid Service for approval.

7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract and grants issued	December 2019
Delivery Start Date	Early January 2020
Delivery End Date	31/03/2020
Project Closure	31/03/2020

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

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:

Richard Cumbers has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Debbie Jackson 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 9 December 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Bellamy

Date

9.12.19

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

9/12/2019.

