

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2260

Title: Consent to LLDC for grant funding to The Trampery

Executive Summary:

The London Legacy Development Corporation (LLDC) is seeking Mayoral consent to it providing a £195,000 grant to The Trampery. The grant will fund a resource to coordinate delivery of the High Growth Fashion Programme to 30 fashion businesses in east London. The project supports LLDC's WORK business objective, where it seeks to retain, attract and grow a diverse range of high quality businesses and employers, and maximise employment opportunities for local people and under-represented groups in and around Queen Elizabeth Olympic Park.

The resource will act as match contribution to the Lower Lea Threads Good Growth programme for the Fashion District, and will contribute to programme coordination and curriculum development, delivering the programme until March 2021.

Mayoral consent is required under Section 213 of the Localism Act 2011 and Paragraph 3.2 of the LLDC Governance Direction 2013 because the grant value exceeds the Legacy Corporation's delegation level for giving financial assistance by grant (DD1245). Under the Mayoral Decision-Making in the GLA document, that consent can be provided on behalf of the Mayor by a specified senior officer.

Decision:

That the Assistant Director, Group Finance consents, on behalf of the Mayor and under Paragraph 3.2 of the LLDC Governance Direction 2013, to LLDC providing a grant of £195,000 to The Trampery

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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: David Gallie

Position: Assistant Director, Group Finance

Signature:



Date:

14 / 8 / 18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Mayor's Draft Economic Development Strategy flags the Fashion District as a key example of a targeted partnership intervention that supports the cultural and creative industries. Delivering on the Mayor's Good Growth agenda, it aims to tackle a range of structural issues facing the sector, including access to finance, affordable space and skills in order to create a more resilient fashion sector in London with the capacity to innovate across the value chain. In addition, the GLA's Good Growth programme has awarded £1,993,792 to the Lower Lea Threads Fashion District suite of projects (from a total project match of £4,067,194), through Director Decision DD2222, in accordance with the delegation provided by Mayoral Decision MD2163 (Good Growth Fund).
- 1.2. As part of the LLDC's WORK business objective, it seeks to retain, attract and grow a diverse range of high quality businesses and employers, and maximise employment opportunities for local people and under-represented groups in and around Queen Elizabeth Olympic Park.
- 1.3. A priority sector under the 'East Works' programme, the fashion industry contributes £30 billion annually to the UK economy, with the majority of design businesses concentrated in London. East London and the Growth Boroughs are home to a significant concentration of fashion businesses; east London is home to 23% of the capital's fashion businesses and this number is growing.
- 1.4. At the same time, the industry faces significant challenges to its resilience. As such, LLDC is a founding partner of the Fashion District. The partnership has created workstreams dedicated to addressing key issues around finance and investment in innovation, business support, skills gaps in the workforce and affordable workspace.
- 1.5. The partnership acknowledge that luxury fashion in particular is an important export economy for the UK, serving markets in Asia, the Middle East, Europe and North America. However, the failure rate amongst luxury fashion labels is high compared to other export industries.
- 1.6. A 2012 report by the British Fashion Council identified "high failure rates and the lack of business skills and entrepreneurial training" as the key challenges facing the industry. Most concerning, failures often occur during the growth stage when a label is starting to achieve significant international success. There are many causes: mis-pricing a new range, doing a deal with a mis-aligned investor, over-optimistic forecasting, imbalances in the leadership team. The majority of these failures are avoidable.
- 1.7. LLDC has a key interest in supporting businesses based in east London to contribute to the wider social and economic benefit of local people. Growth stage businesses are of particular interest for the East Works programme. Businesses who have established themselves, demonstrated market relevance, and who have the financial and managerial capacity to thrive will also possess the greatest potential to bring on board new local employees. Likewise, it is this group of entrepreneurial, aspirational businesses who are innovating and creating change in the industry and most open to adopting and disseminating best practice.
- 1.8. The High Growth Fashion Programme is a bespoke business support programme that aims to address the underlying problems and reduce the failure rate for high growth luxury fashion labels, targeting east London businesses.

- 1.9. The LLDC is therefore seeking Mayoral consent to grant fund The Trampery to the value of £195,000 over three years to coordinate the delivery of the High Growth Fashion Programme.
- 1.10. The Trampery is providing £34,800 of match funding for the period covered by the grant funding but will, as part of the Grant Agreement, be asked to secure additional funding.
- 1.11. With this funding, the project will enable a cross-industry partnership and co-create a training programme that will support fashion businesses with high growth potential to grow sustainably and employ more local people.
- 1.12. The project will do this by employing a programme manager and developing the curriculum required to equip businesses for sustainable growth. The project will also enable the Trampery to develop a Good Work Standard for Fashion, in line with the Mayor's commitment to development of a Good Work Standard across London.
- 1.13. Without this investment in local fashion business, we can expect the status quo of high failure rate of fashion businesses to continue, with a missed opportunity to support fashion businesses to grow and employ more local people.

2. Objectives and expected outcomes

2.1. Overall the project aims to:

- 2.1.1. Support the sustainable growth of the fashion industry by delivering a High Growth Fashion Programme over three years, structured as an iterative pilot, in order to address the failure rate of growth stage fashion businesses.
- 2.1.2. Develop a Good Work Standard for the fashion industry that seeks to embed principles of social, economic and environmental sustainability in the industry.
- 2.1.3. At all times act in accordance with the Equality Act 2010 and the Corporation's overarching social and employment policies and objectives.

2.2. To achieve its aims, the project will:

- 2.2.1. Work with the LLDC and other Fashion District partners, including the British Fashion Council and London College of Fashion to recruit 30 high growth fashion labels onto the programme over 3 years.
- 2.2.2. Provide programme support based at the Fish Island campus that is prioritised for businesses founded or located in Hackney, Tower Hamlets, Waltham Forest and Newham. 40% to 70% of businesses on the programme will be resident in the Growth Boroughs.
- 2.2.3. Deliver 6 months intensive support to each cohort of businesses.
- 2.2.4. Work with the LLDC to support the workforce development of the businesses on the programme, and develop a responsive solution to provide skills and talent development for local people at Fish Island Village Studios, in line with the LLDC socio-economic programme.

2.2.5. Begin the work to develop a Good Work Standard for Fashion that addresses specific issues related to the fashion industry with a focus on instilling principles of social, economic and environmental sustainability. For example, this will include working to ensure businesses pay London Living Wage, supporting apprenticeships and paid work placements, especially for people from underrepresented groups in the workforce and are promoting environmentally considerate practices.

2.2.6. Report and evaluate on the progress of the pilot to capture the full impact and learning and to ensure sustainable, replicable outcomes, providing data source for industry.

2.3. As a result of the programme, 30 growth stage fashion businesses will:

- Increase turnover by 300% over a 5 year period following the intervention.
- Enter two additional markets in a 5 year period following the intervention.
- Commit to Good Work Standard Practices.

2.4. Additionally, the programme will enable a 5% reduction in business failure rate over a 5 year period following the intervention.

3. Equality comments

3.1. The provision of £195,000 funding to deliver the High Growth Fashion Programme will have a positive impact on equalities and will support LLDC's Priority Theme 'promoting convergence, employment and community participation'. By supporting 30 businesses, most situated on or around the Queen Elizabeth Olympic Park, the project will stimulate economic growth, innovation and development in this part of east London, thus contributing to attracting inward investment to bringing new jobs into the area and ensuring that local people benefit from those jobs.

3.2. An equalities impact assessment will be undertaken on all aspects of delivery, this will include reviewing recruitment plans, training content and delivery plans and monitoring and active recruitment of BAME and underrepresented business owners. It will also include a focus on Good Growth within the businesses themselves, ensuring that where there are opportunities for recruiting new staff, local people and people from BAME and underrepresented groups.

3.3. By providing this grant no adverse impact is anticipated on equalities issues or any protected characteristic groups¹.

¹ The GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not under section 149 of the Equality Act 2010. This may involve, in particular removing or minimising any disadvantage suffered by those who share a relevant protected characteristic, taking steps to meet the needs of such people; and encouraging them to participate in public life, or in any other activity where their participation is disproportionately low, including tackling prejudice and promoting understanding. The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Compliance with the Act may involve treating people with a protected characteristic more favourably than those without the characteristic.

4. Other considerations

a) Key risks and issues:

Key Risks and Issues	Action Points
Low take up by fashion businesses	To work with fashion industry partners to engage local businesses via industry networks like the British Fashion Council, Centre for Fashion Enterprise and others.
Challenges with tracking businesses post-programme	The Trampery will facilitate an alumni network for the businesses on the programme and use the industry steering group as a means to stay connected with businesses on the programme.
Limited opportunities for local employment	The Trampery will work closely with LLDC to ensure that any growth in number of jobs is linked into opportunities for local people through LLDC East Works programme as well as local borough job brokerages.

b) Links to Mayoral strategies and priorities:

- 4.1. The project responds to the Mayor's Draft Economic Development Strategy, Mayor's Good Growth agenda and also aligns closely to the London Enterprise Panel's Growth Hub priorities by supporting locally based businesses to grow sustainably through a targeted intervention that supports a specific industry and economic activity.
- 4.2. The project aligns with the Mayor's objectives and priorities, as it will:
 - 4.2.1. support the sustainable growth of 30 SMEs. Additionally, where businesses are growing and employing more people, the programme will create new access points for local people into fashion careers.
 - 4.2.2. also have a wider impact on the wider fashion industry in London: The High Growth Fashion Programme will develop initiatives that support the Fashion industry to tackle key issues surrounding business failure. It will create a best practice guide in the Good Work Standard for Fashion that can be disseminated across industry.

c) Impact assessments

- 4.3. The project will promote business growth in parts of London that are quickly regenerating. It will give east London businesses an opportunity to benefit from and be part of the regeneration in the area, and to do so in a sustainable way. It will equip businesses with the skills and tools to plan for the future and to be productive members of London's business community.
- 4.4. The project will provide a number of monitoring and evaluation monitoring reports throughout the project in order to track performance, ensure continuous learning and development and to share best practice with others in the Fashion District Partnership.

d) Consultations

- 4.5. The Fashion District partners, including Greater London Authority Regeneration Team, UAL: London College of Fashion and British Fashion Council have been consulted on this project's development.

5. Financial comments

- 5.1. LLDC has provision for this expenditure in its socio-economic budget that has been approved as part of the LLDC's long term plan and is within the GLA's budgeted revenue grant support for LLDC.
- 5.2. The funding forms part of the LLDC's match commitment to the Lower Lea Threads Good Growth Fund project. The GLA is providing £1,993,792 of grant funding to Poplar Housing and Regeneration Community Association Limited as part of this project, an element of which will also be used to fund The Trampery and is contingent on a separate grant agreement between the recipient and LLDC.

6. Planned delivery approach and next steps

Activity	Timeline
Trampery Grant Agreement signed	August 2018
Trampery Programme Manager recruited	September 2018
Programme commencement with 7 businesses (tenants of Fish Island Fashion Campus) on first cohort	November 2018
Cohort 1 complete and Report	May 2019
Cohort 2 complete, Report & Good Work Standard Report	December 2019
Cohort 3 complete and Report	July 2020
Cohort 4 complete & delivery end date	February 2021
Project Closure and end of programme Report	April 2021

Appendices and supporting papers:

None

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:**

Andrew Nathan has drafted this report, based on information supplied by LLDC, in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 13 August 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:

14.08.18

