

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2249

### Title: Growth Hub: Meet the buyer project

#### Executive Summary:

As part of the London Growth Hub initiative, the GLA is commissioning a pilot project that will provide 'meet the buyer' opportunities to London-based small and medium enterprises (SMEs).

The project will provide business support to SMEs that are at the stage of growing their companies and are ready to sell their products at a bigger scale and are trying to access new clients with larger purchase potential.

#### Decision:

That the Executive Director of Development, Enterprise and approves:

1. receipt of up to £75,000 of funding from the London Economic Action Partnership;
2. receipt of up to £45,000 of funding from Growth Hub 2018/19 (funded by the Department of Business, Energy and Industrial Strategy); and
3. expenditure of the above (amounting to a maximum of £120,000) on the GLA's one-year London Growth Hub 'Meet the Buyer project'.

#### 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:** Fiona Fletcher-Smith

**Position:** Executive Director

**Signature:**



**Date:** 10/5/18

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE

### Decision required – supporting report

#### 1. Introduction and background

- 1.1 Growth Hubs are funded by central government via the Department of Business, Energy and Industrial Strategy (BEIS) and delivered as regional public/private sector partnerships led by Local Enterprise Partnerships (LEP). They join up national and local business support so it is easy for businesses to find the help they need. There are 38 hubs, one for each LEP region. In addition to providing a co-ordination function, each regional growth hub provides a different type of support, tailored to the needs of businesses in its region.
- 1.2 Launched in November 2016, the London's Growth Hub aim is to bring together the capital's vast business support offer into a single online resource (<https://www.growthhub.london>). The site also aims to become a forum for Small and Medium Enterprises (SMEs) and business support providers to exchange information and develop new networks.
- 1.3 As the London's Growth Hub matures, a range of new initiatives will be developed and implemented.
- 1.4 The 'meet the buyer' project (the "**Project**") is the third of these initiatives (following the Start, Scale, Grow project (<https://www.growthhub.london/start-scale-grow/>) and the Property Advice Service) and will complement the online service by providing face to face business support.
- 1.5 The Project will provide business support to SMEs that are at the stage of growing their companies and are searching to get new clients with larger purchase potential.
- 1.6 The successful organisation/partnership that will deliver the Project will develop a range of business support training opportunities that will teach the SMEs to pitch in front of potential new clients.
- 1.7 The Project will be funded by two budget lines: London Economic Action Partnership (LEAP) and Growth Hub. The Growth Hub funding has been recently confirmed by BEIS for 2018/19.
- 1.8 A range of business support organisations will be invited to put forward proposals to deliver this Project. The successful company will be awarded a contract for services following a procurement process that will be supported by TfL Commercial. A detailed timetable can be found in section seven of this paper.

#### 2. Objectives and expected outcomes

- 2.1 In 2016 GLA economics published the *Economic evidence base* for London. The report indicates that in 2014 London's strongest goods export sector, valued at £12.2 billion, was 'Miscellaneous manufactured articles', which includes goods such as: clothing; toys and games; and works of art and antiques; exports in this category increased by 98 per cent between 2003 and 2014.
- 2.2 Anecdotal evidence also shows that often many of the SMEs that produce these types of products are established and run by women, mum entrepreneurs and Black, Asian and Minority Ethnic (BAME) groups.
- 2.3 As part of the London Growth Hub, we aim to implement a pilot initiative that will provide guidance and personalised business support to London-based SMEs that want to sell their products to large businesses or corporates. The Project will be piloted for 12 months.

- 2.4 Based on the GLA economic statement, the Project will focus in the retail sector, in particular: food production; kids' products; pets' products; well-being/beauty; homeware and clothing/jewellery. These sectors will be agreed with the successful delivery organisation during contract negotiations.
- 2.5 The SMEs participating in the project will also be linked, when ready, to the Mayor's export programme. The final objective of this project is to support London's SMEs to 'get ready' to export to new markets once Brexit becomes a reality.
- 2.6 The project implementation has been divided into four activities which it is envisaged will be delivered by a single organisation in close collaboration with relevant partners.
  - a) **Activity 1: pre-business support:** After identifying relevant SMEs that will have been trading for two years, the appointed delivery organisation will develop a range of small group sessions that will advise enterprises on how to present and sell their products to the participating buyers. These will be accompanied by individual 1-2-1 business support sessions of 2 hours each.
  - b) **Activity 2: Meet the buyer sessions:** These sessions will provide an opportunity for small and growing businesses to present their product or services to large businesses/corporates.  
  
The delivery organisation will identify, in partnership with GLA officers, relevant private sector organisations that fit this project criteria and can participate in the meet the buyer sessions. The sessions will take place quarterly.
  - c) **Activity 3: Post business support:** Two types:
    - a. For those SMEs that have been successful in securing a contract with the buyers
    - b. For those enterprises that have not been successful
  - d) **Activity 4:** In line with the Mayor's London Street Markets programme, the appointed organisation will identify, in coordination with GLA officers, a range of street markets where participant London-based small businesses will be given the opportunity of establishing on a temporary basis (time to be determined with each market) a stall to test their products.

### 3. Equality comments

- 3.1 The officers have given due regard to their duty in respect of section 149 of the Equality Act 2010.
- 3.2 The proposed project will have a specific component to address equality issues which are specific to SMEs, namely the underrepresentation of women, disabled people and people of BME origin. To achieve this objective we will give specific targets to the selected delivery organisation. We will also work closely with the delivery organisation to ensure they approach the right SME networks that cater for these underrepresented groups.
- 3.3 This project will directly deliver against targets being developed to support the Mayor's Diversity & Inclusion Strategy.

### 4. Other considerations

- 4.1 The project links with section *Creating conditions for Growth* of the Mayor's Economic Development Strategy which aims to support London SMEs to grow and expand.

- 4.2 The main risk to the success of the projects would be that not enough SMEs are successful in accessing new contracts with new suppliers in a relevant sector, and, existing businesses do not progress / increase their revenue / grow their SME. To mitigate these, we would ensure the successful delivery organisation creates a good pipeline of SMEs, and suppliers for them to pitch to.

## **5. Financial comments**

- 5.1 The cost of up to £120,000 for this project will be funded from the LEAP Strategic and the Growth Hub budgets (£75,000 and £45,000 respectively), specially via Government Grant recently confirmed by the Department of Business, Energy and Industrial Strategy (BEIS). The expenditure for this project will take place in the 2018-19 financial-year.

## **6. Legal comments**

- 6.1 The foregoing sections of this report indicate that:

6.1.1 the decisions requested of the director 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; and

6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority'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 director 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 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 and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 (above) of this report.

6.3 Officers must ensure that they are content that the GLA can comply with any conditions to which the BEIS and LEAP funding is subject and in any event no reliance should be placed upon such funding until there is a legally binding commitment from BEIS and LEAP to provide the same.

6.4 The services required must be procured by Transport for London Commercial who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code.

6.5 Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder and the GLA before the commencement of the services.

## 7. Planned delivery approach and next steps

| Activity   | Timeline       |
|--|----------------|
| Procurement of contract                          | May 2018       |
| Announcement of successful delivery organisation | June 2018      |
| Delivery Start Date                              | June 2018      |
| Delivery End Date                                | June 2019      |
| Final evaluation                                 | July 2019      |
| Project Closure                                  | September 2019 |

### Appendices and supporting papers:

N/A

**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:**

Maria Diaz has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Jamie Izzard has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Financial and Legal advice:**

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

**Corporate Investment Board:**

The Corporate Investment Board reviewed this proposal on 8 May 2018.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

Date

09.05.18

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE