

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2857

Title: London Business Hub 2021-22 Programme

Executive summary:

Mayoral approval is sought for expenditure of £376,000, from the core 2021-22 Growth Hub grant awarded by the Department for Business, Energy and Industrial Strategy (BEIS). This will be used for the delivery of business support activity that will support the Mayor's response to the economic disruption brought about by the pandemic and the achievement of an equitable recovery.

Decision:

That the Mayor approves expenditure of £376,000 on a package of business support activity comprising:

- supply chain support: to help small businesses access supply-chain opportunities made available through London's Anchor Institutions
- Refugee Business Incubator: to support a cohort of 25 refugee founders for six months
- Culture at Risk: the London Business Hub will work closely with the Culture at Risk team to deliver support to operators, social enterprises, charities and non-profit making organisations, to help them protect cultural infrastructure and increase the business acumen of operators
- equity investment brokerage for under-represented groups in business
- South East Growth Hub Cluster activity programme
- outreach, engagement, data and content creation.

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:

15/7/21

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

Decision required – supporting report

1. Introduction and background

- 1.1. The London Business Hub is one of 38 ‘Growth Hubs’ across England that were established to bring together public and private sector partners to promote, coordinate and deliver local business support; and provide a mechanism for integrating national and local business support, facilitating access for businesses. It operates primarily through business advisers located across five locations in London (currently the service is delivered online) and its online platform: www.businesshub.london.
- 1.2. BEIS has committed to ongoing financial support for Growth Hubs. Up to the 2020-21 financial year, BEIS provided a two-year nominal allocation for each Growth Hub. Due to the disruptions caused by the pandemic, last year’s Spending Review only covered one year. Therefore the London Business Hub only has a one-year confirmation of funding of £880,000. In addition, the London Economic Action Partnership (LEAP) has been awarded a further £300,000 to deliver a National Peer Networks Programme in London.
- 1.3. The core Growth Hub grant covers 2021-22 only and must be spent within that year. Approval for expenditure for those elements of the core Growth Hub grant – covering salaries, maintenance and development of the online platform – was given by the Mayor under cover of MD2801. This MD is being submitted to seek approval for further expenditure to meet the costs of business support activity for the current financial year.
- 1.4. As part of LEAP’s and the Mayor of London’s response to the economic disruption brought about by the pandemic, the London Business Hub will deliver a series of activities to:
 - support London’s freelancers, small and medium-sized enterprises (SMEs) and social enterprises to ‘bounce back’ from the pandemic
 - support early-stage entrepreneurs to start and sustain a business, with a focus on groups that are more likely to be affected by the economic downturn, including entrepreneurs who are: from a Black, Asian or Minority Ethnic background; women; or refugees.
 - promote and coordinate the overall business-support offer.
- 1.5. Alongside this activity, the London Business Hub will also commission an engagement and outreach strategy to improve stakeholders’ awareness and start to cement its ‘single front door’ for business support in the capital.
- 1.6. The proposed business support programme for 2021-22 will be split into the following activities:
 - Supply chain: work is under way to develop a programme of support that will help small businesses access supply-chain opportunities made available through the GLA’s Anchor Institutions programme. This will initially be tested through a single contracting opportunity from one Anchor Institution, for which suitable SMEs will be identified and provided with a programme of brokerage support through to contract award (if successful).
 - Refugee Business Incubator: London has one of the largest refugee communities in the country, with more than 7,000 living in the city. This community is highly entrepreneurial with interest in self-employment close to double that of the UK average. But less than one in 10 refugee entrepreneurs access business support. The London Business Hub will collaborate with the Entrepreneurial Refugee Network, the only established provider of business support for refugee founders in London, to deliver a start-up incubator for 25 refugee founders for a period of six months.

- **Culture at Risk:** The London Business Hub will work closely with the Culture at Risk Team to help safeguard cultural infrastructure across London. This activity will provide bespoke support to operators, social enterprises and charities to help them protect at-risk assets, support their long-term sustainability and improve their business acumen. The Culture at Risk Team will engage with these organisations to identify business support needs such as presenting finance for grant applications, applying for national portfolio organisation status or setting up a Community Interest Company (CIC) to access socially focused grants.
- **Equity investment brokerage:** The London Business Hub will deliver a brokerage service for diverse SMEs looking to secure equity investment. The programme will test how to address the low levels of finance currently being secured by businesses that are led by women or people from a Black, Asian or Minority Ethnic background; it will complement the initial 'Investment Readiness' project delivered by Funding London, by coaching businesses through the last stages of their journey to secure investment finance.
- **South East cluster:** The 2021-22 Growth Hub grant includes an £80,000 allocation specifically to support LEAP's role as Growth Hub Cluster Lead for the South East. This funding will be used to support a dedicated Cluster Lead Officer; and a programme of delivery covering a south-east wider outreach campaign, and the production of a range of digital assets that can be used across the cluster. These include a podcast series that will build upon the previous 'Brexit Ready' collaboration.
- **Outreach, engagement, data and content creation:** Take-up of formal business support by SMEs remains low and there continues to be latent demand for help. The business support landscape in London is complicated and often off-putting for SMEs who do not know how to access support. In his manifesto the Mayor committed to provide a 'single front door' for business support in the capital. This activity will support the promotion of and recruitment to the full range of London Business Hub activities, as well as the Business Support navigation pilot across Wandsworth, Lambeth and Southwark. This latter programme will pilot a 'single front door' approach to support from the London Business Hub, the GLA Group and a coalition of wider providers. A data-led approach will also be piloted, using purchased business databases which will help to better target programmes.

1.7. The indicative budget for the business-support activity is detailed below:

Project	Budget
Supply chain and net zero support	£46,000
Refugee Business Incubator	£30,000
Culture at Risk	£20,000
Equity investment brokerage	£80,000
South East cluster	£80,000
Outreach, engagement, data and content creation	£120,000
Total	£376,000

2. Objectives and expected outcomes

- 2.1. The proposed activity aligns with the objectives of the core priorities of the London Economic Action Partnership (LEAP), focusing on showcasing, promoting and supporting enterprise and entrepreneurship in London. The suite of projects and promotional activity will engage start-ups and

existing businesses, with a focus on under-represented groups to ensure that there is an equitable recovery.

- 2.2. The programme will also directly support the Recovery Programme economic foundation in relation to supporting business, jobs and growth, and assisting the “High Streets for All” mission.
- 2.3. The overall aim of this activity will be to provide support to a growing number of businesses, enabling them to take actions supporting their growth and profitability. We will track the number of businesses engaging with the supported projects over the course of the programme. Additionally, the proposed work programme will target the following outcomes:
 - increased confidence of participating businesses
 - increased likelihood of taking further support or advice
 - more business leaders maintaining connections with their peers.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have due regard of the need to eliminate unlawful discrimination, harassment and victimisation, as well as to advance equality of opportunity and foster good relations between people who have protected characteristics and those who do not.
- 3.2. There is a significant risk that minority groups will be disproportionately impacted by the current crisis, and many will face specific barriers to accessing support available from HM Government. The GLA’s Enterprise team has developed a programme of work specifically designed to address some key Equality, Diversity and Inclusion challenges. These include programmes such as the Equity Investment Brokerage programme, which will work with delivery partners to support Women, Disabled, Black, Asian and Minority Ethnic founders to overcome barriers to obtaining equity finance, and the Refugee Business Incubator, which will target a particularly disadvantaged group. In addition, the Enterprise team will continue to engage with faith groups in order to access harder to reach communities.
- 3.3. The Enterprise team will also work with its delivery partners to foster good relations between those with and without protected characteristics by providing support designed to overcome the specific barriers these groups may face. We will also use our extensive contacts within minority and female-owned business networks to disseminate messaging and support available to these communities. This will include translation of materials and use of diverse communication channels.
- 3.4. We will learn from best practice in other cities and regions. For example, discussions are ongoing with cities facing similar problems – such as New York, where the Commissioner for Small Business is leading work to deliver support in appropriate formats and using diverse communications channels.

4. Other considerations

Key risks and issues

- 4.1. It is a government requirement that the delivery of the London Growth Hub is in line with the 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 and risk management.
- 4.2. Risks for each project will be identified as activity is developed. Potential risks across the programme include not procuring on time, not receiving good-quality tenders, and projects not recruiting enough SMEs. These risks will be assessed on an individual basis depending on the project, and circumstances and appropriate mitigation measures will be developed.

- 4.3. Growth Hub grant awarded by BEIS needs to be spent in financial year 2021-22 to avoid claw back of funds. The Enterprise team always profiles BEIS funding first to ensure that monies are committed, milestones/outputs can be met, and funding is available for claims made for defrayed expenditure in a timely manner.

Link to Mayoral strategies and priorities

- 4.4. This package of support forms part of the Mayor's response to support London's economy through and beyond the current crisis. It also supports the priorities set out in the Mayor's Economic Development Strategy to support enterprise and entrepreneurship in the capital.
- 4.5. There are no conflicts of interest to declare for the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Mayoral approval is sought for the delivery of a group of business support activities to contribute to the Mayor's response to the economic disruption brought about by the pandemic, and the delivery of an equitable recovery.
- 5.2. Revenue expenditure of £376,000 is required to deliver these support activities and will be funded from the 2021-22 BEIS grant awarded for the Growth Hub.
- 5.3. The funding sought is to be allocated to distinct business-support activities as detailed in paragraph 1.7.

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 that are facilitative of, conducive or incidental to the promotion of economic development and wealth creation in Greater London, and 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
 - 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, 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 of this report.
- 6.3. Should the Mayor be minded to make the decisions sought, officers must ensure that to the extent that proposed expenditure:
- concerns the award of grant funding, such funding is awarded on a fair and transparent basis in accordance with the GLA's Contracts and Funding Code and appropriate funding agreements are entered into and executed by the GLA and counterparties before commencement of the same
 - concerns the purchase of works, services or supplies, those works, services or supplies must be procured by Transport for London Procurement in accordance with the GLA's Contracts and

Funding Code and appropriate contracts are entered into and executed by the GLA and counterparties before commencement of the same.

7. Planned delivery approach and next steps

7.1. Key milestones are outlined below.

Activity	Timeline
Procurement	From August 2021 (as required)
Announcement	October 2021
Delivery start date	October 2021
Delivery end date	March 2021
Project closure	April 2022

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

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 the 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:

Iva Figueiredo has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Phil Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Ben Johnson 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 31 August 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

D. Gane

1 September 2021

CHIEF OF STAFF:

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

Signature

Date

D. Bellamy

1 September 2021

