

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2342

### Title: Access to Entrepreneurship, Business Support & Leadership Projects

#### Executive Summary:

This MD seeks approval for activity to support the London Economic Action Partnership's (LEAP) priorities for enterprise and entrepreneurship, through two specific projects as part of the London Growth Hub's business support offer. The projects will focus on Access to Entrepreneurship and Business Support and Leadership for under-represented groups.

Projects will be funded by Growth Hub and the GLA's European Social Fund (ESF) Co-financing 2014-2020 Programme which was approved by MD1642. The projects will contribute to the Mayoral Priorities of Good Growth, diversity and social inclusion. The proposed projects were approved at the LEAP Investment Committee on 18 January 2018.

#### Decision:

That the Mayor approves:

- expenditure of £300,000 (£150,000 of LEAP funding matched by £150,000 of ESF) to deliver an Access to Entrepreneurship project. This would bring businesses together with individuals who face particular barriers to entrepreneurship, to obtain the skills they need to establish a business or move into employment; and
- expenditure of £200,000 (£100,000 of LEAP funding matched by £100,000 of ESF) to deliver a Business Support and Leadership project. This would support SMEs to identify skills gaps and provide relevant training to support progression for their workforce, with a focus on groups underrepresented at leadership level.

#### 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:

31/7/18

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

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

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

- 1.1. At its June 2017 meeting the LEAP Board agreed a framework of activity to showcase, promote and support entrepreneurship, extending from addressing issues affecting businesses with high growth potential to those starting and sustaining businesses, including Londoners who may not previously have considered entrepreneurship as a route for them.
- 1.2. This paper proposes two new projects linking these LEAP objectives with the aims of the GLA's Good Growth Fund and the ESF Co-financing Programme. The projects would seek to increase participation where there are current or predicted skills shortages, particularly to address the needs of SMEs with growth potential and to target groups that face particular barriers to entrepreneurship. Through this they would also promote the Mayor's visions on diversity and social inclusion.
- 1.3. This proposal was supported by the LEAP Investment Committee of 18 January 2018.
- 1.4. The projects will be funded by £250,000 LEAP Growth Hub funds, match funded by a further £250,000 of ESF funding as part of the GLA's ESF Co-financing Programme (approved by MD1642).
- 1.5. The funding will be awarded via an open and competitive Grant Award process in 2018-19 with delivery expected to start in Q3 2018/19. The process will be managed by the Delivery Team, within Skills and Employment. The team are responsible for managing the GLA's ESF co-financing activities and the grant award process will be managed in accordance with ESF requirements. The GLA ESF programme currently finishes in December 2021, but is highly likely to be extended to December 2023.

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

- 2.1. The overarching aim is to address the barriers faced by particular demographics<sup>1</sup> in entrepreneurship and ensure local communities are benefiting from capital investment in workspace and business growth. There is a specific focus on women, disabled people and BAME groups, as those facing particular labour market disadvantage and who are under-represented in entrepreneurship.
- 2.2. The types of activities expected to be supported would be:

##### **Access to Entrepreneurship** (Supporting approx.180 people over three years):

- Mentoring by relevant business leaders, to support development of an 'Entrepreneurial Mindset';
- Partnerships with co-working spaces to provide participants with shadowing, work placement, employment and training opportunities; and
- Support with accessing finance, marketing and entrepreneurship advice.

##### **Business Support and Leadership** (Supporting approx.120 people over three years):

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<sup>1</sup> As per the Equality, Diversity & Inclusion Evidence Base 2017 – Priority outcome 3.4 Thriving businesses (pages 111-114)

- Training to support the career progression of women, including into leadership and management roles in SMEs, in order to develop a pipeline of female leaders in SMEs;
- Support for SMEs to develop partnerships, resources and skills to actively recruit and support employees from demographics currently under-represented in their workforce/sector, with a focus on sustained employment;
- One-to-one business support programmes, delivered through identified co-working spaces to the SMEs based in those spaces and other local businesses; and
- Outreach activity, including taster or access courses, co-designed with intermediaries or representatives of target groups and involving innovative approaches.

2.3. Projects would be designed to encourage innovative approaches to working with SMEs and participants to ensure any training is relevant to SME and local needs and overcomes barriers to employment for target groups. Approaches looking to co-design projects with intended beneficiaries and SMEs would be looked upon favourably. There is an expectation that this project would require knowledge of working with SMEs, target participants and trainer providers. As such we would expect provider/s to work with sub-contractors such as grassroots organisations, business support providers, SMEs, community groups and learning institutions to ensure the scope of the projects can be met.

2.4. Projects would be delivered across several London boroughs, with successful provider/s expected to develop partnerships with workspaces and co-working spaces, supported by the Good Growth Fund and others as appropriate (preferably a mix of spaces based in inner and outer London). They would be expected to work with businesses in these premises and within the local community as required.

2.5. The project differs from other Growth Hub projects, such as 'Start, Scale, Grow', by focusing on underrepresented demographics, which will mean providers take a different approach to working with both participants and businesses. Relationships with 'grass roots' organisations will be paramount to ensure success for participants and businesses. Lessons learnt from the 'Start, Scale, Grow' pilot will be considered during project development and providers will be linked up to ensure cross-referral is possible during delivery.

### **3. Equality comments**

3.1. The proposed projects will directly address equality issues which are specific to SMEs, namely the underrepresentation of women, disabled people and people from some BAME backgrounds. This project will directly deliver against targets being developed to support the Mayor's Diversity & Inclusion Strategy.

3.2. As part of ESF procurement, applicants will be required to evaluate how they will work with and impact protected characteristic groups.

3.3. As a condition of funding agreements, appointed providers will be required to meet the Public-Sector Equality Duty and to meet equalities targets, and to demonstrate this through regular reporting of progress.

### **4. Other considerations**

4.1. The main potential risks associated with this project would be that due to complex support needs/lack of opportunities, participants may have limited success in setting up in business or gaining employment in a relevant sector, and that existing businesses may not succeed in progressing,

increasing their revenue or growing their SME. To mitigate these risks, we would ensure providers work with grassroots community organisations, to provide holistic support to participants, whilst developing networks with established businesses and workspaces to learn from their experience of overcoming these challenges.

- 4.2. LEAP is currently funding research into developing an accreditation scheme for workspaces to encourage and recognise those that deliver social outcomes. If this scheme goes ahead, this project could both inform and complement it by becoming a flagship for how workspaces can engage with local communities to deliver social outcomes that also benefit business.
- 4.3. A range of metrics will be developed that cover ESF outcomes/outputs and outcomes/outputs that support LEAP and the Mayor's objectives. There will also be an emphasis on compiling an evidence database and a robust evaluation approach, with data captured through the Growth Hub Portal to feed into wider evaluation.
- 4.4. The Mayor's Social Integration team is currently procuring research to support the development of a new Workforce Integration Network (WIN). Research and initial Toolkit development is expected to commence in 2018/19. Appointed provider/s for these projects will be encouraged to share knowledge and feed into any Toolkit development as appropriate, ensuring a joined-up approach.

## **5. Financial comments**

- 5.1. LEAP investment for these projects totals £250,000, which will be funded from LEAP Core & Growth Hub Funds, to be phased over the 3-year duration of the projects. The expected profile and funding of the spend is as shown below, however the exact phasing of expenditure is dependent on the outcome of commissioning / procurement process.
  - £100,000 2018-19 LEAP Core
  - £100,000 2018-19 LEAP Growth Hub
  - £50,000 2019-20 LEAP Growth Hub
- 5.2. It should be noted that LEAP Core & Growth Hub budgets are funded by Government and are subject to confirmation on an annual basis. While the risk of these funds for years 2 & 3 not materialising is very minimal, any grants / contracts entered into for the full duration of the programme will require the necessary break clauses or alternative funding will need to be sought to bridge any shortfalls in budgets.
- 5.3. The projects will be match funded by ESF funding up to a further £250,000, which has already been secured as part of the GLA Co-financing Programme for the 2014-20 ESF Programme approved by MD1642.
- 5.4. The administering of these funds will be subject to satisfactory due diligence undertaken by the Finance Team.

## **6. Legal comments**

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Mayor fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of or conducive or incidental to the social development within Greater London and 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 of him, 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 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 mayor should have particular regard to section 3 (above) of this report.
- 6.3 Officers must ensure that any external services, supplies or goods required for the project be procured in accordance with the Authority's Contracts and Funding Code (the "Code") and with the assistance of Transport for London's procurement team. Furthermore, officers must ensure that appropriate contractual documentation be executed by both the Authority and the relevant contractor prior to the commencement of the required services.
- 6.4 As regards any funding awarded by the GLA during the project, officers are reminded that the distribution of funding by the Authority must comply with the requirements of section 12 of the Code.

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

- 7.1. Project development will continue jointly with the Growth Hub and ESF Delivery teams. The ESF team will lead on the procurement process and project management, ensuring compliance with ESF requirements, while the Growth Hub team will contribute to application design, shortlisting and interviewing of potential providers, and provide ongoing advice during delivery. A LEAPIC member with relevant expertise has expressed an interest in contributing and she will be invited to comment on the specification, participate in the provider selection panel and provide an advisory role during project delivery.
- 7.2. Day-to-day contract management will be by an ESF Senior Project Officer. The Growth Hub Team will have continued involvement in project progress to ensure Growth Hub objectives are being met.

<b>Activity</b>	<b>Timeline</b>
Procurement of contract	Q3 2018/19
Announcement	Q4 2018/19
Delivery Start Date	Q4 2018/19
Final evaluation start and finish (self-evaluation)	Q4 2021/22
Delivery End Date	Q4 2021/22
Project Closure	Q4 2021/22

## **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 to confirm the following (✓)

**Drafting officer:**

Helen Stonelake has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

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

✓

**Mayoral Adviser:**

Jules Pipe 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 the 30 July 2018.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

Tom Middleton ON BEHALF OF MARTIN CARRKE

**CHIEF OF STAFF:**

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

**Signature**

**Date**

Nick Bowes 30-07-18

NICK BOWES ON BEHALF OF DAVID BELLAMY