

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2416

Title: London Growth Hub Overheads

Executive Summary:

From November 2019, the GLA's London Growth Hub will have a physical presence at five sites across Greater London. The London Growth Hub has secured these sites free of charge for a period of two years. However, the spaces need some remedial works, including furnishing and light refurbishment such as partition walls and painting. Additionally, because each of the physical locations is different in type (i.e. libraries, shared workspaces and enterprise agencies) the London Growth Hub is seeking to develop a uniform brand identity across the five locations, so it is easily identifiable by businesses.

Decision:

That the Executive Director of Development Enterprise and Environment:

Approves the re-profiling of £70,000 from funding received from the Department for Business, Energy and Industrial Strategy for the London Growth Hub for 2019/20 financial year approved through MD2359 for costs related to set up of the London Growth Hub in five locations. Expenditure will be profiled as follows:

- Expenditure of £50,000 (an average of £10,000 per location) for overhead costs, that will include light refurbishment, set up costs, office furniture and signage to create a London Growth Hub identity; and
- Expenditure of £20,000 for Wi fi connectivity across the five sites, IT and mobile phones for business advisors working across the five locations.

AUTHORISING DIRECTOR

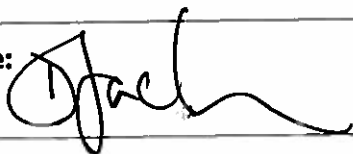
I have reviewed the request and am satisfied that it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Debbie Jackson

Position: Interim Executive Director of Development, Enterprise and Environment

Signature:



Date:

27/11/19

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The GLA's London Growth Hub is one of 38 Local Enterprise Panel (LEP) led 'Growth Hubs' across England which were established to bring together public and private sectors partners to promote, coordinate and deliver local business support and provided a mechanism for integrating national and local business support, so it is easy for businesses to access.
- 1.2 The first stage of the London Growth Hub was predominantly web based, as the primary objective was to create a repository of business support information and offer that all London SMEs and stakeholders can access.
- 1.3 The Department for Business, Energy and Industrial Strategy (BEIS) expects all Growth Hubs to develop a physical presence and a face to face offer, to ensure a minimum national 'offer' and to increase brand recognition of the Growth Hubs as the 'place to go' for business support advice.
- 1.4 In March 2019, the London Growth Hub team launched an Expression of Interest (EOI) for organisations to co-host the London Growth Hub, through the Hub & Spoke model (as further detailed in section 2) for a period of two years, at no cost to the London Growth Hub.
- 1.5 Following a positive response by stakeholders and the receipt of 22 proposals ranging from Local Authorities, Libraries, Workspace Providers, Colleges and Enterprise Agencies, the London Growth Hub short listed five main sites and four satellite sites, to ensure a wider geographical cover in the outer London boroughs.
- 1.6 The five main sites are in the following boroughs: Haringey, Lambeth (main site/hub), Croydon, Hammersmith & Fulham and Greenwich. Satellite locations are in Harrow, Redbridge, Lambeth and Haringey. The main sites will house the London Growth Hub business advisers and the satellites will be used to deliver activity such as surgeries and workshops.
- 1.7 Three of the main sites are in Opportunity Areas¹ (Vauxhall, Croydon and Greenwich); three of the main sites are in Creative Enterprise Zones² (Croydon, Haringey and Lambeth); and three of the satellite sites are in Metropolitan Centres³ (Haringey, Harrow and Ilford)
- 1.8 The conditions and the locations vary considerably, and in most instances' office furniture needs to be acquired to accommodate business advisers. Other overheads costs such as Wi Fi, painting, and filing cabinets will also be acquired for some of the sites.
- 1.9 The London Growth Hub is currently agreeing one off costs with each individual host, which have been ringfenced at a maximum of £10,000 per site, including marketing material to create a recognisable London Growth Hub identity.
- 1.10 A budget of £20,000 for Wi Fi connectivity across five sites, IT and mobile phones has also been allocated to enable business advisors to work across the five locations.
- 1.11 The London Growth Hub is on the final stages of a procurement exercise, which is being carried out by Transport for London Commercial Team, to appoint a contractor to deliver the face to face business support programme across the "Hub & Spoke". The procurement is being carried out in line with the GLA's Contracts and Funding Code, and the expectation is that a contract for services will be in place by the end of November 2019. The face to face business support programme will commence in November 2019.

¹ Area that can accommodate large scale development to provide substantial numbers of new employment and housing (more than 5,000 jobs and/or 2,500 homes), with a mixed and intensive use of land and assisted by good public transport accessibility

² Creative Enterprise Zones, designate areas of London where artists and creative businesses can find permanent affordable space to work; are supported to start-up and grow; where local people are helped to learn creative sector skills and jobs.

³ Metropolitan centres serve wide catchment areas that can extend over several boroughs. These centres have very good accessibility and significant employment, service and leisure functions

2. Objectives and expected outcomes

- 2.1 The London Growth Hub project will provide business support in from five main sites across London's sub regions, with one central 'hub' (Vauxhall-Lambeth) and four 'spokes' along with four satellite sites. It should be noted that all main sites (Haringey, Lambeth, Croydon, Greenwich and Hammersmith) will offer the same level of support. The five main sites and satellites are located in different parts of London, to enable the London Growth Hub to establish a presence closer to businesses. Each location will be established to primarily support existing businesses with capacity to increase productivity and growth. A limited programme of activity will be provided for early stage businesses, but this support will mainly focus on signposting to existing services, including local offer and the London Growth Hub portal.
- 2.2 The project will provide the opportunity for businesses across London to enquire and learn about business support and programmes available to them locally, to support them on their business journey from start up to growth. These services will be provided by the contractor appointed following the procurement process (as detailed in paragraph 1.11). The services will be sector agnostic to support 'everyday economy sectors' such as hospitality, retail, food production and distribution that want to unlock growth, investment and make productivity improvements.
- 2.3 Businesses engaging with the London Growth Hub will undergo diagnostic and eligibility checks to identify their business needs and determine the most appropriate support available. Eligible businesses will be able to choose from a menu of activities delivered through a rolling programme of workshops and 1-2-1 support depending on the individual business needs and capacity. Activities provided by the London Growth Hub will cover:
- Access to finance;
 - Sales;
 - Digital upskilling;
 - Intellectual property;
 - Brexit support; and
 - Cyber security for businesses.
- 2.4 For businesses with growth ambitions and a turnover of £250,000+, the project will provide tailored class-based support delivered as a cohort-based incubator programme for a period of three months. Each cohort will consist of 15 to 20 businesses to enable shared learning and peer to peer review of business practices.
- 2.5 The cohort of businesses participating in the accelerator programme will, at the end of the intervention, be sign posted to London and Partners' 'Mayor's International Business Programme, the Department for International Trade 'London Internationalisation Fund', the Mayor of London's 'Technology Adoption Service' and other suitable activity targeting growth businesses. A referral system will also be established with London and Partners' Business Growth Programmes to ensure that businesses from the relevant sectors attend the appropriate programme.
- 2.6 Project activities will have three main objectives: 1) to simplify the business support landscape in London 2) to disseminate and illustrate the benefits accrued by businesses when they engage/receive business support and 3) to create the necessary environment for businesses with potential to growth, to improve their business practices.
- 2.7 Project outputs will be 700 businesses receiving high intensity support (12 hours +); 200 new businesses supported (12 hours +), 650 businesses receiving Information, Diagnostics and Brokerage (IDB) (3 hours) and the creation of 47 jobs in supported enterprises.

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 between people who have a protected characteristic and those who do not. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic that is connected to the characteristic, taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.
- 3.2. For the face to face business support offer, delivered by the London Growth Hub team, we will develop a range of projects and activities that proactively seek to satisfy the GLA's public sector equality duty, namely through addressing underrepresentation of women, disabled people and people of BAME origin to advance the equality of opportunity open to these unrepresented groups. The London Growth Hub hosted round tables with BAME, female and disabled entrepreneurs to identify what challenges they face as business founders, and how we can best support them and keep them informed of all business support activity taking place in London. Learning from the roundtables will inform some of the business support activity planned for the Hub and Spoke.
- 3.3. All the face to face support provided through the Hub and Spoke will have targets for women, BAME and disability. Additionally, business support will target businesses in areas with high deprivation indices.
- 3.4. The London Growth Hub portal has all relevant London based business support schemes, and this includes specific information and events for women, BAME and other underrepresented groups. The portal is compliant with level AA of the Web Content Accessibility Guidelines, and physical spaces will comply with the Equality Act 2010.

4. Other considerations

- 4.1. It is a Government requirement that the delivery of the London Growth Hub is in line with the Local Economic Action Partnership (LEAP) Assurance Framework, which outlines detailed arrangements for the approval, appraisal and delivery of LEAP funded programmes as well as requirements for governance and transparency as well as risk management.
- 4.2. Project delivery risks will be fully identified as part of the contract specific conditions once the procurement exercise is completed. From the outset, risks involve 1) ensuring that all locations are staffed from outset 2) delivery of a programme of activities that is fit for purpose for the client needs 3) difficulties in engaging with equality groups and 4) ensuring that all systems are in place to ensure compliance with ERDF ahead of programme launch. Appropriate mitigation measures will be put in place as required, such as putting in place a part time rota for all locations until the contractor recruits staff, reviewing the programme of activities quarterly, developing a communication and marketing plan that focus on equality groups, and early engagement with the European Programme Management Unit (EPMU) to ensure that the project develop the necessary processes from the outset.
- 4.3. The Mayor of London chairs the London Economic Action Partnership for London (LEAP), the local enterprise partnership that brings together businesses, councils and the mayoralty to identify strategic actions to support sustainable economic growth and job creation in the capital. The London Growth Hub is the initiative through which LEAP delivers all of its business support activities.
- 4.4. The Economic Development Strategy (EDS) establishes the Mayor's objectives for the sustainable economic development of London. The London Growth Hub is cited throughout the EDS as a key tool in delivering the Mayor's priorities for enterprise and entrepreneurship and delivers against the commitment to provide business support programmes, triage and signposting, online tools and multimedia business support resources through the London Growth Hub.

- 4.5. This project will further align the objectives of the LEAP and EDS by creating an environment in the capital where businesses have access to free and impartial face to face business support and information to help them on their entrepreneurial journey.
- 4.6. There are no conflicts of interest to declare for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1 This decision seeks the approval for the expenditure and reprofile of £70,000 of the allocated £485,000 grant from the department of Business, Energy and Industrial Strategy which was approved under MD2359.
- 5.2 The £70,000 will be used as the initial start-up costs across 5 main Growth Hub satellites. £50,000 is required for light refurbishments and furnishings whilst £20,000 is needed for IT related equipment.
- 5.3 All expenditure will take place within 2019/20.

6. Legal comments

- 6.1 Paragraphs 1 to 2 of this report indicate that 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 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
 - 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 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 Any services required must be procured by Transport for London Commercial who will determine the detail of the procurement strategy to be adopted in line 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.

7. Planned delivery approach and next steps

Activity	Timeline
Appointment of contractor	November 2019
Issue of contract	November 2019
Announcement of the face to face business support delivered through a Hub & Spoke model	November 2019
Set up across the five locations	October/November 2019
Delivery Start Date	November 2019
Final evaluation starts and finish (external)	June 2021/November 2021
Delivery End Date	December 2021
Project Closure:	December 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 (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 FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form - YES/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:

✓

Assistant Director/Head of Service:

Nabeel Khan 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

This decision was agreed by the Corporate Investment Board on 25 November 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Hille

Date

25.11.19

