

REQUEST FOR DIRECTOR DECISION – DD1351

Title: LEP SME Implementation Plan Programme

Executive Summary:

Following the launch of the London Enterprise Panel's Jobs & Growth Plan in April 2013 and the approval on 11 July 2013 by the Investment Performance Board of £1m Growing Places Fund investment in SME related activities, this decision requests amendments to the within-budget allocations agreed in MD1245.

On 18 December 2014, IPB agreed that the headings of the £1m budget could be amended in line with the new priorities of the London Enterprise Partnership SME programme.

The total amount of funding remains as £1m and it will be invested before December 2017.

MD940 delegated authority to spend Local Enterprise Partnership funding to the Executive Director of Executive Director-Development, Enterprise & Environment in consultation with the Executive Director of Resources.

Decision:

That the Executive Director approves the reallocation of the £1m London Enterprise Panel's SME Growing Places Fund programme as set out in paragraph 1.7 to deliver the programme of activities related to the LEP's Jobs & Growth Plan.

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

Signature:



Position: Executive Director-Development,
Enterprise & Environment

Date:

28/07/15.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The LEP SME Implementation Plan Programme was approved by the Mayor on 7 August 2013 in MD 1245.
- 1.2 In its Jobs & Growth Plan for London (published in April 2013), the London Enterprise Panel (LEP) committed to support London's SMEs. The Plan identified four specific areas of support to SMEs: Access to finance, supporting SMEs to export to new markets, coordination/sign posting of business support, and accessibility to workspace.
- 1.3 To that effect, an implementation plan was designed which included all the related areas of activities (see Annex 1).
- 1.4 The original budget for the programme was as follows:

Activity	£
1. Design and build a dedicated web portal	75,000
2. SME focused content	75,000
3. Portal technical maintenance	25,000
4. Business Improvement Districts	230,000
5. Research	250,000
6. Access to Finance: Delivery	50,000
7. Business Club Engagement	245,000
8. Evaluation	50,000
TOTAL	1,000,000

- 1.5 Since the budget was approved the project has developed and delivered successfully most elements of the programme. After over 18 months' delivery it is now considered to be the right time to reconsider the budget and revise the individual allocations of the overall £1m.
- 1.6 These changes were noted by the LEP SMEWG on 24 November 2014 and agreed by IPB on 18 December 2014.
- 1.7 The proposed budget is:

Activity	Original budget £	Revised budget £
1. Research, Business Survey and evaluation	300,000	220,000
2. Growth Hub (previously Web portal), content and maintenance	175,000	340,000
3. Business Improvement Districts	230,000	440,000
4. Access to Finance: Delivery	50,000	0
5. Business Club Engagement and marketing	245,000	0
TOTAL	1,000,000	1,000,000

1.8 The changes are as follow:

- All required expenditure relating to the 'Research, Business Survey and evaluation' budget headline has been spent or committed and can be contained within a reduced budget of £220,000, releasing £80,000 for reallocation.
- The delivery of the LEP's £25m Access to Finance scheme is on target and was launched at the end of 2014. The allocated delivery costs were not required so the original budget of £50,000 can be reallocated to other business support activity.
- After exploring a range of options, the LEP SMEWG agreed that the Business Club was not a feasible option to pursue and its original allocation of £245,000 can be reallocated to the Growth Hub and the Business Improvement Districts programme
- The Business Improvement Districts (BIDs) programme has been successful to date and it is proposed to use some of the above underspends to support further applications for the development of new BIDs in the coming months.

1.9 Therefore, it is recommended to agree the reallocation of the budget to reflect changes to the various work-streams of the programme.

1.10 The anticipated profile of spend is as follows:

Activity	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	TOTAL £'000
Research, Business Survey and evaluation	25	195	0	0	0	220
Growth Hub (previously Web portal), content and maintenance	15	13	100	115	97	340
Business Improvement Districts	0	174	210	56	0	440
TOTAL	40	382	310	171	97	1,000

1.11 It is envisaged that the funding for the maintenance and running of the Growth Hub will last until December 2017 when new sources of funding will be identified.

1.12 The LEP, through the London Regeneration Fund, has agreed an additional £230,000 for the BIDs programme, which will go to IPB for consideration at their July 2015 meeting.

2. Objectives and expected outcomes

2.1 The original targets for the project remain the same as in the MD1245 except for the Business Club as mentioned in section 1.

3. Equality comments

3.1 The only identified equality related issue to this programme is the Growth Hub which will be compliant with Priority 1 (level A) and Priority 2 (level AA) of the W3C Web Content Accessibility Guidelines (WCAG).

4. Other considerations

4.1 Links to Mayoral strategies and priorities

This programme is aligned and cascades from the LEP Jobs & Growth Plan SME section.

4.2 Risks

Most of the activities to the programme have been achieved. Only two actions remain to be achieved:

- To deliver the Mayoral target of 50 BIDs in London. There are currently 42 BIDs with 8 more in the pipeline with contracts signed.
- The development and implementation of the second phase of the Growth Hub. A tender to deliver this will be sent out to consultants in June 2015 and it is expected the Growth Hub will officially launch in November 2015.

The risks identified in this programme remain low and are related to time deadlines.

5. Financial comments

5.1 Approval is being sought for the reallocation of the existing £1m SME programme budget between areas of activity.

5.2 This project is funded from the Growing Places Fund (GPF) programme, for which the GLA is the Accountable Body. The use of GPF programme funds has been approved by the London Enterprise Panel (LEP) at its meeting of 11 July 2013.

5.3 The revenue spend is now expected to continue into 2017/18. The proposed allocation of budget between areas of activity is shown at 1.10. The proposed profile of spend between years is as follows :

2013/14	was £443,000	now £40,000
2014/15	was £333,000	now £382,000
2015/16	was £224,000	now £310,000
2016/17	was nil	now £171,000
2017/18	was nil	now £97,000

5.4 Future funding will need to be identified for the continued maintenance and running of the Growth Hub beyond December 2017.

5.5 As the 2016/17 budget will be the last to be set by the current Mayor, a decision on whether to fund the 2017/18 costs will need to be taken when policy priorities are confirmed in the new Mayoralty.

6. Legal comments

6.1 The foregoing sections of this report indicate that:

6.1.1 the decisions requested of the Director (in accordance with the GLA's Contracts and Funding Code) fall within the GLA's statutory powers to do such things considered to further or which are facilitative of, or conducive or incidental to the promotion of economic and social development in Greater London. 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 All services required will be procured by Transport for London Procurement (who will determine the detail of the procurement strategy to be adopted) in accordance with the GLA's Contracts and Funding Code. Officers must liaise with Transport for London Procurement in this regard.

6.3 Officers shall ensure that they liaise with legal Services in the preparation and execution of all contracts for services being procured.

7. Investment & Performance Board

7.1 On 18 December 2014, the Board received a report which outlined proposed changes to the distribution of funding already allocated by the London Enterprise Panel to investment in SME related activities. Members noted that the increased budget for the LEP's Business Support Growth Hub would help support ongoing costs to maintain the content of the site.

7.2 The decision by IPB was that the re-profiling of the existing budget to reflect changes to the various work-streams of the programme was approved.

8. Planned delivery approach and next steps

Activity	Timeline
Launch of first phase of Growth Hub	End of March 2015
Launch of second phase Growth Hub	November 2015
Deadline to have 50 BIDs in London	May 2016

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? YES**

If YES, for what reason:

Until the tender of the Growth Hub phase two has been concluded.

Until what date: 30 September 2015

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:

Debbie Jackson 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.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Ollie

Date

27.7.15