

REQUEST FOR MAYORAL DECISION – MD2158

Title: Business Continuity Fund

Executive Summary:

Between March and June 2017, there were a number of tragic events affecting London and Londoners, causing death, injury and destruction to property – three fatal terrorist attacks and the worst loss of life through fire since the Second World War. The GLA will allocate £300,000 to a business continuity fund to support businesses impacted by these disasters (Borough Market, Finsbury Park Mosque, Grenfell Tower and Westminster Bridge).

It is intended that this will be applied to meeting or providing:

- the costs of providing 1-2-1 business support to help businesses navigate the challenges and get back on their feet
- direct grants to businesses whose turnover has been impacted by a disaster and which are not covered by any insurance
- bridge funding to businesses who are covered by insurance but where payments are delayed

Decision:

The Mayor:

- approves the establishment of a Business Continuity Fund of £300k, which is to be used to relieve financial pressures on business affected by the recent disasters in London.
- approves GLA expenditure of the same in the form of grant funding disbursed to organisations that provide business support, including initial funding of £50k to Portobello Business Centre and £10k to Borough Market Traders Fund
- delegates authority to the Executive Director for Development, Enterprise and Environment (DEE) to distribute the funds to appropriate organisations, which will be subject to suitable verification of applications of funding against defined criteria – amended as necessary, in line with the original purpose of the funding – and reporting on the use of grants; and
- delegates authority to the Executive Director for DEE to receive and disburse any additional contributions from Government or other organisations for the Fund to business support organisations.

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:

11/7/17

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

Decision required – supporting report

1. Introduction and background

- 1.1 In recent months London has been subject to a number of horrific events from terrorist attacks in Westminster Bridge, Finsbury Park Mosque and Borough Market as well as the Grenfell Tower Fire. 'While the human costs of these events have been unimaginable, there has also been a financial cost to many businesses which have found themselves unable to trade' (Mayor of London).
- 1.2 On Thursday 29 June 2017, the Mayor of London announced his intentions to set aside up to £300,000 to be made available for businesses which have been unable to trade or otherwise directly affected following the recent appalling events.
- 1.3 The 'Business Continuity Fund' has been set up in recognition of the urgent needs of businesses and will be used to provide the advice and support they need to get back on their feet.

2. Objectives and expected outcomes

- 2.1 The £300k Business Continuity Fund will be used mitigate the **immediate impacts** of the disaster and enable businesses to return to trading within Grenfell Tower, Borough Market, Westminster Bridge and Finsbury Park Mosque areas. The geographical scope will be determined with the appointed 'business support' organisation.
- 2.2 It is not intended to mitigate for any longer-term reduction in turnover due to wider trading patterns, although the provision of business support advice may well include advice that will help mitigate this risk.
- 2.3 This funding should not duplicate existing support to businesses in these areas that is available, but can be used to supplement the support, if there is a shortfall of funds.
- 2.4 The funding will be made available for (but not limited to) the following activity:
 - the costs of providing 1:1 business support to help businesses navigate the challenges and get back on their feet;
 - direct grants to businesses whose turnover has been impacted by the disaster which are not covered by any insurance; and
 - bridge funding to businesses which are covered by insurance but whose payments are not coming in quickly enough - with the expectation that once the insurers have paid out, the funding will be recovered where practicable.
- 2.5 Where possible the GLA will provide the funding to existing organisations that support businesses in their respective areas. It may be that there is a small management fee payable from the Business Continuity Fund to those organisations and the level of any such fee will be settled by the Executive Director for Development, Enterprise and Environment.
- 2.6 The appointed organisations role will be:
 - to determine use of the funds (within the parameters set in the grant agreement)
 - to set eligibility and prioritisation criteria (to be agreed with the GLA)
 - to set principles and criteria for determining value of awards
 - to approve awards up to a certain threshold (to be agreed with the GLA)
 - record keeping of evidence and decisions made
 - overall monitoring of income and expenditure

- audit and evaluation/feedback

Borough Market area

- 2.7 An initial £10k of the £300,000 has been committed by the London Economic Action Partnership (LEAP) to support the existing Borough Market Traders Fund, which is managed by United St Saviours Charity. The fund will be distributed and monitored by a Fund Management Committee, which includes representatives from the three organisations that founded the Trader Support Fund; United St Saviour Charity (Southwark), Better Bankside and Borough Market, as well as a Trader representative and a grants expert. It is intended that a LEAP/GLA representative will also sit on the Committee.
- 2.8 Given the participants of the Traders Fund, GLAs position on the Committee and the sums involved, no specific due diligence is considered necessary.

Grenfell Tower area

- 2.9 An initial £50,000 will be granted to Portobello Business Centre (subject to due diligence checks) to deliver the above objectives. The £50,000 allocation matches the contribution that the Royal Borough of Kensington and Chelsea (RBKC) are making to provide business support for those affected in the vicinity of Grenfell Tower. The GLA and RBKC (and newly set up Government Taskforce) will work together with the Portobello Business Centre to align the support to be provided. The GLA is setting a threshold of £5,000 per award to be made by the Portobello Business Centre; any distributions above this threshold will need to be approved by the GLA.

Westminster Bridge and Finsbury Park Mosque area

- 2.10 The Project Manager will make contact with a local representative to make them aware of the support available.
- 2.11 Additional unallocated funding of the Business Continuity Fund (£300k) will be available to the Borough Market Traders Fund and Portobello Business Centre if the current funding is not sufficient to deliver the support required.
- 2.12 The initial £300k will be funded from LEAP Core Funds (£100,000) and a Capital / Revenue swap of GLA budget resources (£200,000).
- 2.13 Due to the extent of support required additional funding is being sought from Government, LEAP and other sources to support this fund.

3. Equality comments

- 3.1 The GLA as a public authority must comply with the Public Sector Equality Duty set out in section 149 (1) Equality Act 2010. This provides that, in the exercise of their functions, public authorities must have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - advance equality of opportunity between persons who share a relevant protected characteristic 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.

- a. The obligation in section 149(1) is placed upon the Mayor, as decision maker. The due regard described above must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- b. This duty also applies in the delivery of the Business Continuity Fund, and means that delivery of this fund must consider the needs of all individuals and have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people.
- c. The Project Manager will give due regard to the above obligation when commissioning organisations for the distribution of this fund.

4. Other considerations

- 4.1 There is a risk that the £300,000 may not be sufficient to provide the level of support required. The Mayor of London has asked the Government to match this funding and the GLA should continue to seek this match.
- 4.2 The support requirements that businesses require are still not all known, therefore there is a need to ensure flexibility with the criteria set for this funding.
- 4.3 Due to the limited amount of funding, the eligibility criteria will need to be tight and therefore there is a possible reputational risk if businesses do not meet the eligibility criteria. Mitigations will be put in place, i.e. referral to the London Growth Hub, Good Growth Fund Funding and others to be identified.
- 4.4 In making this decision, the Mayor should be aware that there is a risk that the GLA could set precedent, with this funding should other major incidents occur in London.

5. Financial comments

- 5.1 The proposed £300,000 Business Continuity Fund will be funded from LEAP Core Funds (£100,000) and a Capital / Revenue swap of GLA budget resources (£200,000), specifically by reducing the capital resources allocated to the Mayor's Regeneration Fund and drawing down from the Capital Programme Reserve (which is funded by revenue).
- 5.2 As noted within the main body of this report, given the expected level of support required, additional funding will be sought via Government Funding, LEAP and from the private sector contributions. Any additional funding secured will supplement the GLA contribution of £300,000 and will be administered in line with the eligibility criteria set for the fund.

6. Legal comments

- 6.1 Under section 30 of the Greater London Authority Act 1999 the Mayor, acting on behalf of the GLA, has power to do anything which he considers will further the promotion within Greater London of, among other things, economic development and wealth creation, and social development.
- 6.2 The proposed fund falls within the above power.
- 6.3 The proposed funding of businesses should comply with the GLA's Contracts and Funding Code, subject to any variances to take account of the urgency of the circumstances. It appears that the funding will, for the most part, be provided by way of grant and will not be subject to procurement law requirements. To the extent that any management fee is to be paid to any of the distributing organisations, it will be set at a level that does not require competitive procurement; given the

importance of timely distribution of the funds, it is appropriate for Executive Director for Development, Enterprise and Environment to elect not to run any competition to identify organisations to distribute the funds.

7. Planned delivery approach and next steps

Activity	Timeline
Decision ratified at CIB and MD signed	w/c 10 July 2017
Grant awarded and Agreement signed	w/c 17 July 2017
Delivery commences	w/c 17 July 2017

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:

Sejal Patel has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

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.

✓

Sponsoring Director:

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Joules 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 10 July 2017

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

M.T.A.
Tom Middleton on behalf of Martin Clarke

10.07.17

CHIEF OF STAFF:

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

Signature

Date

D. Bellamy

10/7/2017