

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2233

Title: Growth Hub: Business support to small businesses affected by Grenfell Tower fire

Executive Summary:

As part of the London Growth Hub initiative it is proposed that the Greater London Authority (GLA) provide a further £65,000 to Portobello Business Centre (PBC) to deliver tailored 1-2-1 business support to those small businesses affected by the Grenfell Tower fire.

The funding proposed is additional to £250,000 of emergency grants already provided by the Greater London Authority (GLA), the Department for Business, Energy and Industrial Strategy (BEIS) and Royal Borough of Kensington and Chelsea (RBKC).

Decision:

That the Executive Director of Development, Enterprise and Environment approves expenditure by way of grant funding of £65,000 (from the London Growth Hub 2017/18 grant from the Department of Business, Energy and Industrial Strategy) as a contribution to Portobello Business Centre's costs of providing tailored 1-2-1 business support to small businesses affected by the Grenfell Tower fire.

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

Position: Executive Director – Development, Enterprise & Environment

Signature: 

Date: 28.3.2018

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Eight months ago, the events at Grenfell Tower took place. In the aftermath, it was identified that 85 local businesses were significantly affected by the fire with loss of trade and economic challenges.
- 1.2 After the fire the Greater London Authority (GLA), the Department for Business, Energy and Industrial Strategy (BEIS) and the Royal Borough of Kensington and Chelsea (RBKC) made £250,000 funding available to support the local affected businesses. Whilst some of this funding has yet to be paid due to outstanding evidence requests, to date approximately £140,000 has been distributed between 22 local businesses.
- 1.3 Since then, PBC has indicated that 85 local businesses remain seriously affected by the following:
- **Loss of trade (30-70% downturn largely due to reduced footfall)** – approximately 1,000 people have been removed from the local area (this includes 650 surviving residents from Grenfell Tower and residents from nearby estates as well as 350 students from the local Academy). In addition, a reduction in transitory visitors and visiting business trade deepens the loss of footfall and customers.
 - **Staff difficulties** – business owners and staff who are working in such close proximity to the Tower are suffering from trauma and stress. Recruitment for new staff is proving virtually impossible.
 - **A community still experiencing trauma** – with the on-going police investigation into the disaster, the after effects of the tragedy remain, affecting not just the local residents, but also the wider community.
 - **Lack of premises** – businesses and the self-employed which operated out of Grenfell have been unable to work or without workspace since June 2017.
 - **Road closures** – whilst the Tower remains in place, the area is subjected to unannounced road closure as cranes and similar equipment are moved onto the site. These continue to cause disruption to business deliveries.
- 1.4 In order to assess the long-term viability of these businesses, and identify any additional support they may require, this decision proposes that £65,000 be provided to PBC in order to deliver this one to one support to the 85 affected businesses. While these assessments take place, the Mayor is urging banks and utility companies to withhold from taking any action against these businesses if they default on payments. As part of this he has also written individual letters to the CEOs of banks used by the affected businesses asking for a moratorium on their loans and debts. A press release was issued on Thursday 15 March 2018 highlighting the Mayor's actions to keep supporting local affected businesses.

2. Objectives and expected outcomes

- 2.1 The £65,000 funding will allow PBC to work with each individual business, identify their challenges and tailor the business support to each of the participant businesses.
- 2.2 The funding provided is predicated on the basis that it will fund 10 hours of support for each of the 85 businesses affected. However, the number of hours and type of support they will receive will depend on the individual needs of each business. If the total number of hours of support required is

less than the funding provided, PBC will be required to seek the GLA's agreement to any reuse of funds to undertake specific business support activity identified through the needs assessment work.

- 2.3 Once the business support needs have been identified, the GLA will work with PBC, RBKC, other business support providers, corporates and central government to identify funding and pro-bona support to deliver the additional work. Businesses will also be directed to existing support offers through the Growth Hub.
- 2.4 It is expected that after the needs assessment and any subsequent business support, the 85 businesses will be able to re-establish themselves in their community or make alternative plans for what the future should look like for their enterprises.
- 2.5 Outputs (e.g. hours of support, number of businesses supported) will be reported to BEIS as part of the Growth Hub's existing reporting regime. We will also aim to capture outcomes through qualitative and quantitative evaluation once interventions have been put into place and appropriate time allowed to ensure any impact has been realised.

3. Equality comments

- 3.1 PBC, as the recipient of funding will be required to outline how it will take into consideration the needs of the local community with particular emphasis of those running and employed by the micro and small businesses affected by the aftermath effects of the fire.
- 3.2 The project will embrace London's diversity and in particular the area affected by the Grenfell where there is a wide range of residents and businesses from diverse backgrounds. PBC, as the recipient will be required, in its delivery of the project, to consider the needs of all the individuals and have due regard to their particular needs, including those with protected characteristics, and report on the same when making claims.
- 3.3 The project will be exploring wider community-led partnership developments which look to provide needs analysis and a whole community wide support process. The project will be providing support for existing businesses to generate growth within the area's economy and new employment and business opportunities.

4. Other considerations

- 4.1 The project links with the section on *Creating conditions for Growth* in the Mayor's draft Economic Development Strategy which aims to support London SMEs to grow and expand. In this particular case, the funding will allow them to provide specific support in very challenging times.
- 4.2 The main risk to the success of the projects would be that despite the business support, some of the enterprises are forced to re-consider their business proposition or location. But with the tailored support, PBC will ensure that the needs of each business are addressed.

5. Financial comments

- 5.1 The proposed grant of £65,000 to the Portobello Business Centre will be funded from the 2017-18 Growth Hub budget (specifically via grant funding from the Department of Business, Energy & Industrial Strategy).

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the director concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to be facilitative of or conducive or incidental to the promotion of economic and social development in Greater London; and
- 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA'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, 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 director should have particular regard to section 3 (above) of this report
- 6.3 In the event that the director is minded to make the decisions sought Officers must ensure that:
- 6.3.1 no reliance is placed on the BEIS funding until after a legally binding commitment is in place in this regard and they are content that the GLA can comply with the terms attached to such provision of funding; and
- 6.3.2 a funding agreement is put in place between and executed by the GLA and Portobello Business Centre before any commitment is made to provide the additional funding.

7. Planned delivery approach and next steps

Activity	Timeline
Signing Grant Agreement letter	20 March 2018
Delivery Start Date	April 2018
End delivery project	September 2018

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:

Maria Diaz has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Jamie Izzard 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:

The Corporate Investment Board reviewed this proposal on 26 March 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. LLC

Date

26.3.18

