



## Notice of Non-key Executive Decision

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| <b>Subject Heading:</b>                   | <b>Economic Growth Projects</b><br>Agreement for the Economic Development Team to utilise £0.050m of the Business Risk Reserve to fund two projects: <ul style="list-style-type: none"> <li>• Project 1: Havering Growth Programme</li> <li>• Project 2: Innovation Hub Feasibility Study</li> </ul>   |
| <b>Cabinet Member:</b>                    | <b>Councillor Damian White</b>   |
| <b>SLT Lead:</b>                          | <b>Neil Stubbings, Regeneration Programme Director</b>   |
| <b>Report Author and contact details:</b> | <b>Helen Payne/Sarah Moss</b><br>01708 433276/431536<br><a href="mailto:sarah.moss@havering.gov.uk">sarah.moss@havering.gov.uk</a>   |
| <b>Policy context:</b>                    | <b>Opportunities making Havering – delivering first class business opportunities by supporting the</b><br><br><b>Service-Level Outcome; encourage entrepreneurialism and support new businesses with a dedicated support programme.</b>  |
| <b>Financial summary:</b>                 | <b>Spend for 2018-19:</b><br><br><b>Project 1: Havering Growth Programme</b><br><br>£0.030m – Business Risk Reserve<br>£0.010m – NHB/LEP ( <i>already approved</i> )<br><br><b>Project 2: Innovation Hub Feasibility Study</b><br><br>£0.020m – Business Risk Reserve<br><br><b>TOTAL SPEND</b><br><br>£0.050m – Business Risk Reserve<br>£0.010m – NHB/LEP ( <i>already approved</i> )<br><br>£0.060m – Overall Total |

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| <b>Relevant OSC:</b>                                 | <b>Towns &amp; Communities</b> |
| <b>Is this decision exempt from being called-in?</b> | <b>Yes</b>                     |

**The subject matter of this report deals with the following Council Objectives**

- Communities making Havering
- Places making Havering
- Opportunities making Havering
- Connections making Havering

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

That a decision be made to utilise the Business Risk Reserve on two projects:

- Project 1: Havering Growth Programme
- Project 2: Innovation Hub Feasibility Study

### AUTHORITY UNDER WHICH DECISION IS MADE

Council's Constitution September 2017 Part 3.4,

Contract Powers (a) and (b)

*To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.*

### STATEMENT OF THE REASONS FOR THE DECISION

#### 1. Havering Growth Programme - Background

- 1.1 Since 2011 Havering Council has managed a start-up business support programme. This programme has contributed towards the Borough's high business survival rates for those trading for less than 2 years (above national average) and for Experian recognising Romford as the Start-Up Capital of Britain.
- 1.2 In 2015/16 Havering Council utilised NHB/LEP funding and procured a 2-year start-up support programme. This programme engaged with nearly 200 start-ups, provided over 4,000 hours of support and created 20 new jobs. It enabled Havering to continue with its high survival rates; however there was a slight decline in the survival rates for those trading for 3-5 years.

#### 2. Havering Growth Programme – Project Summary

**= £0.040 (£0.030m from Business Risk Reserve and £0.010m NHB funds)**

- 2.1 The aim of the programme is to provide early stage businesses (those trading for less than 6 years) to gain the right tools to increase productivity, access opportunities and provide more jobs. This programme will be delivered through two sub-programmes; Unlocking Business Growth and Enabling Supply Readiness.
- 2.1 A tender process will be completed through the BLOOM Framework (preferred supplier) to ensure a suitable provider can operate from September 2018 until March 2019.
- 2.2 The suitable provider will be paid on outcomes, which have been set using the GLA (Mayor of London) outcome model:
  - 100 businesses accessing at least 12 hours of support
  - 40 businesses to increase their turnover
  - 15 new jobs created

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- 15 businesses moving or expanding into commercial properties within the Borough
- 10 businesses winning new contracts

### **3. Innovation Hub Feasibility Study - Background**

- 3.1 In 2016/17 Havering Council entered into an Agreement with the Mayor of London and CEME to deliver the funded programme 'Driving Growth in the London Riverside Opportunity Area' (*approved via non-key Executive Decision dated 19/12/16*).
- 3.2 The aim of this programme is to deliver short term and long term solutions toward providing sustainable start-up and move-on space in the Area; encouraging entrepreneurialism and then enabling good growth.
- 3.3 One of the key objectives is to deliver a 'meaningful' study, which identifies spatial opportunities to create open workspace and move-on space. This objective is part of the Council's match funding requirements, and the Council has allocated £0.020 of its match funding allocation to achieving this objective.
- 3.4 Since this programme started, Havering Council has been exploring options for incubating Innovation Hubs in London Riverside. The Council is now in a position to collaborate with Havering College, SEGRO and London Riverside BID on a partner-bid to the Mayor of London.

### **4. Innovation Hub Feasibility Study – Project Summary = £0.020m (from Business Risk Reserve)**

- 4.1 The aim of the Feasibility Study is to understand the practicalities and viability for incubating these Innovation Hubs through assessing the market, defining the vision, assessing the financial modelling, exploring the critical aspects and developing recommendations.
- 4.2 This, in turn, will identify the opportunities to create Innovation Hubs in London Riverside, and will give the Council, and its landowners, a clearer aim towards potential income sources and how these Hubs can be integrated into the Strategic Industrial Location.
- 4.3 Havering Council will commission the study through the BLOOM Framework (preferred supplier) in preparation of the partner-bid submission.

## **OTHER OPTIONS CONSIDERED AND REJECTED**

### **Do nothing**

This would mean not utilising the £0.050m fund that has been allocated for these projects, which was agreed at the Council's Transformation Management Board on 24<sup>th</sup> July 2018.

The Council must meet its match funding requirements for 'Driving Growth in the London Riverside Opportunity Area'. If £0.020 is not spent on the Feasibility Study, the Council will

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need to request the Mayor of London to approve a Funding Schedule amendment, and will need to allocate the £0.020 match funding to another milestone within this Agreement. The Council also requires a strong evidence base to support its partner-bid submission for the Innovation Hubs; without which it may not be able to provide sufficient evidence for the Mayor of London to endorse our partner-bid.

The Council has provided a business support programme since 2011. If the funding is not agreed for the Havering Growth Programme, then the Council will need to reduce the service to the £0.10m from NHB/LEP, which in turn will reduce the outcomes listed in 2.2.

**PRE-DECISION CONSULTATION**

The Deputy Cabinet Member for Environment, Regulatory Services and Community Safety has been involved in preliminary discussions through 2017/18 whilst the programmes were being developed.

A business survey was commissioned in March 2018 and data from this exercise has shaped the delivery of the Havering Growth Programme.

Key stakeholders have been engaged in developing the Innovation Hub Feasibility Study; GLA, Havering College, SEGRO, CEME, London Riverside BID.

**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Helen Payne/Sarah Moss

Designation: Business Development Manager/Business Development Officer

Signature:

Date:

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

Authority is sought to procure services for the two aforementioned projects.

The total value of Project 1 is £0.040m. This is below the EU threshold for service contracts. Therefore, it is not necessary for the Council to advertise this opportunity in the OJEU. Officers intend to use the BLOOM Framework to procure a supplier.

Project 2 is also below the EU threshold; the total value being £0.020m. As with Project 1, the BLOOM Framework will be used to tender for these services.

The Council's Contract Procedure Rules confirm that all subsequent purchases under a framework shall either not require further competition (if a single supplier) or, if there are two or more suppliers for those goods or services on the framework, follow the express framework provisions for choosing a supplier. If there are no such express provisions a mini-competition should be held amongst the relevant suppliers.

Officers have satisfied themselves that the Framework provides a compliant procurement process.

### **FINANCIAL IMPLICATIONS AND RISKS**

The Council proposal is to utilise £0.050m of the Business Risk Reserve and £0.010m of the NHB LEP on two projects; Havering Growth Programme and Innovation Hub Feasibility Study.

Funding has been identified by utilising the Business Risk Reserve, which was approved at the Transformation Management Board on 24<sup>th</sup> July 2018, and the NHB LEP funding; both of which are held Corporately.

The Council will be required to monitor and report quarterly on outcomes from each project.

### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There appears to be no direct human resources implications or risks arising directly as a result of this decision although this is based on the presumption that any work that arises as a result can be delivered within existing staff resources.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

Havering has a diverse community made up of many different groups and individuals. The council values diversity and believes it essential to understand and include the contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct

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that is prohibited by or under the Equality Act 2010;

- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex/gender, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

Successful economic growth projects will have a positive impact for all communities. For example, those in poverty would benefit from potential job creation, which will have a positive impact on people from low socio-economic backgrounds.

### **BACKGROUND PAPERS**

None

**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

*Delete as applicable*

Proposal NOT agreed because

**Details of decision maker**

Signed



Name: NEIL SPUBBINGS

~~Cabinet Portfolio held:~~

~~CMT Member title:~~

Head of Service title DIRECTOR OF REGENERATION

~~Other manager title:~~

Date: 23.08.18

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on 29/08/2018

Signed J.F. [Signature]