



London Small Business Centre
Universal House, 88-94 Wentworth Street
London E1 7SA

Tower Hamlets Council

Town Hall
Mulberry Place
5 Clove Crescent
London
E14 2BG

www.towerhamlets.gov.uk

Dear Sir/Madam

Grant Offer Letter in relation to the Whitechapel High Street Fund project at 206 Whitechapel Road

I am pleased to confirm that the Council, in relation to the above wishes to make a Grant Award to your organisation on the basis of the terms of this Grant Offer Letter and the Council's Standard Terms and Conditions of Grant Agreement which can be found at http://www.towerhamlets.gov.uk/lgnl/community_and_living/community_grants.aspx. This Grant Offer Letter should be read and construed together with the Standard Terms and Conditions of Grant Agreement as they will form the basis upon which the Council's agrees to make the Grant Award on the following principle basis:

Recipient: East London Small Business Charity ("LSBC")

Purpose Of The Grant: To create flexible/affordable workspace in Whitechapel town centre and to support existing and emerging local SMEs.

Start Date: 30th May, 2016

End Date: 31st March, 2017

Total Grant Award: £227,000

Grant Officer Name/Contact: Duncan Brown, Strategic Project Manager / David Lee, Project Support Officer, Whitechapel Vision Delivery Team

In the event of a conflict between this Grant Offer Letter and the Standard Terms and Conditions of Grant Agreement the terms of this offer Grant Offer letter will prevail. However, you should be aware that, the Council may reduce, suspend and or cancel payment of the Grant Award in accordance with the Standard Terms and Conditions of Grant Agreement if you do not abide by the requirements detailed in either this Grant Offer Letter.

1. Pre-Grant Award Conditions:

1.1 The Grant Award will not be initiated until the Pre-Grant Award Condition(s) have been met.

- Satisfactory lease arrangements must be agreed with Royal Mail Group, of a length of at least 3 years, with possible earlier break clause. The agreed rent must be conducive to a viable and self-sustaining occupation of London Small Business Centre, with an agreed use of the space as indicated in their bid and allowing the delivery of key project outputs. The details of this lease must be submitted to the Council for approval. **Deadline: 5th July 2016**
- Satisfactory and detailed refurbishment plans, including a delivery timetable which achieves the agreement of Royal Mail Group, must be submitted to the Council for approval.
- An outline delivery plan describing the proposed approach to achieving outputs, including monitoring arrangements and including number of businesses supported and jobs created, to be submitted to the Council for approval.
- Costs for end users of the proposed co-working space are to be detailed and submitted to the Council for approval.

1.2 The Pre-Grant Award conditions must remain in place throughout the Grant Period. If one of the conditions detailed above subsequently lapse the Council may reduce, suspend and or cancel payment of the Grant Award.

2. On-Going Conditions:

2.1 Failure to meet any of these On-Going Conditions or having met them they subsequently lapse during the Grant Period then the Council may reduce, suspend and/or cancel payment of the Grant Award.

- Project monitoring information, including outputs on jobs and businesses supported and as described in GLA evidencing requirements, must be submitted quarterly.
- 206 Whitechapel Road must continue to provide workspace at the agreed cost and business support at the level agreed in pre-grant award conditions. Any change to service delivery must be submitted to and agreed with the Council.
- LSBC must continue to occupy 206 Whitechapel Road and to comply with the terms of the lease with Royal Mail Group throughout its agreed period.

3. Project Funding and draw-down of Grant Award:

- 3.1 The agreed Project funding and Grant Award draw-down arrangements are set out below.
- 3.2 Where other Project funds are agreed as part of the overall Project funding package and in the event that such funds fail to be secured from other funding bodies or provided by the organisation, the Council will review its Grant Award decision and will have the right to reduce, suspend and or cancel payment of the Grant Amount.

2016/17	Apr/Jun	Jul/Sep	Oct/Dec	Jan/Mar	TOTAL
Council Grant Award	£100,000	£127,000	£0	£0	£227,000

- 3.3 The Council's Grant Award must be used only for the purpose for which it has been agreed. Therefore, your Grant Award is not able to be used for any expenditure that does not relate to the Project. Additionally, in any event the following items are deemed to be ineligible items of expenditure. This is not an exhaustive list for the avoidance of doubt and you will need to discuss this issue with your Grant Officer.
- i. Bank or building Society debit charges
 - ii. Fines or financial penalties
 - iii. Payments made on a cash-in-hand basis other than the reimbursement of petty cash expenditure
 - iv. Any expenditure not supported by evidence

Outline Project Budget

- 3.4 As part of the quarterly monitoring return the Project needs to report on the expenditure for the quarter using the headings below and submit a transaction list showing all spend in the quarter.

2016/17	Apr/Jun	Jul/Sep	Oct/Dec	Jan/Mar	TOTAL
Refurbishment & Construction Costs	£70,000	£107,000	£0	£0	£177,000
Design Costs	£30,000	£10,000	£0	£0	£40,000
Monitoring costs / other enabling costs	£0	£10,000	£0	£0	£10,000
TOTAL	£100,000	£127,000	£0	£0	£227,000

4. Project Outputs and Outcomes

- 4.1 The agreed Outputs and Outcomes for your Project together with the related evidencing requirements are set out in table 1 below.
- 4.2 If, during the term of the delivery of the Project, there is significant under-performance in relation to the agreed Outputs and Outcomes, the Council will review the Grant Award and has the right to withdraw suspend and or reduce the level of further Grant Awards.
- 4.3 Where Grant Award funded activities relate to the purchase or hire of goods and services, the grantee will be required to demonstrate 'best value' in the procurement of such goods and services; and, any under-expenditure of the agreed level of Grant Award will be retained by the Council.

Table 4.1 Output & outcome evidencing requirements

Please note the outputs are the totals for 2017-2019

	Outputs and Outcomes Description	Evidencing Requirements
1	Refurbishment works completed at 206 Whitechapel Road, ready for occupation.	Agreed refurbishment designs, progress reports from appointed contractors, completion report and photo evidence.
2	100 Jobs supported	Ongoing monitoring information as per GLA evidencing requirements
3	500 Businesses supported	Ongoing monitoring information as per GLA evidencing requirements
4	750 New business start-ups	Ongoing monitoring information as per GLA evidencing requirements
5	90 Young adult Londoners assisted into further training or employment	Ongoing monitoring information as per GLA evidencing requirements
6	60 Events held	Ongoing monitoring information as per GLA evidencing requirements

- 4.4 The target delivery timeline relating to the above are as set out below. It should be noted that in order to be regarded as being 'met', your Project Outputs and Outcomes must meet any stipulated quality standard and be satisfactorily evidenced as set out above.
- 4.5 Where appropriate, you will be required to provide original invoices and bank statements in order to demonstrate proof of payment and claim reimbursement of costs.

Target Outcomes	Target Date
Refurbishment works completed at 206 Whitechapel Road, ready for occupation (output 1)	30 Sept 2016
Interim monitoring report, covering outputs 2-6	December 2016
Second monitoring report, covering outputs 2-6	Dec 2017
Final monitoring report, covering outputs 2-6	Dec 2018

5. Project Delivery Plan

5.1 Project Short Description:

The LSBC proposes to locate its main office at 206 Whitechapel Road and deliver on-site business support, small business financing and local enterprise engagement. The site will also host a small co-working space to provide a local flexible/affordable workspace offer and to further the aims of the Whitechapel High Street Fund project, delivering new jobs, new business start-ups and supporting local SMEs. The site will also be flexible to accommodating events and exhibitions and will including meeting/training rooms.

In the space below, provide details of when, where and how the planned delivery of activities and services will take place. You should include details of partnership working, outreach work, formalised referral arrangements and other activities that will ensure the effective targeting and take up of services.

Your answer should be limited to 400 words

The London Small Business Centre is the UK's oldest established surviving enterprise agency, established 38 years ago as a 'not for profit' organisation (social enterprise), through a public/private partnership, with the sole purpose of encouraging and supporting enterprise/entrepreneurialism in the most deprived boroughs of East London.

LSBC has an outstanding track record in business support. During the last five years, we have supported **983** new businesses to start up and worked with **5,114** individual clients, and supported **3,151** existing businesses.

During the last two years alone, 863 Tower Hamlets residents contacted the centre for support in business training, business start-up support and loan funding. Alongside this we worked with in excess of 253 existing Tower Hamlets businesses seeking our support.

497 individual Tower Hamlets residents booked appointments with a business

adviser to support their business plans, and the centre made 75 start-up loans to the value of £680,000 to new start-ups and £255,000 to 23 existing businesses.

699 people attended our business training courses, 59% of this client group were unemployed, 43% were women, and 68% were BAME.

Our core offer of support to clients is practical, 'hands on' business support, and is a combination of the following.

* Business planning training courses: covering all aspects of what it really means to be self-employed/start a small business, as an example: the legalities of trading as a sole trader, limited company etc. Set up costs, overhead costs, pricing and costing of services and goods, cashflow, book-keeping, customers, tax, national insurance, vat issues, marketing/business promotion, social networking, use of ICT and raising finance.

* One to one sessions with a business counsellor, working through the viability of the business idea, supporting and developing a business plan, which the client owns and fully understands. The client, whether a start-up or an existing business has as many of these one to one sessions as is needed, building a relationship between the business counsellor and the client of trust and honesty.

The centre's mission and purpose aligns with the London Borough of Tower Hamlets enterprise strategy in the encouragement and support of enterprise and entrepreneurial activity to increase opportunity, prosperity and social and economic mobility in Tower Hamlets. Through the development of clients, the centre will achieve two important objectives of the enterprise strategy:

“Coordinate and strengthen enterprise support services and access to finance”.

“Encourage an entrepreneurial spirit and culture of innovation”.

5.2 The following information sets out how your organisation will ensure that the Project meets its planned beneficiary targets.

5.3 The specified beneficiary targeting profile is as follows:

In the space below, provide details of the mechanisms, processes and procedures that will be utilised to ensure that the Project meets its specified beneficiary targets. You should include details of partnership working, outreach work, formalised referral arrangements and other activities that will ensure the effective targeting and take up of services.

Your answer should be limited to 400 words

LSBC will undertake the following activities:

- Targeted engagement, outreach and mentoring to strengthen entrepreneurial and enterprise culture.
- Provision of advice and support for entrepreneurship and self-employment, in particular amongst under-represented groups, by developing entrepreneurial skills and attitude, with a focus on increasing the number of business start-ups.
- Provision of advice and support for new business start-ups, to survive and grow.
- Outreach coaching, mentoring, networking and consultancy support to promote business start-up, survival and growth.

Hard to Reach Communities

LSBC, in particular, addresses the barriers faced by many entrepreneurs, especially women and BAME owned enterprises, with individual one to one business support, in order to support and maximise growth and employment potential to make the journey from start up to high growth, and significantly increase the success rate of new start-up businesses. Clients will be offered a comprehensive package of business support, which will be flexible and tailored to meet the challenges and needs of London entrepreneurs.

LSBC is passionate about, and committed to, equal opportunities and after more than 30 years of working in east London and across all Pan-London boroughs, understands that positive action is continually required to ensure that BAME/Women and disabled clients all have equal access to the opportunities available.

LSBC promotes greater equality across all areas of activity, seeking to tackle the barriers that communities face, in developing and growing successful businesses.

As an example of how our current projects address the equalities needs of the businesses in our delivery area:

- **ERDF (EU) funded A2F for Creative Industries – April 2012 to March 2014**
- Businesses Assisted (12 hours advice) = 218 outputs
- 48% BAME clients and 69% Women clients, 7% Disabled clients
- Businesses raising finance, to date: £1.6m □

Local Engagement & Community Building

LSBC has outreach programmes into job centres, charitable organisations and colleges, in order to introduce the idea of enterprise and self-employment into some of the hardest to reach areas. LSBC's Outreach Manager is dedicated to this task and is currently working with lone parents as a key group to support into enterprise.

The Tower Hamlets “Best Business Idea”

We will plan a major attraction at the 206 site: the annual Business Plan Competition for TH residents. The competition will build a presence for the entire LSBC offer but it will be targeted at TH's aspiring creative entrepreneurs and at seedling social enterprise ideas in the area.

Judges will be drawn from LSBC-supported entrepreneurs (we have a group of 50 LSBC Ambassadors who bang the drum for enterprise), plus a panel of LSBC business advisers. We may even call on a celebrity or two to act as judges: LSBC is working with Alex Polizzi, for instance, on a number of events for its clients. LSBC will sponsor the annual Business Plan awards, giving out £1,000 for each best Business Plan in creative and social enterprise categories. Runners up will gain free membership to the hub for one year, plus a package of support from LSBC.

Working with Local Colleges

LSBC have established links with a number of colleges in the area that support aspiring business people. Our links with UAL, Newham College, Tower Hamlets College and UEL will be brought even more to the fore.

LSBC will be able stage more start-up surgeries on campus, and instead of just providing traditional business support, it will be able to direct students, at early stages of their studies, towards the LSBC offer and the hub. Graduating students will be shown the opportunities at LSBC and invited to open days specifically for students at the colleges.

Usage & Equalities Targeting

- 5.4 The following information sets out the anticipated annual beneficiary take-up. In this regard it is extremely important that all Projects are fully aware of the Council's reporting expectations; including the requirement to collect; record and provide the Council with a range of beneficiary information as evidence of the take-up of services. This will involve the collection and reporting of personal data.
- 5.5 In order to ensure the accurate collection and reporting of information, where necessary, organisations should formally notify prospective beneficiaries (in advance of them taking up the offer of services) of the requirement to collect and provide this information to the Council.
- 5.6 The information captured by the Project will enable the Council to evaluate the effectiveness of the grant programme in meeting agreed corporate goals. And will therefore help with regard to the future targeting of resources.
- 5.7 In relation to those Projects targeting individuals:

The total estimated annual take up is individual beneficiaries. Of this figure the target breakdown by 'protected characteristic' are set out below.

Number of Beneficiaries by: **Age**

0-4 years	5-11 years	12-17 years	18-25 years	26-49 years	50-64 years	65+ years
			100	350	50	

- Breakdown of beneficiaries by **gender** – target no more gender imbalance than 60% of one gender type (women, men, transgender, intersexual)

- 5.8 Where the Project is working with organisations rather than directly with individuals the target take-up of services are as set out below.

The estimated number of organisations we will be working with annually is:

Of the target take-up, the following represents the estimated number of organisations that will be led by:

- Women
- People with a disability
- BME

- Young people

Of the target take-up, the following represents the estimated number of organisations by their primary beneficiaries target groups:

- Older People (50 +)
- Women / Girls
- Youth / Young People (12-25)
- People with a disability / long term illness
- Children / 11 and under
- BAME communities
- New Migrants
- Other

Of the organisational take-up, the following overall targets should also be considered:

- At least 2/3 of organisational membership in charge of their company (if applicable)
- No more than 1/3 of businesses in any one sector
- At least 2/ focus on impact as much or above finance
- At least 1/3 of businesses under 2 years old
- At least 30% non-White British ethnicity.

6. Project Reporting Requirements:

- 6.1 The table in section 4.5 above sets out the timelines and deadlines by which you must submit the required reports relating to your Project. Progress Reports must be submitted using the agreed template(s).
- 6.2 The required Progress reports including Outputs and Outcome, financial, equalities and other key operational performance information will be explained to you in detail by your Grant Officer. However, the key requirement is that all information must be appropriately evidenced.
- 6.3 You must also be aware that the completeness and timely submission of these Progress Reports is extremely important. Failure to provide the required information or to meet the set deadline allows the Council to reduce suspend and or withdraw the Grant Award.

7. Project monitoring arrangements:

- 7.1 Your Project will be scrutinised through a combination of desk-top and site-visit monitoring in order to verify achievement/completion of activities. This will be based on the information provided in/with your Project Progress Report together with other relevant information which you should be held with your Project/beneficiary files.
- 7.2 Where a site visit is required you will be contacted by your assigned Grant Officer to agree the time, date and location for the monitoring visit. At this time you will also be informed about the information/documentation or other requirements which must be made available for the visit.
- 7.3 As a general rule, monitoring visits will be scheduled in advance and agreed between the Grant Officer and the Project Manager.
- 7.4 However, the Grant Officer or other representative of the Council may undertake unannounced visits for the purpose of monitoring, reviewing or inspecting the Project activities, services or related matters.
- 7.5 Furthermore, the Grant Officer may visit the grantee organisation in order to discuss or assess the organisation's financial, administrative and general governance systems and procedures which may impact directly or indirectly on the management of the Project to which this Grant Offer Letter relates.
- 7.6 Additional support may be given to your Project by way of referral to another agency or project supported by the Council. It is your responsibility to actively engage with this agency and failure to do so may have implications for the ongoing funding of your Project.

8 General

The Council may vary the terms of this Grant Offer Letter and the Grant Agreement without notice either by writing to you or uploading such variations on the Council's website as appropriate. Any such variations will be appended to this original Grant Offer Letter.

9 Declaration

You agree that you:

- have read and accept the terms and conditions of this Grant Offer Letter and the terms and conditions of the Standard Terms and Conditions of Grant Agreement
- have all necessary resources and expertise to deliver the Purpose Of The Grant
- will at all times comply with all relevant Law and shall notify the Council immediately of any significant departure from the Law;
- have in place or will have in place systems to deal with the prevention of fraud and or administrative malfunction;
- disclosed all financial and other related information to the Council to the best of your knowledge and belief and that they are true and accurate in all material respects;

THE PARTIES TO THIS GRANT OFFER LETTER AND THE STANDARD TERMS AND CONDITIONS FOR GRANT AGREEMENT HAVE EXECUTED THIS AGREEMENT ON THE DATE SHOWN BELOW.

SIGNED BY THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF TOWER HAMLETS under the hand of

Signature:
(Authorised Signatory – Director)

Date:

SIGNED ON BEHALF OF THE RECIPIENT:

East London Small Business Charity

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Authorised Signatory

I declare that I have read, accept and sign this Grant Offer Letter together with the Standard Terms and Conditions of Grant Agreement and on the basis of the Declaration above.

APPENDIX A: GLA EVIDENCING REQUIREMENTS

APPENDIX B: WHITECHAPEL HSF GRANT FUNDING AGREEMENT - EXCERPT