

Grants Determination Sub Committee	 TOWER HAMLETS
9 th November, 2022	
Report of: Ann Sutcliffe, Corporate Director - Place	Classification: Unrestricted
ELBA – Building Legacies 3 Match Funding Grant	

Lead Member	Councillor Abu Talha Chowdhury, Cabinet Member Jobs, Skills and Growth
Originating Officer(s)	Ellie Kershaw, Divisional Director Growth and Economic Development Chris Burr, Head of Growth Shahi Mofozil, Senior Manager Business Growth
Wards affected	All wards
Key Decision?	No
Reason for Key Decision	This report has been reviewed as not meeting the Key Decision criteria.
Forward Plan Notice Published	TBC
Exempt information	N/A
Strategic Plan Priority / Outcome	Priority 4 - Boost culture, business, jobs and leisure

Executive Summary

This report has been prepared to seek the approval of a grant of £25,000 for the year 22/23 payable to East London Business Alliance as part of a match funding commitment in order for Tower Hamlets to participate as a project partner in the Building Legacies 3 project. - Building Legacies 3 is a successor project to Building Legacies 1 and 2 aimed at supporting micro, small and medium sized enterprises to develop their capacity to bid for supply chain and procurement opportunities.

The Building Legacies programme is led by a partnership of participant councils led by East London Business Alliance (ELBA) and the accountable body of the programme, Newham College. Under the programme, ELBA allocates the budget and provides for East London Business Place to act as delivery partner. Owing to the availability of additional ERDF funding, the programme has been extended by a further year to run until 31/03/23 following on from Building Legacies 2 finishing on 31/03/22

Recommendations:

The sub committee is recommended to:

1. Approve the grant of £25,000 to ELBA to allow the Council to continue to participate as a delivery partner in the Building Legacies Programme.

1 REASONS FOR THE DECISIONS

- 1.1 The Council's participation in the Building Legacies Programme so far has meant that support has been made available to micro, small and medium sized enterprises in the borough from the delivery of capacity enhancement business support which enables them to grow their business and generate new income streams through supply chain and procurement opportunities from large businesses.

2 ALTERNATIVE OPTIONS

- 2.1 Owing to the established cycle of the Building Legacies programme and the added value of opportunities from other participant local authorities across East London, there is not a ready-made alternative option for the Council to consider.

The annual cost of delivering Building Legacies is £630,000 and the disbenefit of not approving the recommendation to award this grant will not only result in the loss of income and growth for participant businesses in the borough but it will also cost the Council more than £25,000 to deliver a project on the same scale.

3 DETAILS OF THE REPORT

- 3.1 "Building Legacies" is a programme under which local SMEs are supported to enhance their capacity to supply to larger organisations, including those in the public sector, through improving their procurement processes and capacity to bid for work. Through delivery of the programme, the supply capacity of SMEs is enhanced, relevant certifications achieved and 1-2-1 support given in winning contracts.

The programme is resourced through the European Regional Development Fund (ERDF) and partly from local authority match funding. The programme was due to end on the 31st March 2022. However, owing to the availability of some additional ERDF funding (details of the match funding are set out in the VfM section), there is a proposal to extend the Building Legacies programme for a further year. The continuation project will be called Building Legacies 3

and will run from April 2022 to March 2023 and the delivery organisation is East London Business Place (ELBP).

The council has been invited to participate in the programme as a strategic partner.

East London Business Place has for many years developed supply chains which benefit Tower Hamlets enterprises and enhances the capacity of local enterprises, enabling Tower Hamlets Enterprises to supply goods and services through procurement processes. The programme follows on from similar ERDF initiatives which ran from July 2012 to March 2015 (under the name of “Fit for Legacy”) and April 2015 to March 2022 (under the name, like the current one, of “Building Legacies 1& 2”).

The Building Legacies programme is led by a partnership of participant councils led by East London Business Alliance (ELBA) and the accountable body of the programme, Newham College. Under the programme, ELBA allocates the budget and provides for ELBP to act as delivery partner.

In December 2021 ELBA contacted participant councils under the Building Legacies 1 and 2 to gain their in-principle support for a further year under the project name Building Legacies 3 in the event that further ERDF funding was available. An indication of support in principle (subject to confirmation of funding) was issued by the council on 7th December 2021.

Tower Hamlets has a place on the Steering Group established to oversee the delivery of the projects and therefore has a partnership role in the implementation of the projects. The outputs from the programme are captured and fed into LBTH Strategic Monitoring performance reports and dashboards. The LBTH Economic Development Partnership will receive regular progress updates from the programme and contribute to steering the delivery of the programme.

The currently delivery model for Building Legacies 3 will be the same as the delivery model for Building Legacies 1 and 2. Enterprises participating in the programme will be supported to develop their skills and their capacity to bid for procurement and supply chain opportunities.

The support will be provided through training delivered via range of: in-person/digital workshops and training seminars and 1:2:1 advice, with each businesses benefiting from a minimum of 12 hours training support in order to enhance the skills provision of each business.

The following table sets out the outputs specified to be achieved in Building Legacies 3 programme and offered to the council as a result of participation in the project:

Out put ref	Output description	Whole project	Tower Hamlets
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		(London wide)	
C1	Businesses supported to develop green/environmental policies (12 hours)	100	20
C29	Number of enterprises supported to introduce new products	25	5
C8	Employment increase in supported enterprises	15	3
C5	Number of new enterprises supported	20	4

Staff time/costs to manage and oversee this project are estimated to be minimal and will be covered through existing Growth Service General Fund staff budget.

Under similar match funding arrangements, Building Legacies 1 and 2 achieved the following outputs:

Outcome	Target	Actual	LBTH Target	LBTH Actual outputs achieved
C1 (12 hour supports)	750	830	123	139
C5 (new enterprises)	98	132	18	31
C8 (jobs created)	112	302.7	18.25	66.2
C29 (new to firm products)	180	258	31	50
*Contracts won (£ - BL2 Only)	£15m	£17.3m	£2.3M	£2.5M

The invitation to participate would, if accepted, mean that match funding provided by the council (£25,000) would be met by an equivalent amount of ERDF funding for the benefit of the borough's SMEs. It would be an effective way of bringing external resources into the borough to support its enterprise base.

The table below sets out the sources out the total match funding in Building Legacies 3 (including the £25,000 that's the subject of this grant approval request:

Match funding source	Amount (£)
GLA ERDF	315,000
Newham College FE	100,000
Canary Wharf Group	90,000
LB Tower Hamlets	25,000
LB Havering	25,000
LB Redbridge	25,000

LB Lewisham	25,000
RB Greenwich	25,000
Total project value	£630,000

Through participating in this project and the approval of the requested funds – Tower Hamlets enterprises would also gain access to wider supply chain opportunities than they would have access, created through the inclusion of other local authority partners.

If this grant request is not approved, the materialisation of the additional ERDF resources for the benefit of enterprises in the borough would not happen.

4 COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report is seeking approval to grant East London Business Alliance £25,000 for the year 22/23 as part of a match funding commitment in order for Tower Hamlets to participate as a project partner in the Building Legacies 3 project.
- 4.2 Approval was given at the Asset Management & Capital Delivery Board on 18 August 2022 to allocate s106 revenue funding to meet this cost. There will therefore be no impact on the revenue budget provision from grant funding this project.

5 COMMENTS OF LEGAL SERVICES

- 5.1 The Council has the legal power to make the arrangements referred to in this report.
- 5.2 This expenditure by the Council of £25,000 creates an opportunity for local SMEs to access support and funding greater than the sum of money in itself. This satisfies the economy, efficiency and effectiveness strands of the Council's Best Value duty.

Linked Reports, Appendices and Background Documents

Linked Report

None

Appendices

None

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

NONE if none.

Officer contact details for documents:

N/A