

Title of Report	Hackney Business Support Programme - Grant Funding Agreement		
Key Decision No	CHE S239		
For Consideration By	Cabinet		
Meeting Date	25 September 2023		
Cabinet Member	Cllr Guy Nicholson, Deputy Mayor for Delivery, Inclusive Economy & Regeneration		
Classification	Open with Exempt Appendix		
Ward(s) Affected	All		
Key Decision & Reason	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">Yes</td> <td>Significant in terms of its effects on communities living or working in an area comprising two or more wards</td> </tr> </table>	Yes	Significant in terms of its effects on communities living or working in an area comprising two or more wards
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Implementation Date if Not Called In	4 October 2023		
Group Director	Rickardo Hyatt, Group Director, Climate, Homes & Economy		

1. Cabinet Member's introduction

- 1.1. The Council is committed to supporting businesses to thrive in the borough as part of its objective to deliver a fairer, greener and circular inclusive economy.
- 1.2. The Council has proven that when it is provided with funding and is empowered to design and deliver local business support programmes, it delivers positive social, environmental and financial outcomes for the businesses themselves and the wider community.
- 1.3. After the Council called on Central Government to enable local Councils to determine how business grants can be shaped to support local businesses, it went on to use £2.5m of government funding to develop a portfolio of locally designed pandemic recovery business support programmes.
- 1.4. Monitoring and evaluation of the programmes has demonstrated the positive impact of the Council directly supporting local businesses, for example:
 - £2m of funding was matched by an additional £414k that came directly from business supported
 - £554k of funding was spent with local suppliers

- 553 local jobs were created or safeguarded
 - 73 work based opportunities were created for young people.
- 1.5. Whilst the funding available for the UK Shared Prosperity Fund (UKSPF) business support programme in Hackney is significantly less than the previous programme, there are ambitious plans to build on the previous experience, maximise the opportunity of the UKSPF grant and to work collaboratively with local business support organisations to achieve a greater reach into the local business community.
- 1.6. The focus for this 18 month programme, which is expected to run to 31st March 2025, is on helping businesses transition to net zero, enhancing their social impact, and strengthening Hackney's local ecosystem of business support.
- 1.7. The local programme will run alongside a UKSPF £30m London wide fund, managed by the GLA, delivering London wide business support programmes. The GLA led fund focuses on a number of themes and offers more generalised business support.
- 1.8. The Council will promote and support Hackney businesses to access the GLA led London-wide business support programmes via the Hackney Business Network and through other business communications and partnerships.
- 1.9. I commend this report to Cabinet.

2. Group Director's introduction

- 2.1. LB Hackney has been allocated £1.8m UK Shared Prosperity Fund (UKSPF) by the GLA. The funding is split across two government funding priorities:
- Communities & Place: £1.36m
To enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood level. £150k of this allocation will provide businesses with support in their transition to net zero in the form of a tailored audit of their operations and premises.
 - Supporting Local Businesses: £441k
To fund local level business support to help support local businesses to thrive, innovate and grow, and the subject of this report.
- 2.2. In October 2022, after consultation with Senior Officers, the Mayor and Cabinet Member, project proposals for the use of Hackney's £1.8m UKSPF allocation were submitted to the GLA as the accountable body for the UKSPF in London. All project proposals were approved by the GLA.

- 2.3. Cabinet authorisation was given in April 2023 for the Council to sign the UKSPF Grant Agreement with the GLA for the delivery of the project proposals and to accept the £1.8m UKSPF grant.
- 2.4. Previously, LB Hackney had also secured £100k funding from the Strategic Investment Pot (SIP) to deliver business support for start-up and scale-up businesses as a partner in the SIP funded Central London Forward Inclusive Growth Programme, which will be added to the business support programme fund. Together the £441k UKSPF Supporting Local Businesses, £150k UKSPF Communities and Place, and £100k SIP provides Hackney with a total £691k to deliver a programme of business support tailored to the needs of local businesses and social enterprises at different stages of growth, and operating in different sectors. The £691k includes administration costs.
- 2.5. Hackney's UKSPF Local Business Support Programme will provide targeted capacity building and a business support programme that reaches further into our business community than London-wide business support achieves.
- 2.6. Delivery will focus on the start, and sustain elements of business alongside strengthening local business networks and improving reach to under-served business leaders or owners. We have also reflected local priorities including:
 - the need to better support businesses that are more social, community-centred or run by under-represented communities, as articulated through our Inclusive Economy Strategy;
 - the need to respond to the business cost crisis and particularly the sectors most affected by the increases in commodity prices, which in most instances were those disproportionately affected by Covid restrictions, ie hospitality, arts, creative, retail and manufacturing sectors;
 - supporting businesses to shift to net zero as part of our local Climate Action Plan, including growth of the Circular Economy, but also as a way to reduce the cost pressures of higher energy costs, which are likely to continue to be an issue for a number of years.
- 2.7. Early market engagement made clear the Council's preferred approach to appoint a consortium that includes key local organisations to enhance outreach more widely into our local business communities that traditionally have not engaged with mainstream business support provision.
- 2.8. Following an Invitation for Proposals, the Council is ready to enter a Funding Agreement with Allia Impact as lead partner in a consortium with Hackney Cooperative Developments (HCD), HCVS, Social Founders, East End Trades Guild and Better Futures.

3. Recommendations

- 3.1. **That Cabinet gives approval for the Council to enter into a Grant Funding Agreement with Allia Impact for the delivery of the Hackney**

Business Support Programme under which the Council would provide to Allia Impact the maximum sum of £627,971 over a period of 18 months.

4. Reason(s) for decision

- 4.1. Hackney Council is in receipt of GLA grant funding and has to deliver on its funding agreement obligations, these include a range of business support commitments.
- 4.2. A key decision via Cabinet is required to award funding on a grant basis when the funding agreement has a value which is significant, or has a significant impact on two or more wards.

5. Details of alternative options considered and rejected

Do Nothing

- 5.1. The Council could opt not to deliver any business support. However, this would constitute a breach of the funding agreement resulting in the return of essential funds to the GLA that can be used to benefit local businesses.
- 5.2. Opting not to establish a programme mechanism to deliver business support would also be a considerable missed opportunity to support local businesses and deliver the Council's inclusive economy commitments at a time when businesses are in great need of support.

Alternative procurement approach: Procurement of business support provider via a services contract

- 5.3. The Business Support Programme could have been secured through a contract for services achieved through a standard procurement exercise. A traditional procurement approach would have drawn on the same potential providers and may have resulted in the same preferred provider. However, a services contract drives contractual and output focussed behaviour within a supply chain that most often undermines collaborative and outcomes focussed approaches.
- 5.4. Additionally, a procurement exercise requires the purchaser to be more prescriptive and stipulate how services are to be delivered. By comparison, a grant award focuses on outcomes and impact, while allowing the supplier flexibility in the delivery approach that enables positive iteration and refinement of delivery in response to input from partners and feedback from beneficiaries. A Grant Funding Agreement allows greater flexibility, innovation and a more responsive approach to achieving the intended outcomes.
- 5.5. The chosen approach draws on experience gained through the Council's successful business support programme that utilised Central Government grant funding to help businesses recover from pandemic related lockdowns.

6. **Background**

Process to Select the Business Support Provider

- 6.1. Ahead of formally inviting applications, the Economic Development team engaged potential business support providers and held an information event in June 2023 with 30 attendees.
- 6.2. Following an Invitation for Proposals published in July 2023, the Council received one consortium proposal. Officers have assessed this and confirmed it meets the requirements of the programme.
- 6.3. Subject to Cabinet approval, the successful consortium will be led by Allia Impact Ltd, the award-winning innovation arm of Allia (a charity). Allia delivers business support programmes to help small businesses/ start-ups, etc. to build resilience, improve performance, and grow. Allia has previously delivered business support for Hackney Council, funded by the Covid-related Additional Restrictions Grant (ARG).
- 6.4. Allia will work with five identified partners who each bring their own specialisms, expertise and networks to the business support delivery:
 - Social Founders
 - Hackney Cooperative Developments (HCD)
 - Hackney CVS
 - East End Trades Guild
 - Better Futures
- 6.5. Allia have also proposed the use of independent support to the programme on evaluation and learning to inform iteration in response to business need and the final programme evaluation. They have identified Renaisi, a local social enterprise, as their learning and evaluation partner.
- 6.6. The programme will be managed by the Economic Development team within the Regeneration and Economic Development Service. The contract manager will work closely with Allia. We anticipate weekly meetings with Allia and monthly meetings with all consortium partners. Project progress will be reported internally through the Regeneration and Economic Development service governance arrangements, with quarterly project check-ins and escalation if necessary. Quarterly project reports will also be submitted to the GLA.

Proposed Business Support Programme

- 6.7. The Business Support Programme will build on the success and learning from the pandemic recovery grant funded business support programme. Primarily this learning is around the need for a collaborative and iterative approach to delivery to enable flexible response to business needs. Active engagement with businesses is also essential to ensure the support offered

is relevant, suitable and can reach business owners less likely to engage through the usual channels.

6.8. The following strands of delivery and outputs have been agreed with the GLA:

Business Support Programme Strands:	No. of Beneficiaries
1. Resilience support and advice on surviving the “cost crisis” for hospitality, arts, creative, retail and manufacturing/circular economy sectors	60
2. Pump-priming and capacity building for local organisations that represent and/or support local social and/or independent businesses to enable them to co-produce and participate in the delivery and programme review cycle	25
3. Start-up and scale-up advice and training for founders/owners of socially focussed businesses that are rooted in local communities	45
4. Local level support and advice on transitioning to net zero , includes planning alternatives and reduced energy consumption. Some flexibility on this: could be initial light-touch, a pathway to enable engagement with the London-wide programme OR focussed technical advice to prep for later finance applications	80
5. Creation of self-sustaining business peer support networks as a legacy of the targeted local business support provided	35

6.9. The consortium partners, who include HCVS and HCD, each have strong local networks and an extensive reach into Hackney’s diverse communities. The engagement plan will leverage these networks to engage Global Majority Business owners and harder to reach groups.

6.10. Following Cabinet approval, the programme team will provide an information session to local councillors. As part of that, we will seek details of key partners and local businesses that we will use in the outreach strategy.

Coordination with Wider Business Support Landscape

6.11. The GLA retained £107m UKSPF to fund:

- The [London Business Hub](#), which will continue its offer of general online support with signposting to other more focussed business support topics and programmes.
- The GLA/London and Partners [Wayfinder](#) service (accessed through the business support hub), which helps businesses to navigate London’s fragmented business support landscape.

- A £30m business support programme comprising 29 delivery projects. Delivery detail and availability in Hackney has yet to be confirmed. Across London, this programme will address the following themes:
 - Innovation
 - Supplier readiness
 - Supporting SMEs to bridge the digital divide
 - Growing the local, social economy
 - Property advice service for SMEs
 - Low carbon
 - Support for fast growing diverse founders
 - Investment readiness support for diverse founders/SMEs.

6.12. There are also two sub-regional UKSPF programmes, which Hackney is directly involved in:

- Supporting social businesses/organisations in the public health and life sciences sector (£1.4m across seven boroughs).
- Future industries demonstrator district (the Olympic Park) (£1.4m across four boroughs and the LLDC).

6.13. We will seek to align our commissioned provision with that of the GLA's London-wide programmes but this is dependent on receiving clarity of those programmes and timing of any local rollout, especially Wayfinder, the Low Carbon Programme and Growing the Local Social Economy programmes. We have confirmed with our Wayfinder contact that they will support Hackney in triaging Hackney businesses into the relevant UKSPF programmes. Additionally, we have reached out to a selection of the most relevant UKSPF project leads to establish a relationship where we can enhance their outreach in Hackney.

6.14. Consortium partners and their business advisors will be briefed regularly on the wider business support landscape to ensure they remain fully informed and aware of changes and new opportunities, and able to provide businesses with relevant, up-to-date advice. One consortium partner (Better Futures) is delivering one of the GLA managed regional delivery programmes and will bring this knowledge to the Hackney programme.

Policy Context

6.15. The Department for Levelling Up, Housing and Communities (DLUHC) launched the UK Shared Prosperity Fund (UKSPF) on 13th April 2022. The UKSPF succeeds EU Structural and Investment funds (ESIF) in the UK. The fund is intended to reduce inequalities between communities, as part of the government's wider levelling up agenda.

6.16. Hackney's UK SPF allocation of £1.8m is split across two government funding priorities as follows:

- Communities & Place: £1.36m
- Supporting Local Businesses: £441k

- 6.17. The Government's funding priorities for UKSPF align closely with Hackney's own policy priorities. The activity commissioned under the Business Support Grant Agreement will help deliver key aspects of Hackney's Inclusive Economy Strategy, Climate Action Plan and Strategic Plan, in particular:

Inclusive Economy Strategy

- Priority 1: Support local neighbourhoods and town centres to thrive and to be inclusive and resilient places
- Priority 2: Champion and support local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough
- Priority 3: Connect residents to high-quality employment support and opportunities to learn new skills, get good quality, well-paid work and progress their career throughout their working life.

Climate Action Plan

- Adaptation: Ensuring that we are prepared for and resilient to the impacts of the climate emergency, protecting our most vulnerable residents.
- Buildings: Removing gas boilers, adding solar panels and decreasing energy use in our buildings, reducing fuel poverty.
- Transport: Reducing emissions from the transport network, improving air quality and helping residents live active and healthy lifestyles.
- Consumption: Changing what and how we buy, use and sell, creating a new green economy in Hackney.
- Environmental quality: Maximising the potential for biodiversity in our green spaces, reducing pollution and helping local ecosystems thrive.

Strategic Plan

- Priority: for a fairer, safer Hackney
 - Good growth -jobs, business and regeneration: supporting local businesses
 - Maintain continuous engagement with our small and micro businesses to understand the immediate and emerging challenges they face in different sectors and places
 - Work with partners, funders and investors to create then deliver support packages to equip local businesses to meet the multiple challenges they face
 - Develop and implement a more targeted approach to supporting local suppliers to be contract ready then win relevant public sector contracts

- Increase the capacity of our social sector infrastructure organisations to represent and develop businesses with a social ethos so they can form a larger proportion of our local economy
 - Create more business-led area forums to collaborate on tackling local economic issues, offer peer support and partner with us to leverage funding and investment opportunities
 - Double the size of our local green economy, helping existing local businesses to transition to become low-carbon businesses, creating more green jobs for local people and ensuring a just transition from carbon-intensive jobs and businesses
- Priority: for a greener, healthier hackney: consumption
 - Shape a Circular Economy, which ultimately seeks to reduce consumer waste by changing attitudes to how we create, consume and dispose of rubbish.

6.18. The proposed Grant Agreement will also help deliver on a number of Mayors Manifesto Commitments including:

- MC8: We will build community wealth and create the opportunities where residents are the first to benefit as the local economy recovers and reopens - ensuring more of the jobs, opportunities, growth and money spent in Hackney stays in Hackney.
- MC19: Our Green New Deal will support the doubling in size of our local green economy, helping existing local businesses to transition to become low-carbon businesses, creating more green jobs for local people.
- MC 239: We will build on and expand the Hackney Business Network to collaborate with local businesses and support an inclusive economy based on a common set of social enterprise led values, around the principles of ESG - Environment, Social and Governance
 - Environment: creating a sustainable local economy through business, commerce and procurement. Supporting, advising and enabling local businesses of all sizes to transition to a net zero footprint.
 - Social: promoting the principles of social enterprise led values to doing business in Hackney, creating a post-pandemic economy that is rooted in delivering and enabling living well, inclusivity, opportunity and prosperity through enterprise and commerce, creating jobs, goods and services.
 - Governance: promoting clear and transparent reporting between Council, business and community. We will call for not just an exchange and sharing of resources and investment, but a set of

shared values that shape corporate responsibility and deliver community wealth building.

- MC172: We will work in partnership with businesses and trade unions in every sector of the local economy to transition to a green economy creating new, good-quality jobs and making sure the right skills are in place at the right time.
- MC247: We will help equip local businesses to meet the multiple challenges brought about by the pandemic, Brexit, climate change, the cost-of-living crisis and challenges to come from the global event playing out in Ukraine.

6.19. The programme will help accelerate micro, SME, social enterprise and Voluntary and Community Sector adoption of green business practices and the transition to net zero through business and site specific audits.

7. Equality impact assessment

7.1. The commissioning approach invited proposals only from consortia comprising local social business organisations and larger business support providers, to combine expertise with local networks and outreach. The aim is to achieve:

- greater reach into our business community to ensure social organisation and founders from under-represented backgrounds access the support package, including women, Turkish and Orthodox Jewish business owners who may face language, cultural and practical barriers such as access to child care;
- co-production of relevant elements of the provision to ensure the support appeals to a wider range of local businesses, in particularly those that are socially and environmentally motivated;
- alignment of provision to our sustainable procurement aims, including supplier readiness of relevant local businesses for future Council contracts amongst social organisations and founders from under-represented backgrounds
- sustainable business peer support networks either on a topic or area basis, subject to input from businesses and support providers but our business survey suggests that peer support is the preferred support mechanism for many small businesses in the borough;
- match funding secured by the providers and their networks, including corporate sponsors, to enhance local level delivery and reach into our business communities.

7.2. The commissioning approach has been informed by ongoing engagement with businesses who have received support (or missed the opportunity) from our government pandemic funded business support programme; our social sector and business representative/infrastructure organisations; our

current pandemic-funded business support providers; our local business survey; conversations with neighbouring boroughs; our local politicians (including the Hackney Mayor's manifesto commitments).

- 7.3. The approach supports equality, diversity and inclusion and includes relevant targeting that aims to address systemic inequalities of large-scale business support provision. Programme monitoring underpins this approach while informing ongoing outreach and delivery.
- 7.4. We will seek to align our commissioned provision with that of the GLA's London-wide programmes but this is dependent on receiving clarity of those programmes and timing of any local rollout, especially Wayfinder, the Low Carbon Programme and Growing the Local Social Economy programmes.

8. Sustainability and climate change

- 8.1. The Business Support Programme will include local level support and advice on transitioning to net zero, including planning alternative and reduced energy consumption. This will help deliver elements of the Council's local Climate Action Plan but also offer businesses a way to seek reduction in the cost pressures of higher energy costs, which are likely to be a feature for at least two years.
- 8.2. The Hackney based activities has two broad components:
 - General information, advice and guidance to raise awareness and take initial "light touch" steps to start a transition to net zero. This could form a pathway to enable businesses to engage with the London-wide programme OR onto our more focussed technical advice.
 - A more technical business and premises specific audit. The audit is in one-to-one format via an on-site visit and reviews business operations and energy usage. The output is a report that provides specific recommendations on changes to practices and/or where investing in better equipment or building adaptation can reduce energy usage.
- 8.3. Delivery of these two components is heavily dependent on effective local outreach. This will partly be achieved through our requirement that the lead delivery organisation has a genuine partnership with our local social infrastructure organisations, co-production of the support offer, genuine community outreach, identifying leaders and establishing sustainable peer-support networks. We will supplement this through using Council channels and connections to businesses such as through licensing, the cultural organisation group and food regulatory services.
- 8.4. The commission is designed to deliver the following sustainability / environmental outputs:

Deliverables	Beneficiaries
Businesses engaged with environmental issues through green business energy audit	175
Firms develop new environmental policy	15
Firms reduced their carbon consumption by 25%	63

9. Consultation, Engagement and Communications

- 9.1. The proposed approach to engagement with local businesses on the programme has been informed by the Council’s ongoing engagement with businesses regarding the pandemic recovery funded business support programme; our social sector and business representative/infrastructure organisations; our previous pandemic funded business support providers; our recent large scale business survey, a series of small workshops with businesses, conversations with neighbouring boroughs; our local politicians including the Member Champion for Inclusive Business, Social Enterprise and Cooperatives. We have also reviewed the profile of the businesses who have been awarded grant funding and accessed recent business support programmes to identify any gaps. A business support programme co-designed with a delivery consortium of local and specialist business support providers will ensure that the design and delivery of local business support reflects the needs of local businesses and their communities.
- 9.2. The approach will support equality, diversity and inclusion in the access to the programme and includes relevant targeting, supported by programme monitoring, that aims to address systemic inequalities of large-scale business support provision.
- 9.3. Subject to Cabinet Approval, the LBH Economic Development team and Communications team will work closely with Allia and the consortium partners to create the overarching communications and engagement strategy. This will cover:
- **Website:** Create a landing page on the Hackney Business Network website outlining the launch of the business support programme, key objectives and deliverables, and details of the consortium/ partners. This will include key learnings, case studies and testimonials (print and/or video) and business successes. Include on the Hackney Council 'support for business' landing page.
 - **Social media:** Bi-weekly posts on the HBN Twitter sharing key details of the programme, including case studies/ key learnings (e.g. graphics, photos, videos). Content with the highest engagement could be further boosted through paid ads. The main HC corporate channels to re-share posts.

- **Newsletters:** Include launch, key learnings and case studies/ testimonials in the HBN newsletter on a monthly basis. Include in other Council newsletters e.g. Hackney News to maximise reach.
- **Visits/ Photography:** Facilitate visits for the Mayor/ Lead Cllrs to businesses on-boarded onto the programme to capture static images/ videos for promotional materials.
- **Direct business engagement:** Direct engagement with specific business groups and business types that may be most appropriate to receive certain elements of support (e.g. social businesses) and direct engagement with those businesses we know may not access online communications (e.g. some retail businesses).
- **Outreach to Global Majority Business Owners:** We will leverage the existing networks of consortium partners, including HCVS and HCD to promote and bring the UKSPF opportunities to this segment of the business community. This will be underpinned by the GLA's reporting requirements on equality and diversity among business founders.
- **Links to other Local Business Support Activity:** The new nighttime economy portal, development of the Circular Economy Strategy, the emerging UKSPF Skills & Employment Programme, support for growing our social business and cooperatives eco-system, LIFT / Diversity in Tech, SHIFT in Hackney Wick, implementation of the new Markets Strategy, implementation of the emerging In-Sourcing and Sustainable Procurement Strategy, and relevant aspects of the GLA London-wide programme.

10. High-level risk assessment

10.1. A number of high level risks have been identified in relation to the Business Support Programme:

- Delivery duplicates and adds to the already fragmented landscape of London-wide business support delivery. We will mitigate against this by engaging with London Councils and the GLA on the emerging detail of London-wide provision; force use of local organisations to co-produce business support to meet local need; focus on local reach and establishing peer support networks. Within the Council's own services, when the UKSPF Business Support programme is established, we will link with the Employment, Skills & Adult Learning service to create cross-referrals between their direct support to individuals to set up as sole traders or new companies. This will enhance the offer to the standard ESAL delivery and provide beneficiaries with access to the curated networks that will be part of the UKSPF programme.
- Inadequate reach into local businesses, ie social organisations and founders/owners from under-represented backgrounds. The programme funding helps us mitigate against this by pump-priming local capacity of infrastructure organisations with local reach then force

use of local organisations to inform or deliver local outreach/recruitment.

- The limits of available funding and a multitude of output priorities in the grant funding requirements result in dilution of available funding, loss of delivery economies of scale and ineffective provision of local support. This has been mitigated by prioritising three themes, avoiding duplication of larger London-wide general business support, linking to more targeted London-wide programmes where possible, and co-producing local delivery offers to ensure relevance to local need.

10.2. In terms of the provider specifically, the risks are:

- **Reduced Market due to Grant Funding Award (as opposed to a procurement of a service):** The Council's constitution generally does not allow grant giving to private companies outside of the scope of the voluntary and community sectors. The decision to commission the business support programme as a Grant Agreement could reduce the market. This risk needs to be balanced with two other points:
 - A grant approach has been chosen specifically to ensure opportunities and capacity building for local organisations, enhanced collaboration between partners and the Council, and to encourage partnership and innovative delivery.
 - Within the context of inclusive economies and community wealth building approaches it is not appropriate that shareholders benefit from our local distribution of UK SPF grant funding.
- **Ambitious Net Zero Targets:** our initial market engagement with relevant suppliers suggested that the conversion rate from initial engagement with businesses to them either receiving an audit or seeking additional support is very low. This is exacerbated when there is no financial assistance to implement the net zero advice received. A provider may struggle to deliver the required outputs regarding net zero and alternative / reduced energy consumption. We will seek to mitigate this risk through a marketing and communications approach that emphasises the opportunity for lowering overheads through lowering energy costs. Additionally we will seek to renegotiate our GLA outputs to shift some from business engagement to small grant giving. We will also maintain our current approach of providing signposting support to other finance opportunities and any relevant GLA programmes that could include a grant to support businesses with net zero implementation.

11. Comments of the Interim Group Director, Finance

11.1. The maximum amount relating to this grant agreement with Allia is £627,971. This is funded in full from UKSPF and SIP funding and there is

therefore no overall cost to LBH. Within the UKSPF grant, there is an allowance for 4% to fund programme admin costs and there won't be any additional charges over and above this to administer the UKSPF internally.

- 11.2. A credit check has been carried out on Allia and whilst there is no immediate concern around their financial standing, where possible all funding should be awarded in arrears. Credit checks should also be carried out on an annual basis as best practice.

12. Comments of the Acting Director of Legal, Democratic and Electoral Services

- 12.1. The recommendation in paragraph 3.1 of this Report regarding the grant of a maximum sum of £627,971 to be made by the Council to Allia Impact from the UK Shared Prosperity Fund (UKSPF) and Strategic Investment Pot (SIP) is a key decision under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 as it is an executive decision, which is likely (a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the relevant local authority's budget for the service or function to which the decision relates; or (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.
- 12.2. Key decisions can be made by Cabinet under Article 13.6 of the Constitution and therefore this decision is being presented to Cabinet for approval.
- 12.3. It will be necessary for the Council to enter into a grant agreement with Allia Impact for the provision of the funding which is compliant with the initial funding terms already agreed by the Council with the GLA in respect of both the UKSPF and the SIP.

13. Appendices

- Appendix 1: Business Support Programme - Invitation for Proposals, July 2023
- Appendix 2: Bid from Preferred Supplier (Exempt)

Exempt

Appendix 2 is exempt by virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Background documents

1. 24th April 2023 Cabinet report - Acceptance of UKSPF, approval of project proposals, and agreement to sign the Grant Funding Agreement with the GLA:

- [Cabinet report](#)
- [Appendix to Cabinet report](#)

Report Author	Anne Malcolm Programmes & Projects Manager Regeneration and Economic Development anne.malcolm@hackney.gov.uk 020 8356 2211
Comments for the Interim Group Director, Finance prepared by	Adam Jauncey Strategic Finance Manager - ERNH adam.jauncey@hackney.gov.uk 0208 356 7922
Comments for the Acting Director of Legal, Democratic and Electoral Services prepared by	Patrick Rodger Senior Lawyer patrick.rodger@hackney.gov.uk 020 8356 6187