


<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>DELEGATED STRATEGIC DIRECTOR DECISION</b></p> <p><b>8 February 2019</b></p>	
<p><b>ENTERPRISE/ EMPLOYABILITY PROJECT: 1 YEAR EXTENSION</b></p>	
<p><b>Report of the; Strategic Director Growth &amp; Place</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Decision</b></p>	<p><b>Key Decision:</b> No</p>
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Director:</b> Jo Rowlands, Strategic Director Growth &amp; Place</p>	
<p><b>Report Author:</b> Nicki Burgess, Business Engagement Manager</p>	<p><b>Contact Details:</b> x 5695</p>

AUTHORISED BY:

Jo Rowlands has signed this report.

DATE: 8 February 2019

## 1. EXECUTIVE SUMMARY

- 1.1. For the last two years local social enterprise 'Petit Miracles' have delivered an Enterprise Development Project funded by New Homes Bonus. The project ends in February 2019 and LBHF have invited 'Petit Miracles' to extend the contract for a further year.
- 1.2. The Enterprise and Employability one-year project will deliver on H&F Economic Development priorities and continue to provide enterprise support with an additional delivery focus targeting residents with multiple barriers to employment and social exclusion.
- 1.3. The Enterprise Employability project will engage 150 beneficiaries over 1 year with an expected 9 job outcomes (7 registered business and the creation of 1 apprentice role and 1 retail staff position) Total budget £215,000
- 1.4. The cost to the council for the one-year project is £30,000, funded by New Homes Bonus (NHB) funding

## **2. RECOMMENDATIONS**

- 2.1. The Director for Growth and Place approve the extension of the project for one further year from 1 February 2019 – 31 January 2020, with a project value of £215,000 of which £30,000 will be funded from the council. This will be an approved delegated decision as set out in the original Cabinet Member Decision report of 21.01.2017.

## **3. REASONS FOR DECISION**

- 3.1. The Cabinet Member Decision of 21 January 2017 awarded the contract to Petite Miracles Interiors Ltd (“Petite Miracles”) for a period of 2 years commencing on 27 March 2017 to 31st March 2019 and delegated the decision to extend the contract for a further 12 months if required to the Director for Housing Strategy and Growth.
- 3.2. The project delivers on economic development priorities including: supporting local entrepreneurs and creating work experience and coaching opportunities for local disadvantaged and hard to reach residents.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. This project seeks to extend the successful Enterprise Development Project (Jan 2017 – Jan 2019) for one further year with an additional focus on training and work experience placements for residents with multiple barriers to employment and social exclusion.
- 4.2. The project will provide enterprise support that includes business coaching, business training, supported trading, business incubation and work experience placements.
- 4.3. Petit Miracles have two programmes which can uniquely deliver the services outlined above: Petit Miracle Hub a Business incubation service and Petit Miracle Interiors an employability programme providing work experience and apprenticeships. They have already sourced match-funding and in-kind support from corporate partners and grant organisations such as Hammersmith United Charities.

## **5. PROPOSAL AND ISSUES**

- 5.1. **Outputs and Outcomes** In 2019, both programmes will:
  - Provide 130 LBHF residents with training opportunities (business course, workshops, taster days)
  - Provide 10 residents with volunteer or work experience placements
  - Provide mentoring for 10 residents
  - Provide 10 residents with trading space in the Hub retail shop
  - The above will create 9 job outcomes (7 registered business and the creation of 1 apprentice role and one retail staff position)

- 5.2. Total Costs: £30,000 to the Council through the approved New Homes Bonus Fund (£15,000 from the Business Investment Team budget, £15,000 from the Works Matters budget)
- 5.3. Total cost of project £215,000 includes £185,000 match funding plus funding in kind through two rent free units sponsored by Land Securities with a value of £220,000. The balance of £30,000 will be the Council's contribution and will be payable as an upfront payment in February 2019.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. Investigation of the market has shown that Petit Miracles is currently the only local organisation that currently have both the funds, expertise, capacity, and premises to run such an enterprise support project.
- 6.2. In house provision: Expertise in this field of enterprise support is not available within the Council, nor does the Council own or operate any available affordable retail space in the borough's major town centres.

## **7. EQUALITY IMPLICATIONS**

- 7.1. The contract is to include a requirement that all equalities strands are reasonably and proportionately supported throughout the programme, and evidence of this will be required as part of an annual performance review.
- 7.2. Implications verified/completed by: Peter Smith, Business Engagement Manager, Economic Development Learning & Skills, HRD x 5695

## **8. LEGAL IMPLICATIONS**

- 8.1. The original Cabinet report of 21<sup>st</sup> January 2017 delegated approval to the Director for Housing Strategy and Growth to approve a further one-year extension to the project, so the Strategic Director for Growth and Place, which replaced that role, is the correct decision-maker.
- 8.2. The decision-maker needs to be satisfied on the basis of the information set out in the report that extending the project by a further year until 31<sup>st</sup> January 2020 is in the best interests of the Council.
- 8.3. Implications completed by: Deborah Down, senior associate with Sharpe Pritchard solicitors, on secondment to the Council [ddown@sharpepritchard.co.uk](mailto:ddown@sharpepritchard.co.uk)

## **9. FINANCIAL AND RESOURCES IMPLICATIONS**

- 9.1. This report recommends that the Strategic Director of Growth and Place approve a one-year extension of the contract to Petit Miracles Interiors Ltd ("Petit Miracles") to deliver an Enterprise Employability Programme, from 1<sup>st</sup> February 2019.

- 9.2. The total project cost is £215,000 and includes £185,000 match funding plus in-kind funding through two rent free units sponsored by Land Securities with a value of circa £220,000. The Council will contribute one-off funding of £30,000 from New Homes Bonus (NHB). Of this, £15,000 will be funded from the Business strand and £15,000 will be funded from the Apprentice and Skills strand.
- 9.3. Of the £451,000 of NHB funds allocated to the Council under the Business strand for the period April 2018 – December 2019, £394,000 is already spent or committed. This leaves £57,000 of funding available, £42,000 after this decision.
- 9.4. Of the £476,000 of NHB funds allocated to the Council under the Apprentice and Skills strand for the period April 2018 – December 2019, £408,000 is already spent or committed. This leaves £68,000 of funding available, £53,000 after this decision.
- 9.5. Payments from the Council funding of £30,000 will be released to Petit Miracles as an upfront payment in February 2019. A validation and approval process is established through the original contract and will comprise monthly review of outputs.
- 9.6. Finance officers are working closely with the service to ensure that the terms and conditions of the New Homes Bonus grant are met and that financial and other risks are assessed and mitigated, and that appropriate monitoring / auditing / performance arrangements are established.
- 9.7. A Credit safe company report as at 30<sup>th</sup> January 2019 indicated that Petit Miracles has an overall credit rating of 95% (very low risk category).
- 9.8. In terms of the Council resources, there is no requirement for any additional resources to manage the contract and the officer time required to manage the arrangements is minimal.
- 9.9. Implications completed by: Anjeli Chadha, Senior Accountant, Growth and Place, 020 8753 3138.
- 9.10. Implications verified by: Emily Hill, Assistant Director, Corporate Finance, telephone 020 8753 3145.

## **10. IMPLICATIONS FOR BUSINESS**

- 10.1. This local procurement ensures that any social value and economic growth arising from this contract is kept within the borough. The contract itself also benefits businesses directly by providing support for borough retail start-ups and entrepreneurs.

- 10.2. Implications verified/completed by: Nicki Burgess, Business Engagement Manager 020 8753 5695.

## **11. RISK MANAGEMENT**

The opportunities presented, at relatively low cost to the council and could have great benefits locally positively contributing to our H&F Values specifically, Building Shared Prosperity and in accordance with our Residents needs and expectations. Employment opportunities may increase, innovations and ideas that contribute to improving the local economy may flourish, longer term start-up businesses may be more sustainable following training and mentoring and therefore at lower risk of business failure.

Implications verified/completed by: (Michael Sloniowski, Shared Services risk manager 020 8753 2587).

## **12. COMMERCIAL AND PROCUREMENT IMPLICATIONS**

- 12.1 In terms of local economic benefit the award of £30,000 is justified in terms of the Council's policy towards supporting local businesses as part of its overall commitment to developing a coherent local economic and social value policy. It is noted that the private sector is contributing to this project to the estimated value of £385,000. The recommendation contained in the report is therefore supported.
- 12.2 The contract has a 12 months extension provision and the Cabinet Member decision dated 21.01.2017 gives authority to the Director to approve the extension proposal.
- 12.3 The contract must be updated accordingly in the Council's Contracts Register, capitalE sourcing to comply with statutory transparency requirements.
- 12.4 A Privacy Impact Assessment (PIA) must be approved by the relevant Information Management Officers before the approval of the extension

Implications verified/completed by: Andra Ulianov, Procurement Consultant, 07776672876

## **13. IT IMPLICATIONS**

- 13.1 IT Implications: There are no apparent IT Implications resulting from the proposal in this report.
- 13.2 IM Implications: If Petit Miracles will be processing sensitive data on behalf of H&F, a Privacy Impact Assessment will need to be completed to ensure all potential data protection risks in relation to this proposal are properly assessed with mitigating actions agreed and implemented.

- 13.3. The contract extension with Petit Miracles should include H&F's new data protection and processing schedules. These are compliant with the General Data Protection Regulation (GDPR).
- 13.4. Implications verified/completed by: Karen Barry, Strategic Relationship Manager  
0208 753 3481

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext holder file/copy</b>	<b>of of</b>	<b>Department/Location</b>
1.	Enterprise Development Project Cabinet Members Decision 21.01.2017 - published	Nicki Burgess Ext 5695		EDL'S Growth and Place