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1. Introduction

- 1.1. At the December meeting of the Housing & Regeneration scrutiny panel the panel members requested further information about the Strategic Investment Pot (SIP).
- 1.2. In particular, the members wanted to understand how the figures for the allocations have been arrived at, what the source of the funds are (for example, when it is from an external source for a specific purpose), and what the proposals are intended to achieve. The following note is a response to this request.
- 1.3. The SIP capital budget figures were reported as follows:

19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	23/24 Budget	TOTAL
1,750	1,400	2,650	0	0	5,800

2. Background

- 2.1. In January 2018, Cabinet agreed that the Council would participate in the London-wide Business Rates Retention Pilot for the financial year 2018/19. The London Pilot Pool is a joint and unanimously agreed one-year pilot between 32 London Boroughs, the Corporation of London and the GLA, which allows London to retain 100% of any growth. 15% of the net financial benefit of pooling will be reserved for the SIP.
- 2.2. The SIP allocates funding to Local Authorities in order to deliver projects that contribute to the sustainable growth of London's economy and an increase in business rates income either directly or as a result of the wider economic benefits anticipated.
- 2.3. In May 2018, as part of a competitive bidding process, Haringey Council submitted a joint bid with the London Boroughs of Enfield and Waltham Forest in order to secure funding from the SIP. This bid recognised that Tottenham's business base, the vast majority of which is made up of SMEs, has significant potential to expand, but is hampered by a number of barriers to growth. With a substantial demand for workspace in Tottenham, and a low vacancy rate, it is becoming increasingly difficult for businesses to access suitable premises. Businesses also struggle to secure up-front capital in order to invest in equipment and resource required for their growth.

3. SIP Projects

- 3.1. The grant funding secured through the SIP will be used to address these challenges through the following Tottenham-based projects:
- 3.1.1. A **Productive Valley Fund (PVF)**, building on the success of the Opportunity Investment Fund (OIF) and aimed at industrial estate-based businesses in the Upper Lea Valley. Led by Haringey and covering parts of Enfield and Waltham Forest, it will provide businesses with loan finance at favourable terms enabling them to invest in growing their business and increasing employment opportunities.
- 3.1.2. A **workspace intensification scheme** in the **South Tottenham Employment Area (STEA)**, which will develop local Council assets in order to provide a higher quantum of suitable workspace. This demonstrator project will help to provide confidence to developers and landlords that high density workspaces are able to present a viable and attractive market offer.
- 3.2. In addition, the Council participated in the Local London Partnership's bid to secure funding for improvements to local broadband and communications infrastructure in the Upper Lea Valley, in order to address known challenges and ensure that they do not impede local business growth.
- 3.3. A strengthened local employment and business portfolio brings an array of benefits, including: a larger quantum of local employment opportunities for local residents, higher business rates income and inward investment, and an improved local perception of the area as being supportive of small business entrepreneurship.

4. Funding balance

- 4.1. The **PVF project** also leverages in match funding from the three participating boroughs, and from loan recipients. Therefore, although the capital budget includes £3m for this project the total budget, including revenue match, totals £3.867m:

Funding	£
SIP Fund	£3M (including 10% M&A)
Match from boroughs (officer time in kind)	£162k (£18k p.a. x3 boroughs x3 years)
Match from loan recipients	£705k
Total Match	£867k
Total Budget	£3,867k

- 4.2. The **STEA project** will benefit from £2m of SIP funding. As intensification site(s) are not yet formally selected a current best estimate is noted in the capital programme, which will be refined as the project is developed further.
- 4.3. The **Broadband** programme totals £800k investment for premises within the borough; however, it is not yet confirmed whether this funding will be disbursed directly or whether this will come to the Council initially. For now, the capital programme includes this £800k.
- 4.4. Taken together, the SIP projects are profiled as follows in the capital programme:

Project	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	23/24 Budget	TOTAL
PVF	£800k	£1.1m	£1.1m	£0	£0	£3m
STEA	£150k	£300k	£1.55m	£0	£0	£2m
Broadband	£800k	£0	£0	£0	£0	£800k
TOTAL	£1.75m	£1.4m	£2.65m	£0	£0	£5.8m