

Report for: Cabinet March 2018

Title: Good Growth Fund – Connecting Wood Green

Report authorised by: Helen Fisher, Strategic Director of Regeneration, Planning and Development

Lead Officer: Beth Kay, Head of Area Regeneration (Wood Green) x2640

Ward(s) affected: Noel Park, Alexandra, Woodside

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1. This report relates to the Greater London Authority Good Growth Fund, which was launched in 2017. The Good Growth Fund is Mayor Sadiq Khan's new £70 million regeneration programme to support growth and community development in London. The fund will support projects that are “inclusive, innovative and which demonstrate an outstanding approach to challenges faced across London”.
- 1.2. Haringey has submitted a Good Growth Fund bid called “Connecting Wood Green”. This report is seeking authority to enter into a grant agreement with the Greater London Authority (GLA) in the event of the bid being successful.

2. Cabinet Member Introduction

- 2.1. The “Connecting Wood Green” proposals mark the beginning of a new chapter in the Wood Green Regeneration Programme.
- 2.2. This funding will not only unlock some much needed placemaking and public realm improvement projects but also create opportunities for local residents and businesses to become much more involved in and benefit from the regeneration of Wood Green through meaningful engagement, community empowerment, business training and participatory evaluation.
- 2.3. This funding will be a much needed boost for Wood Green, building on the success of the Green Rooms and Blue House Yard, creating places where people want to visit and spend time and places for communities to come together.

3. Recommendations

Cabinet is asked that

- 3.1. In the event of the “Connecting Wood Green” application to the GLA’s Good Growth Fund being successful, give delegated authority to the Strategic Director of Regeneration, Planning and Development and the S151 Officer, after consultation with the Cabinet Member for Economic Development, Social Inclusion and Sustainability, to approve the Good Growth Fund grant agreement with the GLA.
- 3.2. In the event of the “Connecting Wood Green” application to the GLA’s Good Growth Fund being successful, give delegated authority to the Strategic Director of Regeneration, Planning and Development and the S151 Officer, after consultation with the Cabinet Member for Economic Development, Social Inclusion and Sustainability, to approve grant agreements with third parties using the sources of funding as set out in the Connecting Wood Green bid proposal, up to the maximum amount of grant funding for each of the three projects as set out in the proposal, subject to compliance with State Aid legislation.

4. Reasons for decision

- 4.1. Haringey made two Stage 1 applications for the Good Growth Fund in autumn 2017, one for Wood Green and one in partnership with local enterprise Fashion Enter. Both bids were successful in getting to Stage 2 and Stage 2 bids were submitted on 5 January 2018. The GLA will be notifying successful candidates in the week commencing 5th March 2018.
- 4.2. The Connecting Wood Green bid is for a £700,000 grant plus a £200,000 loan to contribute to projects with a total value of £2.2m. The proposal comprises three capital projects:
 - The Gas Works Project (Olympia Trading Estate)
 - The Library Hub Project (Post Office Unit)
 - Public Realm Interventions (including Penstock Tunnel)
- 4.3. If the bid is successful, then the GLA will require Haringey to enter into a grant agreement by the 31 March 2018. The decision to enter into the grant funding agreement is an executive function as the value of the grant is above £500,000.
- 4.4. At the time of writing this report it is not known whether the bid has been successful or not, but in order to meet the deadlines it is necessary to seek conditional approval that, in the event of the bid being successful, Haringey can enter into a grant agreement with the GLA.

5. Alternative options considered

- 5.1. In January 2018, Cabinet agreed to adopt the Wood Green Strategic Regeneration Framework (SRF), which sets out the overarching vision and objectives for Wood Green. Officers have developed a Development Infrastructure and Investment Funding Study and Delivery Plan, which will set out projects and priorities for the short, medium and long term.

- 5.2. There are a number of projects and priorities in the Wood Green SRF and draft Delivery Plan. All of the projects in the Connecting Wood Green proposal sit within this framework. The projects in the GGF “Connecting Wood Green” application have been proposed because there is a specific opportunity (in the form of a vacant or underused building) or funding already secured which has been used to lever in additional grant from the GLA.
- 5.3. If Cabinet does not agree to enter into a grant agreement with the GLA then some projects can still progress but with less funding and some projects will not be able to progress until alternative funding is secured:
- 5.3.1. The Gas Works Project can still go ahead but with less funding. There is a risk that the scheme may become unviable.
 - 5.3.2. The Library Hub project can still go ahead but with less funding. There is a risk that the scheme may become unviable.
 - 5.3.3. The Public Realm Interventions could not proceed until alternative funding is secured except the Penstock Tunnel refurbishment, which could proceed, but with a reduced scope using secured s106 and TfL funding.
- 5.4. If the funding is approved and Haringey enters into a grant agreement with the GLA then it will be necessary to enter into back to back grant agreements with third parties as set out in the proposal. The report recommends that delegated authority is given to the Strategic Director of Regeneration, Planning and Development to finalise the grant agreements, this is in order to ensure that the grant agreements can be made by the required deadline of 31 March.
- 5.5. The alternative option would be to go back to Cabinet in June 2018 with the final grant agreements which would not be acceptable as this is after the grant agreement deadline.

6. Background information

- 6.1. A summary of the Stage 2 bid can be found in Appendix 2. A summary of the proposal is set out below.

Wood Green Regeneration

- 6.2. Wood Green is going to be north London’s most prosperous and liveable town centre. The council is putting together a strategic framework that will deliver 6,400 homes and 4,000 jobs through the delivery of highly accessible well designed places. The employment led regeneration programme will build the economy, revitalise the town centre and empower existing communities.
- 6.3. Working with innovative social enterprises, Haringey has already taken steps to draw people back to Wood Green, supporting places like Blue House Yard (packed full of creative makers and sellers for five years) the Green Rooms hotel (which provides a social hub, pop-up food offerings, drinks and entertainment) and Wood Green Works (a co working and business support offer due to open in Summer 2018).

6.4. These test projects are important to the success of the regeneration programme as they help to build relationships with existing residential and business communities and create physical spaces for people to come together.

Good Growth Fund

6.5. The first area of significant change within Wood Green will be the area around the Chocolate Factory and Coburg Road, by the railway lines (also known as the Cultural Quarter) where major planning applications have already been approved, or are in the pipeline, including Clarendon Square (St William) and the Chocolate Factory (Workspace).

6.6. The area around the Chocolate Factory and Coburg Road currently feels cut off from the rest of the town centre and whilst only a 7-minute walk from the main road is difficult to find. The aim of the “Connecting Wood Green” proposal is to deliver a series of public realm interventions, which will draw people from the High Road and Station Road into this area. The project will transform this quiet part of Wood Green into a thriving part of the new town centre and nurture new and existing businesses and communities, laying the foundations for Wood Green’s future development.

6.7. The project will also create new and improved space for existing and new businesses and social enterprises (including Collage Arts artists and local social enterprise Studio 306) and create spaces and opportunities where communities can get involved and help to shape Wood Green regeneration projects and policies over the next two years.

6.8. The Good Growth Fund will contribute towards three capital projects; all projects have match funding secured from the private sector, TfL or Haringey Council.

The Gas Works Project

6.9. The Gas Works Project (GWP) is a meanwhile social enterprise scheme and special project vehicle to be delivered by the team behind The Mill Co Project (TMCP). A lease has been agreed between GWP and landowner St William for the Olympia Trading Estate on Coburg Road, enabling six industrial units to be repurposed for three to five years before the site is redeveloped. The reconfiguration and refurbishment of the building will safeguard existing businesses and create space for new tenants and for cultural and community activities and events which will draw more people to the area.

Library Hub Project (the Post Office)

6.10. Wood Green Library contains a Council operated library and Customer Service Centre and a covered arcade with market stalls and commercial units. Two units are currently vacant including the former Post Office unit. We will work with local organisations to transform vacant units into workspace and space for workshops, classes and meetings and to create a hub for

consultation and engagement activities for the wider regeneration programme.

- 6.11. Both projects will Build Skills and Employability through business support and training provided through local partners including the Wood Green Business Forum, Wood Green Social Enterprise Forum, Haringey Employment and Skills Team (HEST), Haringey Adult Learning Service (HALS), Collage Arts and NWES.

Public Realm Interventions including Penstock Tunnel

- 6.12. We will develop proposals for a series of capital projects working with local stakeholders to deliver a series of place making public realm interventions along the circular route connecting Station Road, the High Road and the area around the Chocolate Factory and Coburg Road and entrance to Alexandra Park at the Penstock Tunnel. This work will include the refurbishment of Penstock Tunnel, improvements to the Library arcade, investment in green infrastructure, public realm, public art, lighting and signage.
- 6.13. The Good Growth Fund application also identifies project management costs and the cost of developing two strategic documents as match funding. Project Management costs will be met by the approved Wood Green budget in the Haringey Capital Programme, the cost of The Wood Green Design Guide (Public Realm and Buildings) and Cycle and Walking Strategy and Action Plan are already approved projects in the Regeneration budget.

7. Contribution to strategic outcomes

7.1. Priority 4: Drive Growth from which everyone can benefit. The Wood Green Regeneration Programme, set out in the Wood Green SRF, sends a clear message that Haringey is intending to deliver significant growth whilst being respectful of the existing stakeholders, community and the environment. The plan will deliver urban living at high densities in successful and sustainable neighbourhoods, job growth whilst ensuring that local residents can access the jobs and deliver significant transformation of the town centre whilst safeguarding existing businesses.

7.2. Priority 5: Create homes and communities where people choose to live and are able to thrive. The Wood Green SRF and other Investment Framework documents create a policy framework for the delivery of significant housing growth in the Wood Green area, as well as an enhancement of Wood Green Metropolitan Town Centre, which together will create an enhanced Wood Green in which local residents are proud to live, with excellent access to local services and jobs.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

8.1. This reports seeks cabinet approval, in the event of the “Connecting Wood Green” application to the GLA’s Good Growth Fund being successful, to delegate authority to the Strategic Director of Regeneration, Planning and Development and the S151 Officer, after consultation with the Cabinet Member for Economic Development, Social Inclusion and Sustainability, to:

- Enter into a Good Growth Fund grant agreement with the GLA.
- Enter into grant and loan agreements with third parties using the sources of funding as set out in the Connecting Wood Green bid proposal

8.2. The Connecting Wood Green bid is for a £700,000 grant plus a £200,000 loan to contribute to projects with a total value of £2.2m.

8.3. The proposal comprises three capital projects; to be funded from the following sources as shown in the table below:

Projects	Sources of Funding							Total
	GLA		Private Sector	S106	TFL Quietways	Wood Green Capital Prog.	Wood Green Revenue Prog.	
	Grant £'000	Loan £'000	£'000	£'000	£'000	£'000	£'000	
The Gas Works Project	300	200	500	0	0	0	0	1,000
The Library Hub Project	25	0	100	0	0	25	15	165
Public Realm Intervention	375	0	0	150	100	75	40	740
Comms, PM and Strategy	0	0	0	0	0	100	145	245
Total	700	200	600	150	100	200	200	2,150

8.4. There is provision in the Wood Green capital budget for the council’s £200k contribution to the match funding.

8.5. The £200k revenue match funding for the Library Hub Project, Public Realm Intervention, Communications and Strategy have been provided for in the Wood Green revenue budget.

8.6. There is adequate provisions in the S106 fund for the Public Realm intervention works.

8.7. The £200k loan from GLA will be given out to a third party organisation as loan. Thus adequate controls put in place for its repayment.

8.8. Legal advice is required before entering into grant and loan agreement with third parties to ensure that these are within the State Aid rule.

Legal

- 8.9. The Assistant Director of Corporate Governance notes the contents of the report.
- 8.10. The recommendations outlined in paragraph 3 of this report are conditional upon the Council being notified by the GLA that the Connecting Wood Green application for funding has been successful. In the event that the bid is successful, advice from Corporate Legal Services should be sought as prior to entering into a funding agreement with the GLA.
- 8.11. Under Contract Standing Order 17.1, a Cabinet decision is required for the approval of receipt of grants valued at £500,000 or more.
- 8.12. The Connecting Wood Green bid is for a £700,000 grant together with a £200,000 loan (repayable funding). The £200,000 loan must fall within the limits for borrowing set by the full Council for the financial year. There is an intention that the Council will use the £200,000 loan funding from the GLA to grant a loan of the same value to The Gas Works Project. The Council has the power to grant the loan to The Gas Works Project under Section 1 of the Localism Act 2011. The full terms associated with the repayment or distribution of the loan are not yet available for consideration, but will form part of the grant funding agreement if the bid is successful.
- 8.13. Should the Council enter into a grant funding agreement with the GLA for the Connecting Wood Green projects:
- 8.13.1. the Council will need to comply with the conditions of grant funding, failing which the grant funding may be withdrawn and / or funding may have to be repaid; and
- 8.13.2. the Council will need to ensure that procurement of any goods, works or services utilising the grant funding is compliant with procurement legislation and the Council's Contract Standing Orders.
- 8.14. Paragraph 3.2 of the report recommends that, should the Council enter into a funding agreement with the GLA for the Connecting Wood Green projects, Cabinet grant delegated authority to enter into grant agreements with third parties. The Council must ensure that any grant agreements with third parties are compliant with State Aid legislation. The draft terms of the Good Growth Fund grant agreement include provision for aid to be provided by the Council as "de minimis" aid in accordance with the De Minimis block exemption. In the event that grant funding is in excess of the upper threshold for de minimis aid, it will trigger a requirement to notify and cooperate with the GLA in utilising the block exemptions or the notification and approval procedure as required. Advice from Corporate Legal Services must be sought in respect of the application of State Aid legislation prior to the Good Growth Fund grant agreement being entered into with the GLA, and again once the recipients of the grant funding and the value of each grant agreement have been identified.

8.15. Subject to paragraphs 8.2.4-8.2.6 above, the Assistant Director of Corporate Governance sees no legal reasons preventing Members from approving the recommendations in this report.

Equality

8.16. The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

8.17. We have been proactive in consulting with a wide and diverse range of people and stakeholders on the Wood Green Strategic Regeneration Framework and Investment Framework documents. This will include groups that represent those with protected characteristics.

8.18. An Equalities Impact Assessment has been carried out for the Wood Green Strategic Regeneration Framework. The impact assessments focus on the potential impact on the nine protected characteristics, as well as the potential for addressing identified inequalities relating to areas of: employment, connectivity/transport, housing, air quality, education, training, skills, health and wellbeing, diversity and crime.

8.19. The projects set out in the Connecting Wood Green proposals will help the council to meet the priorities which have been identified in the Wood Green SRF EqIA, and will have the following specific benefits:

8.20. The project will benefit Noel Park residents, existing businesses in the Chocolate Factory, local businesses on the High Road including small independent business, and harder to reach groups including BAME women and people with experience of mental health difficulties.

8.21. The additional support to local organisations like Big Local Noel Park and the Wood Green Social Enterprise Forum will create benefits for all residents living in Noel Park (population 15,472 based on latest Mid-Year Estimate, GLA 2016). These residents will benefit from the increased participation and engagement particularly directly impacted households living in Sky City and Page High.

8.22. Some 200 existing and new businesses in the area around the Chocolate Factory and Coburg Road stand to benefit directly from the improved connections. Collage Arts tenants will be safeguarded in the short/medium term by the provision of meanwhile studio space. There are 500 businesses in the town centre (based on BID catchment area), including 149

small independent businesses who will benefit from the town centre improvements and business support delivered by the BID.

8.23. The socio-economic focus of this project will benefit in particular some harder to reach community groups. Our work with HEST and HALS will aim to reach the disadvantaged labour market in Noel Park, which is significantly higher in comparison to the borough averages. The disadvantaged labour market, as described by ONS, comprises of six key characteristics: Disabled people, lone parents, people aged 50 and over, lowest qualified, those living in deprived LA wards and ethnic minorities.

9. Use of Appendices

Appendix 1 – Good Growth Fund Grant Agreement Template

Appendix 2 – Wood Green Good Growth Fund Stage 2 Bid Summary

10. Local Government (Access to Information) Act 1985

Good Growth Fund Prospectus

https://www.london.gov.uk/sites/default/files/good_growth_fund_prospectus.pdf