

**MINUTES OF THE ENTERPRISE PARTNERSHIP BOARD (HSP)
WEDNESDAY, 17 NOVEMBER 2010**

Present: Councillor Antonia Mallett (Chair), Leo Atkins, Tony Azubike, Marc Dorfman, John Egbo, Claire Kowalska, Sean May, Councillor George Meehan, Sharmila Mitre, Peter Ryan, Michael Thompson.

In Attendance: Juneed Asad, Xanthe Barker, Councillor Dhiren Basu, Patrick Jones, Melanie Ponomarenko, Ambrose Quashie, Martin Tucker.

MINUTE NO.	SUBJECT/DECISION	ACTION BY
HSP21.	<p>APOLOGIES</p> <p>Apologies for absence were received from:</p> <p>Niall Bolger Martin Burrows James Corbett Paul Head Nick Powell Naeem Sheikh</p> <p style="text-align: right;">- Sharmila Mitre substituted</p>	
HSP22.	<p>URGENT BUSINESS</p> <p>No items of Urgent Business were raised.</p>	
HSP23.	<p>DECLARATIONS OF INTEREST</p> <p>No declarations of interest were made.</p>	
HSP24.	<p>MINUTES</p> <p>Prior to the confirmation of the minutes an update with respect to the following was provided:</p> <p><u>HSP12: Initial Work and Skills Plan</u></p> <p>It was noted that the Child Poverty Needs Assessment had now been completed and that it would be considered by the Children’s Trust on 18 November.</p> <p>RESOLVED:</p> <p>That the minutes of the meeting held on 29 July 2010 be confirmed as a correct record.</p>	
HSP25.	<p>APPOINTMENT OF VICE-CHAIR</p> <p>RESOLVED:</p>	

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	<p>That Gary Ince be appointed as Vice-Chair for 2010/11.</p>	<p>Xanthe Barker</p>
<p>HSP26.</p>	<p>COMPREHENSIVE SPENDING REVIEW</p> <p>The Board received a report that set out the key headlines emerging from the Comprehensive Spending Review (CSR) announced on 20 October 2010 by the coalition Government.</p> <p>The key issues affecting enterprise and regeneration included:</p> <ul style="list-style-type: none"> ➤ <u>Overall Public Sector Spending</u> - reduced by £81BN over the next four years ➤ <u>Local Authority (LAs) Revenue</u> – LAs average revenue would be reduced by 7.25% for each of the next four years ➤ <u>Ring Fencing</u> - with the exception of schools and Public Health grants revenue grants would no longer be ring fenced ➤ <u>Core Grants</u> – these would be reduced from over ninety to less than ten and would all now be subject to grant formula calculations ➤ <u>Area Based Grant (ABG)</u> – this would no longer exist in its current form ➤ <u>Working Neighbourhoods Fund (WNF)</u> – this had been abolished ➤ <u>Regional Growth Fund (RGF)</u> - to be extended to three years rather than two and an additional funding pledged to support this ➤ <u>Adult Apprenticeships</u> – the funding available for these would be increased by £250M a year by 2014/15. This would be delivered by abolishing Train to Gain ➤ <u>Free Training</u> – free level two qualification for people aged over twenty five to be abolished ➤ <u>Welfare Benefits</u> – to be reduced by £15BN by 2015 (including an overall cap of £500 per week) ➤ <u>Local Area Agreements (LAAs)</u> – to be abolished <p>There was agreement that the next item should be taken immediately after this and there would be discussion on both items at its conclusion.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
<p>HSP27.</p>	<p>FUTURE OF AREA BASED GRANT PROGRAMMES</p> <p>The Board received a report that provided an overview of the implications for ABG projects funded by the Board following the announcement that the ABG would be abolished at the end of the financial year.</p> <p>At present ABG projects commissioned by the Board were funded from the WNF element of the ABG until March 2011. Options for ABG programmes based on a 100% per cent reduction had been worked up; however, the totality of the reductions in funding could not be assessed properly until the Council was notified of its settlement from central</p>	

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Government in early December.

As Worklessness would continue to form a significant challenge in Haringey work was being undertaken to position the Haringey Guarantee (HG) as a potential sub-contractor for the Work Programme from autumn 2011. This meant that there would be a gap in funding of approximately six months and therefore the Board was asked to consider transitional funding arrangements to sustain the programme during this period.

Five options were set out in the report with respect to the continuation of ABG programmes based on scenarios of 50%, 75% and 100% reductions. The Board was advised that the preferred option was Option E, which would maintain the HG in the short term and enable it to meaningfully engage with the new Work Programme and LDA ESF.

It was noted that the Haringey Strategic Partnership (HSP) would also need to agree to funding being used for this purpose.

All to note

It was noted that the reductions being made to Public Sector spending were unprecedented and it was estimated that the Council would need to achieve savings of £50M in the next year. Consequently difficult decisions were being made around how services would be delivered in the future. As part of the drive to achieve this the Council would need to make approximately one thousand members of staff redundant and this process would be initiated shortly. It was contended that in this context, and given that the full extent of the cuts would not be known until the Council was notified of its grant settlement for 2011/12, the scope for discussion around funding at this point was limited.

The Board discussed the move towards the private sector and the wider business community, rather than Local Authorities, providing the bulk of support in terms of encouraging business and enterprise. It was suggested that the network meetings involving banks should be reconvened as a starting point for identifying funding streams from the private sector. There was agreement that existing peer groups and networks should be mapped and contacted to discuss the changes moving forward and it was also suggested that a press campaign to raise awareness amongst the business community of the changes may be useful.

There was agreement that the locally led approach adopted by the HG was one of the key components of its success and that identifying resources to maintain the programme through the transition period should be prioritised. It was felt that having an established and locally focussed programme, which could form part of the Work Programme would be beneficial to the Borough.

Concern was expressed as to what support there would be from the Local Authority to assist VCS organisations to prepare for an increased role in providing services and the shift in funding away from the Local Authority to VCS organisations. It was suggested that there should be discussion across the Partnership as a whole to agree how it would

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prepare for this shift of funding streams away from the Public Sector.

The Board discussed the position with respect to unspent in-year ABG funding and it was noted that although all contractual obligations would be met, wherever possible spending would cease and no new spending commitments would be made. This approach had been agreed by the HSP Executive.

In response to concerns that there would be a loss of strategic leadership as funding was withdrawn from the Council, the Chair advised that there would be an impact on the Council's ability to perform this role as the number of Council officers diminished. However, there would be a coordinating role for the Council to play and Council officers would continue to work with partners during the transitional period between now and the end of the financial year to identify priorities moving forward and how these might be delivered.

Ambrose
Quashie /
Martin
Tucker

There was a general consensus that the Board needed to establish its priorities moving forward and how it would prepare for the implementation of new arrangements around business support and enterprise. Given that there was a limited amount of time available it was agreed that officers should meet and liaise with partners prior to the next meeting to form an approach to this.

It was suggested that once an approach had been agreed input from the Council's Chief Executive would be required in order to ensure that the measures proposed as part of this could be delivered as part of the overall partnership approach.

It was recognised that cross cutting issues would need to be appropriately addressed and existing groups such as the HSP Business Group or HSP Coordinators group should be contacted to discuss how this element was being coordinated.

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RESOLVED:

- i. That the report be noted.
- ii. That between now and the next meeting officers should liaise with the appropriate partners to determine what the Board's priorities should be moving forward and how it would prepare for the implementation of new arrangements around business support and enterprise. It was further agreed that a report should be received at the next meeting, setting out proposals with respect to this.
- iii. That the report set out above should be shared with the Councils Chief Executive and other appropriate senior officers to ensure that cross cutting issues were picked up and that the approach adopted by the Board was in line with the approach and priorities of the HSP and the work being undertaken by other Theme Boards.

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<p>HSP28.</p>	<p>LOCAL GROWTH: REALISING EVERY PLACE'S POTENTIAL</p> <p>The Board considered a report that provided an overview of the proposals set out within the coalition Government's White Paper entitled 'Local Growth: Realising Every Place's Potential Sub-National Growth'.</p> <p>The White Paper set out the coalition Government's intention to devolve greater power to local communities and businesses in terms of delivery and referred to three key areas of change:</p> <ul style="list-style-type: none"> ➤ Abolition of Regional Development Agencies (RDAs) ➤ Clarity on the role and identity of Local Enterprise Partnerships (LEPs) ➤ Arrangements around the £1.4M Regional Growth Fund <p>In term of London the delivery role of the London Development Agency (LDA) would be absorbed by the Greater London Authority (GLA). Options around how a LEP in London would operate were being considered; however, it was likely that there would be just one LEP to cover the whole of London. Funding under the new Regional Growth Fund (RGF) was unlikely to be received in London as it was being targeted at stimulating economic growth and job creation and unlocking the potential of less affluent areas.</p> <p>The Government was keen that businesses should lead on providing support and development through their own peer networks and private sector provision. Consequently business support and advice would be limited to a streamlined Business Link branded offer that would be delivered through a revised website and a national call centre.</p> <p>The Board agreed that it would be important that officers from the Council assisted partners from the private sector to prepare for the handover of this role. In response to a suggestion that the Council may wish to consider establishing a fund to help assist with transitional arrangements the Chair noted that there would need to be further discussion outside the meeting with respect to any financial assistance.</p> <p>There was agreement that Council officers and partners representing the local business community should discuss transitional arrangements further outside the meeting.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> i. That the report be noted. ii. That Council officers and partners representing the local business community should meet to discuss how the Council could support them in preparing to take over much of the business and enterprise support currently provided by the Council. 	<p>All to note</p> <p>Juneed Asad/Gary Ince</p>
<p>HSP29.</p>	<p>CHANGES TO THE WELFARE SYSTEM</p> <p>The Board received a report that provided an overview of all of the</p>	

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changes to the Welfare system announced by the coalition Government since its election in May 2010.

Key changes included:

- Capping of Local Authority Housing Allowance rates by April 2011
- Capping of overall Benefit payments to a maximum of £500 per week from 2013
- Removing Child Benefit entitlements for higher rate taxpayers from 2013
- Introducing of a Universal Credit from 2013

It was noted that since the report had been written a group of Council officers had begun work on a more detailed analysis of the impact that these changes were likely to have upon Haringey. However, assessing how many people would migrate to Haringey from inner London Boroughs was difficult at this point.

In response to a query the Board was advised that although it had been announced that there would be additional funding for apprenticeships, a greater contribution from the employer would be sought and this may deter some businesses from participating. In addition it was likely that there would be fewer jobs available as increasing numbers of people were made redundant.

It was noted that there was a greater culture within Public Sector organisations of training and investing in people and that this may make the transferral of staff by TUPE agreements an attractive option for some private sector organisations. Where this was the case any changes to the terms and conditions of staff would need to be considered. It was also noted that the inability to recruit staff would present a significant challenge to Public Sector organisations moving forward.

As the role of Local Authorities was likely to change significantly over the next four years and this would have a knock on affect on the local economy as jobs were lost and the ability of Council's to invest locally was curtailed.

It was contended that the Government had failed to recognise that the Public Sector supported many Private Sector jobs and local businesses. The speed with which changes were being implemented meant that Public Sector stimulus would be lost before the Private Sector had grown and was able to provide the additional jobs envisaged by the Government.

RESOLVED:

That the report be noted.

HSP30. PERFORMANCE SCORECARD: QUARTER 2, 2010/11

The Board received a report that provided an overview of performance

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	<p>during the second quarter of 2010/11 against Local Area Agreement (LAA) targets within its responsibility.</p> <p>The three Stretch Targets (STs) within the Board's responsibility had now expired and it was anticipated that Performance Reward Grant (PRG) would be payable against two of these. It was noted that there would be discussion with CONEL with regard to the continued monitoring of performance against some of the LAA indicators and the Board would receive an update with respect to this at the next meeting.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	All to note
HSP31.	<p>RISK REGISTER</p> <p>The Board received a report that provided an update with respect to the Enterprise Partnership Board Risk Register.</p> <p>Following a request made at the previous meeting the Risk Register had been reviewed in full. As a result the risks associated with the expired STs had now been removed and the impact and likelihood of risks had been revised upward where appropriate to reflect the current transitional period in Local Government funding.</p> <p>There was agreement that the Risk Register would need to be over hauled again once more information was know regarding the financial settlement the Council would receive from 2011/12 and as the impact of policy changes became clearer.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
HSP32.	<p>TACKLING WORKLESSNESS UPDATE</p> <p>The Board received a report that provided an overview of progress in addressing Worklessness in the Borough by the following programmes:</p> <ul style="list-style-type: none"> ➤ Haringey Guarantee ➤ Families into Work ➤ North London Pledge <p>The success of these programmes was recognised; however, it was noted that a significant number of the people engaged with worked in Public Sector jobs and would be vulnerable to redundancy in the next few months.</p> <p>The Board was advised that the Safer Communities Executive Board (SCEB) had sponsored a successful project, which had engaged with families as a whole, in order to reduce instances of Anti Social Behaviour (ASB) and it was suggested that the Board should bid for funding from</p>	

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the new Community Budgets, announced as part of the CSR, should be made to and support targeted preventative work with families.

It was noted that a series of pilots for had already been commissioned from the Community Budget and that the deadline for submitting bids had passed.

RESOLVED:

That the report be noted.

HSP33. BUSINESS AND ENTERPRISE UPDATE

The Board received a report that provided an update with respect to Business and Enterprise activities.

It was noted that the ABG currently funded the Business and Enterprise Programme. In-year reductions to the ABG had meant that the programme had been revised to accommodate this.

The Board was advised that ABG funded projects were generally performing well and the following areas were highlighted:

Olympic Legacy Projects

A fund of £180K had been drawn from the Council's corporate centre to ensure that Haringey benefited from the opportunities arising from the Olympics. To date approximately £70K of this had been commissioned; however, the Council had agreed that spending should cease immediately as part of a drive to preserve capital.

Procurement

Two procurement events had been held in October for current suppliers to the Council and potential future suppliers. These had explained the 'CompeteFor' process and the benefits of being registered on the procurement portal. These been well attended and future events were being planned at present.

Town Centres

A Traders Association had now been established in Muswell Hill and work had begun on the branding of this. A new website was being created and a marketing campaign was being undertaken to promote the Trading Association.

Credit Union

It was anticipated that this would be in place early in the New Year. The Islington and City Credit Union was preparing an application to extend the common bond and it was expected that the Financial Services Agency would approve this; if the application were refused it would be

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	<p>possible to extend the common bond after April 2011 following a change in legislation.</p> <p><u>Business and Enterprise</u></p> <p>The North London Strategic Alliance (NLSA) was submitting a joint proposal for a North London LEP and this had to be submitted by 5 November. The bid would focus on the Upper Lea Valley and maximising the potential of this area.</p> <p>The Chair noted that the establishment of a Credit Union was particularly important moving forward and underlined the need for this to be marketed appropriately and officially launched to ensure people were aware of this facility.</p> <p>In response to a query the Board was advised that officers from across the Council were working together and with partners, to assess the cross cutting impact of changes in policy upon housing, child poverty and other issues. An initial analysis would be consider by the Cabinet Advisory Board later in the month.</p> <p>The Chair concluded discussion by reminding the Board of the actions agreed above with respect to how forming new priorities in the light of changes to funding arrangements and central Government policy. There was agreement that the urgency to begin this work meant that arranging an additional meeting of the full Board before Christmas was untenable.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
<p>HSP34.</p>	<p>OVERVIEW AND SCRUTINY UPDATE</p> <p>The Board was advised that a review of the Haringey Guarantee was being planned at present. Officers from the Economic Regeneration Team and Overview and Scrutiny were liaising on this at present and it was envisaged that work would begin before Christmas once further information with respect to funding was received.</p> <p>RESOLVED:</p> <p>That the verbal update provided be noted.</p>	
<p>HSP35.</p>	<p>NEW ITEMS OF URGENT BUSINESS</p> <p>There were no new Items of Urgent Business.</p>	
<p>HSP36.</p>	<p>ANY OTHER BUSINESS</p> <p>There were no items of AOB.</p>	
<p>HSP37.</p>	<p>DATES OF FUTURE MEETINGS</p>	

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	<p>The dates of future meetings, as set out below, were noted:</p> <ul style="list-style-type: none">• 2pm, 12 January 2011• 2pm, 13 April 2011	
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The meeting closed at 4.10pm.

COUNCILLOR ANOTONIA MALLET

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CHAIR