



Report for:	Cabinet Member Signing - 4 September 2014	Item Number:	
Title:	Growth Deal Project Proposals		
Report Authorised by:	Lyn Garner, Director of Regeneration, Planning and Development		
Lead Officer:	Vicky Clark, Economic Development		
Ward(s) affected: Pan borough delivery with specific physical projects proposed for: Harringay, Noel Park, Muswell Hill, Tottenham Green and Bruce Grove	Report for Key/Non Key Decisions: Key		

1. Describe the issue under consideration

- 1.1 Haringey Council has the opportunity to bid to the London Enterprise Panel (LEP) to secure funding for the delivery of economic development and regeneration projects in line with LEP priorities. The process is non-competitive although proposals must meet a quality threshold.
- 1.2 Funds available to Haringey are estimated at circa £1.75m although the exact amount will not be confirmed until January or February next year. The deadline for development and submission of proposals is end August 2014, and so approval is sought via Cabinet Member Signing rather than through full Cabinet.
- 1.3 Three projects have been identified for development. They support existing Corporate Plan Priority 7 (*Drive economic growth in which everyone can participate*) the emerging Corporate Plan 2015/18 Priority 6 (*Drive Growth and Employment from which everyone can benefit*); they are also in line with Haringey's emerging Economic Development and Growth Strategy. Priority has been given to themes where external funding can add most value by leveraging matching investment or reducing the call on core funding.
- 1.4 Projects are summarised in this paper and full proposals are appended for information. They address four priority areas: High Streets, Places of Work, Business Support and Resilience/ Low Carbon through three projects.



2. Cabinet Member introduction

- 2.1 There are a number of challenges to be met in order to transform Haringey into a borough with a thriving economy which offers opportunities for all its residents. In particular I am concerned with the relative underperformance of our retail sector (which provides nearly 15% of the borough's employment) and with our employment ratio (we have the fourth lowest number of jobs per working age resident in London).
- 2.2 My team of Economic Development officers are addressing these challenges through an Economic Development and Growth Strategy for Haringey which will come to Cabinet for consideration. In the interim this one-off funding opportunity from the LEP provides means to start tackling these issues without recourse to core council funding and I am satisfied that projects are in line with the direction of travel of the emerging strategy.
- 2.3 The projects will drive up the quality of Wood Green town centre, capitalise on the momentum set at Tottenham Green through the improvement works and food market, establish new workspaces across the borough and stimulate the development of the green economy.
- 2.4 Participating in the development process, coordinated through London Councils, also gives us the opportunity to make connections with other London authorities and learn from their good practice.
- 2.5 I recommend these projects as a useful basis from which to build our economic development and growth activity over the next four years.

3. Recommendations

- 3.1 That the proposed projects be approved for submission to the London Enterprise Panel.

4. Alternative options considered

- 4.1 The option not to submit proposals, because of the tight timeframe and because the Economic Development and Growth Strategy has not yet been finalised was considered and rejected as it would have meant forgoing the £1.7m investment.
- 4.2 Consideration was also given to submitting proposals under other LEP priorities including Apprenticeships, Skills and Training, Unlocking Development and Digital, Creative, Science and Technology (DCST). The first two were rejected because funds are already available to address these issues through other sources. DCST



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activity will be supported through the Places of Work/ Business Support project as we will be prioritising these sectors when developing our workspace offer.

5. Background information

5.1 **Strategic Context-** The Economic Development team are in the process of developing an Economic Development and Growth strategy for Haringey which will underpin the delivery of the existing Corporate Plan Priority 7 (*Drive economic growth in which everyone can participate*) and the emerging 2015/18 Corporate Plan Priority 6 (*Drive Growth and Employment from which everyone can benefit*). The plan will build on the borough's strengths and opportunities such as our excellent location, strong tradition of craft manufacture and developing partnerships with prestigious education providers. It will also address threats including the decline in some of our town centres which could otherwise jeopardise both jobs (retail is our largest employment sector) and regeneration (by presenting a run-down image to investors and potential residents). To deliver the plan in the context of current funding constraints it will be important to lever mainstream investment and to maximise funds available from external sources, in this case the London Enterprise Panel (LEP).

5.2 Each of the projects proposed is in line with strategic priorities for its respective theme. **High Streets:** The Tottenham Strategic Regeneration Framework (2014) requires that work should be focused on retaining and building on the area's historic character to create great town centres, high streets and public spaces to create an enjoyable and attractive place to live and spend time in. In Wood Green the project will support development of a holistic framework aligning goals and strategies for physical change in Wood Green, with those of wider social and economic change, across the Borough and north London. **Places of Work and Business Support:** The project helps secure economic growth by focussing our business support offer on the provision of high value services to drive up business growth, employment creation and the business rates yield in the borough, concentrating in particular on skills-rich sectors which generate better paid employment. **Green Innovation Hub:** Haringey was the first borough in the UK to sign the Friends of the Earth Pledge to reduce borough wide emissions by 40% by 2020, and uniquely established an expert Carbon Commission. This ambition for a green transformation also links into one of the most exciting economic growth opportunities in the world today – environmental products and services; the green economy. By bringing together customers, new technology providers and investors, this innovation project helps support both carbon reduction and local green economy growth.

5.3 All London boroughs have the opportunity to bid to the LEP for funds to support economic development and regeneration projects across the borough. The LEP budget has been generated by a 'topslice' imposed by DCLG on each borough's New Homes Bonus for 2015/16, and the amount of funds which Haringey can secure will correspond directly to the amount of our topslice. This value has not yet



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been confirmed but our best estimates put the value to Haringey the region of £1.75m. The exact amount will be finalised by DCLG/ LEP in January or February of next year, following confirmation of overall New Homes Bonus grant levels for 15/16.

5.4 Bidding for funds is not competitive but we are required to demonstrate that our investments are in line with LEP priorities and proposals must meet basic quality and viability thresholds. Timescales for LEP approval are exceedingly tight – project criteria and scoring processes were not finalised until 5th August and the deadline for submission is end August. This timeline precludes proposals going to full Cabinet so we have scheduled a Cabinet Member Signing for 4th September.

5.5 We are proposing to submit three projects which together address four of the LEP's seven priority categories: High Streets, Places of Work, Business Support and Resilience/ Low Carbon. All of the projects proposed are in line with our emerging Economic Development and Growth Strategy for Haringey which will be presented to Cabinet for discussion. The projects are summarised below and full proposals are appended to this report for information.

5.6 **High Streets - £600k** plus matching investment. This project will support two principle areas of work. 1) The development of an Investment Framework for Wood Green which will help support the area's regeneration and housing offer, improve the retail and evening economy offer and consolidate Wood Green's designation as a 'metropolitan centre' of sub-regional importance for comparison shopping. 2) Tottenham projects: establishing a regular food market and a cafe at Tottenham Green building on the successful market pilot this summer, and working with Network Rail on the design and redevelopment of railway arches at Bruce Grove station. In addition, a small amount of funds has been allocated to take forward our successful programme of joint working with Islington and Hackney on Finsbury Park town centre.

5.7 **Places of Work and Business Support - £1.05m** Growth Deal Funding plus further match from Opportunity Investment Fund and European Regional Development Fund. This project will develop a mix of incubator, move- on SME and maker space at locations across the borough, with an integrated business support offer to help firms access growth finance. The project will contribute to economic growth by providing more business space (and hence employment and business rates revenue) and (through provision of affordable move-on space) attracting high growth businesses in sectors like tech and design from more expensive inner London locations. Provisional locations identified include Tottenham Police Station and vacant railway arches at Muswell Hill.

5.8 **Green Innovation Hub - £100k** This project will act as a brokerage linking organisations seeking to improve their processes with funders and businesses which have developed sustainable solutions, to create a project pipeline of new technology trialling and adoption within the borough. The project will generate efficiency savings and productivity gains for local businesses, and give Haringey



leverage in encouraging green businesses to locate all or part of their supply chain in borough. The initial pilot would review the process and develop an outline business case for proceeding along with an appropriate funding model and structural model.

5.9 Costs and outputs of the projects are summarised in the below table:

Project	Total Value	Growth Deal Funding	Businesses Supported	New Business Units	Premises Improved	Jobs created or safe-guarded	Businesses/ stakeholders engaged in town centre activities	New homes built/ enabled
High Streets	£1.07m	£600k	68	62	9643m2 40 shopfronts	703	352 businesses 7000 visitors to Tottenham Green market	1260 new homes built
Places of Work and Business Support	£2.4m	£1.05m	130	60	3	150		
Green Innovation Hub	£250,000	£150,000	50			50		

6. Comments of the Chief Finance Officer and financial implications

6.1 The London Local Enterprise Panel (LEP) is funded by central Government top-slicing (£70m) of the monies that would otherwise have been available to London Local Authorities from the New Homes Bonus reward grant; this is inconsistent with the treatment enjoyed by Councils in the rest of the country where no top-slice took place. However, it should also be noted that the New Homes Bonus was itself also top sliced from overall Local Authority funding and is not, therefore, a new or additional funding stream.

6.2 The GLA have indicated that LEP funding for London will be distributed in line with the amount Boroughs could otherwise have expected from the New Homes Bonus if the LEP top-slice had not taken place - i.e. an authority's share of the £70m.

6.3 Whilst the final amount is dependent on the actual number of Housing completions for 2014-15 being agreed with the GLA and there being sufficient resource overall to meet all London authorities demands, the £1.75m figure quoted is in line with



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projections undertaken by Corporate Finance. It may be that the final figure agreed is greater or less than this amount which would clearly affect the Council's ability to undertake the bid activity.

6.4 The bid for funding would also need to be in line with priorities, identified by the LEP, and the bid outlined in this report meets those requirements whilst also being aligned with the Council's priorities.

6.5 There are likely to be opportunities to use any funding received to leverage further match funding or generate economic growth which will support the Council's wider financial position in later years.

7. Assistant Director of Corporate Governance Comments and legal implications

7.1 The Assistant Director of Corporate Governance notes the contents of this report.

7.2 Ordinarily, Cabinet would approve decisions in respect of grant funding where the level of that funding is £500,000 or more. However, where a decision is needed in-between Cabinet meetings, the Leader may take that decision or allocate it to the Cabinet Member with the relevant portfolio in accordance with Contract Standing Orders paragraph 16.02.

7.3 Should the application be successful, officers within the service will need to comply with the conditions of grant funding and also ensure that procurement of any goods, works or services utilising the funding is compliant with procurement legislation and the Council's Contract Standing Orders.

7.4 The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing the Cabinet Member from approving the recommendations in this report.

8. Equalities and Community Cohesion Comments

8.1 These projects are designed to develop economic opportunity in Haringey which should improve outcomes for all residents. Local employment opportunities are of particular importance for certain equality priority groups who share characteristics protected by the Equality Act 2010, particularly people with caring responsibilities or with disabilities where extended commuting is impracticable.

8.2 Complementary projects to ensure that residents from all backgrounds have the education, skills and experience to access employment are being developed for funding through other sources and will come to Cabinet for approval over the next six months. These projects will be of benefit especially to young people and those ethnic minority groups who are over-represented in the unemployment register.

9. Head of Procurement Comments



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9.1 The Head of Procurement is aware of the Growth Deal opportunity and will provide resources as necessary, once the outcome of the bid is known.

10. Policy Implication

10.1 Corporate Plan 2015/18. Outcome 3, Priority 6: *Drive Growth and Employment from which everyone can benefit.* These projects contribute directly to this priority by driving growth in our High Street and green economies and creating new employment space in the borough.

10.2 The projects are also in line with the emerging Economic Development and Growth Strategy for Haringey which will be presented to Cabinet in November.

11. Reasons for Decision

11.1 The LEP requires that councils submit projects for approval by the end of August 2014. It is therefore necessary to agree the proposals outlined in order to secure the £1.7m investment from the LEP.

12. Use of Appendices

- 12.1 Appendix A – High Streets proposal
- 12.2 Appendix B – Places of Work/ Business Support proposal
- 12.3 Appendix C – Green Innovation Network proposal

13. Local Government (Access to Information) Act 1985