

LEP Programme: Template for borough proposals

APPENDIX B

This template is for borough proposals for the LEP Programme, funded via the £70 million New Homes Bonus (NHB) topslice. Please complete the template for each proposal and send this to nhb@londoncouncils.gov.uk by **5 pm on Friday 29 August**. The template should be completed with reference to the LEP Programme Quality Threshold Framework.

Summary information

Name of proposal: Haringey – New places of work and business support

Submitted by (borough name): London Borough of Haringey

If this is a multi-borough proposal, please name the borough who will act as the lead borough and accountable body above. Please also state below which boroughs the proposal covers:

Covering the following boroughs:

Please give details of the borough contact officer for this proposal:

Name: Patrick Jones, Economic Development Officer

Tel: 020 8489 2670

E-mail: patrick.jones@haringey.gov.uk

Brief summary description of the proposal:

The proposal seeks to use NHB Growth Funding for the following:

- Developing new SME workspace for start-ups and growing SMEs across at least two sites within the public sector estate.
- Establishing a business support service, embedded in new SME workspace but available to businesses across the borough. Providing start-up support, support in accessing finance and support for business growth.
- Developing a maker space to support community enterprise and creative enterprise activity, diversifying economic activity adjacent to the High Street.

Please tick the main LEP theme that this proposal relates to:

Apprenticeships, skills and training

Places of work for SMEs

Business Support

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Resilience and low carbon

Digital, creative, science & technology

Unlocking development

High streets

Please tick any other LEP Programme themes that this proposal relates to (tick as many as are relevant):

Apprenticeships, skills and training

Places of work for SMEs

Business Support

Resilience and low carbon

Digital, creative, science & technology

Unlocking development

High streets

Total NHB funding requested for this proposal: £ £1,050,000

Please give the split of total capital and revenue funding requested:

Capital (£): 850,000

Revenue (£): 200,000

Proposed start date (month and year): April 2015

Proposed end date (month and year): March 2017

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Core Criteria

Please set out below how your proposal meets the core criteria included in the LEP Programme Quality Threshold Framework.

Please give a description of your proposal, setting out its aims and objectives and what it will do

A future vision for Tottenham: By the age of twenty, a child born in Tottenham today will have a quality of life and access to the same level of opportunity that is at least equal to the best in London.

This is the 20 year vision for the Tottenham Strategic Regeneration Framework (SRF). It represents a holistic view that there are multiple factors to be addressed through direct intervention and public policy to ensure that a child born in Tottenham in 2014 is on a pathway to adulthood that leaves it with no disadvantages; benefiting from excellent education, a safe, supportive and resilient home life and recognisable pathways to a range of economic opportunities.

Developing SME workspace and business support is an intervention along one pathway to economic opportunity on one branch of that holistic approach. Workspace creation sits alongside employment support (covered in a separate report to this board), general Information Advice and Guidance to businesses, direct brokerage by the public sector (for example N17 Design Studio, Fashion Technical Academy, Durham University partnership).

There is a strong and growing entrepreneurial sector in the borough. The rate of business start-ups closely tracks the London average, the first year rate of business survival is better than for London as a whole, and the three year survival rate is .01% lower than the London total.

NEW INCUBATOR SPACE

Establish new incubator space in the borough for SME start-ups with integrated business support providing IAG on access to finance, business planning, product development and marketing and supporting growth.

Components of project:

- 1) refurbishment of a under-performing council commercial property (selected through Commercial Portfolio Review) as SME incubator space – approximately 20-30 incubator units co-working membership space
- 2) procurement of a business support provider(Enfield Enterprise/ELSBC/BEC) to manage incubator unit and provide business support services

SME MOVE ON SPACE

Establish high quality SME move on space to fill market gap for SMEs in Haringey and support sustainable outcomes for product of emerging incubator activity – Haringey and partners are generating over 100 new SME start ups who will require move on space within

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18 mo-3yrs. Currently the commercial stock in the borough does not have capacity or quality to accommodate our growth needs. Development of this proposal is will be supported by a viability appraisal to help unlock sites

Components of project:

- 1) refurbishment/repurposing of vacant property in borough as SME move on space
- 2) secure partnership and co-financing with private sector operator

COMMUNITY ENTERPRISE / MAKER SPACE

Refurbish 4 long-term vacant units in Viaduct business units (Council owned commercial units in Muswell Hill TC) as fabrication and maker spaces, supporting SME and community enterprise activity by providing shared equipment for a range of applications such as carpentry, joinery, metalwork and 3D printing.

Components of project:

- 1) Refurbish and create new SME workspace – increasing density of units from 4 to 10.
- 2) Improve linkages to Muswell Hill Town Centre and Parkland Walk through public realm infrastructure and waymarking.
- 3) Create cafe space to attract visitors and provide ancillary facilities for service users and tenants.
- 4) Create community learning programme supporting trades apprenticeships.
- 5) Secure community learning partner e.g. Create

Strategic fit with LEP priorities: Set out how your proposal meeting the LEP's priorities for the LEP Programme as set out in the [Growth Deal for London](#) and/or the LEP's [Jobs and Growth Plan for London](#)

These proposals for places of work and business support will address the LEP priority for SMEs as set out in the Jobs and Growth Plan. The proposal will involve physical improvements in three existing public sector commercial assets to improve the number and quality of workspace provision. The proposal will be supported by the procurement of a delivery partner (or partners) that will provide facilities management services. Because we will seek bids from organisations with a strong track record in workspace management and business development, our delivery partner will also provide an embedded and comprehensive business support offer – a service that will also be available boroughwide.

LEP Priorities for SMEs

Supporting Access to Finance

We will deliver this as one of three key elements of the business support offer that we commission. The support and advice will ensure that start-ups and growing SMEs will be able to get the best advice on the broad range of financing options available to the sector. We will take advice from Capital Enterprise (the organisation for London enterprise agencies) on the specification of the service and we have a recent survey, conducted by CESI, which indicates that over half of surveyed businesses see access to finance as a barrier to growth and employment creation. The survey indicated that Haringey SMEs lacked

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a sophisticated understanding of the finance market, relying on traditional sources such as high street banks.

Creating workspace

We are addressing this priority through direct investment in up to three sites, creating a higher density of workspaces through physical improvements, space rationalisation and converting to incubator and co-working spaces.

Developing business support and networks

Through the commissioning of a business support service and securing experienced providers to manage that service and new workspace who have a proven track record in this field. Through this commission we will seek to create a strong identity for Haringey's business community aligned with the narrative for economic growth being developed through our emerging Growth Strategy.

Deliverability – please set out your timetable for delivering the proposal, including defined and realistic milestones

Project	Feasibility	Procurement	Delivery
Incubator Development and integrated business support	April 2015 (capital works)	Apr–June 2015 (business support) June 2015-March 2016 (capital works)	September 2015-onwards (business support) April 2016 (capital works)
Move on SME space	April 2015 (capital works)	June 2015-March 2016 (capital works)	April 2016 (capital works)
Muswell Hill Maker Space – Revitalising Town Centres	April 2015 (capital works)	June 2015-March 2016 (capital works)	April 2016 (capital works)

Costs – please set out the costs of the proposal below. You may want to use the sample spreadsheet provided alongside this template.

We anticipate being able to procure and launch the business programme within 2015/16 as well as carry out feasibility and design work to develop the capital projects during the same year. In total this would amount to £200,000 in 2015/16. The bulk of Capital expenditure would take place in 2016/17. There is no new build activity on refurbishment and alterations to existing properties.

The annual funding split for NHB will be:

2015/16 – £200,000

2016/17 – £850,000

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	2015/16				2016/17				Total All Years
Costs (revenue)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Business Support programme	£10,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£150,000
									£0
									£0
									£0
									£0
All costs (revenue)	£10,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£150,000

	2015/16				2016/17				Total All Years
Costs (capital)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Incubator Feasibility & Design dev	£10,000	£10,000	£10,000	£10,000					£40,000
SME move-on Feasibility & Design dev	£10,000	£10,000	£10,000	£10,000	£10,000				£50,000
Maker Space Feasibility & Design dev	£10,000	£10,000	£10,000						£30,000
Incubator Capital build					£25,000	£50,000	£100,000	£185,000	£360,000
SME move-on Capital build						£25,000	£75,000	£100,000	£200,000
Maker Space Capital build				£20,000	£25,000	£75,000	£100,000		£220,000
All costs (capital)	£30,000	£30,000	£30,000	£40,000	£60,000	£150,000	£275,000	£285,000	£900,000

All costs (capital and revenue)	£40,000	£50,000	£50,000	£60,000	£80,000	£170,000	£295,000	£305,000	£1,050,000
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If you are not planning to spend until 2016/17 or later on this proposal, please briefly explain why:

Geography - where will the proposal be delivered?

Predominately the physical interventions will be made in Tottenham Regeneration Area, which is a core council project, and two potential sites have been identified along Tottenham High Road at both within the public sector estate. Both are subject to work to unlock and secure availability for this investment. The business support provision will be hosted in the new SME move-on and incubator spaces, but accessible borough-wide.

The Maker Space proposal is currently based on a site in Muswell Hill.

Evidence based – please set out how the proposal is responding to a clear demand/need and/or the proposal addresses a market failure.

Our evidence base indicates that quantum of SME workspace provision is not the issue, although there is demand to be satisfied. It also tells us that the types of spaces available are mainly suitable for start-ups and micro/small businesses. If quantity is not the issue, quality is. Management and additional services improve the quality of the tenant experience can support businesses to grow – especially for start-ups, who seek out low cost workspace. Managed workspace, especially when sector focussed, also support place making creating a

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cultural identity for the local economy (citation: URS report for GLA) and brings new operators into the local economy who can drive and curate entrepreneurship, business growth and diversify the local economy. The URS report specifically highlights the lack of IAC provision in Outer London – identifying only 1 in Haringey (639 High Road). We are undertaking a mapping exercise to identify all business workspace and (including tenancy mix, quality and service offer), further work is being done to understand specific viability issues for developing workspace in key sites.

In the last 12 months regeneration officers at the Council and the GLA have been contacted by a number of operators and investors interested in developing workspace in the borough. This list includes:

- Space Studios
- The Mill Co. Project
- The Office Group
- Westminster and Kings Cross Impact Hubs
- Bow Arts Trust
- Bootleg Company
- The Princes Foundation

Until now we have not had a clear policy or investment platform on which to engage with these operators. This has led to inconsistent responses and a risk that resources are not being deployed to achieve maximum outcomes.

The level of contact does show that there is a strong appetite for investment and this is underlined by consistent feedback in discussions.

- Tottenham is an attractive and affordable proposition for people (operators and tenants) being priced out of workspace locations in Hackney and the City
- The urban character and property stock is compatible with space requirements and aspirations that many creative operators are looking for
- Many operators deliver social regeneration impacts through their facilities and this can complement the regeneration programme in Tottenham
- To secure economic outcomes for local residents and businesses, public sector investment (be it any resource; time, assets, capital) is necessary

This latent demand is positive, but a policy and investment platform is required to set the criteria for the investment we can provide and how we can secure leverage to buy outcomes for local residents and enterprises.

More detail on this evidence base is available if required.

Business engagement - the proposal has or plans to involve businesses/employers or business partnerships in its development and/or delivery

We intend to extensively engage with business support providers and managed workspace providers in designing the procurement strategy for the proposals. This will be done through existing relationships including through Capital Enterprise, the association of Enterprise Agencies in London.

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The proposed sites do have existing tenants, some of whom are businesses, and there will be a requirement to engage them in the process to ensure that they are not disadvantaged by change through the proposed investments.

We will engage with the wider borough business community to consult on the required specification of a new business support service for the borough.

Additionally we will consult with the Landowners and Major Businesses Group which represents business interests in the Tottenham Regeneration Programme.

Leverage – please set out below your plans to lever-in any additional funding for the proposal in addition to New Homes Bonus. Please state the source and if this is public or private funding. If the proposal has already levered in funding, please state from where and how much:

We will seek funding from 2014-2020 ESIF programme to both support the capital investment (through the Objective: Investing in London's Infrastructure, and specifically theme 3, business workspace, tackling geographical gaps in provision) and also in co-funding the proposed business support provision (through the objective: enhancing the competitiveness of SMEs and particularly themes 1, 2 and 3, growth, access to finance and entrepreneurship specifically).

On the latter activity – business support provision – we believe there is an opportunity to lever in ESF and particularly the enterprise element of the Youth Employment Initiative to support business start-up activity. This could be levered in through a discrete bid or alliance with a broader programme.

Through the nature of activity in the Maker Space proposal and based on our appraisal of similar projects – such as Blackhorse Workshops, Walthamstow – we believe that there will be a diverse range of outcomes in community arts and enterprise activity that will be integral to the economic sustainability of the new site. We would anticipate opportunities for bids to funders in the creative sector, such as the Arts Council.

Additionally we will expect development partners who come on board with us, particularly in workspace management, to identify what resources and particularly working capital, expertise and in-kind resources they will bring to the project. Our minimum target is £350,000 which is approximately 30% of the overall anticipated capital investment required to deliver new SME incubator and move on space.

Summary

LBH £250k

ERDF £700k

ESF £125k

Arts Council £25k

Private £350k

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Please set out below a **risk and issue register** for the proposal:

Project	Risk Description	Owner	Risk Assessment 1-5			Control Measures/ Mitigation
			Probability	Impact	Overall	
Incubator Development and integrated business support	Insufficient funding available to refurbish the building	PJ	3	5	15	Initial feasibility work will begin prior to April 2015 (funded by LBH) in order to determine likely refurbishment costs. In addition other funding opportunities will be explored in advance of the project delivery phase.
	Unable to resolve leaseholder interests within timeframe to deliver project	PJ	3	5	15	Within the scope of best-consideration, avoid aggressive negotiating position to ensure speed resolution of leaseback arrangements
	Existing business tenants are unhappy with proposals	PJ	4	2	8	Establishment of strong business case for investment demonstrating financial and growth opportunities for existing tenants in improved serviced accommodation.
Move on SME space [Tottenham Police Station]	Insufficient funding available to refurbish the building	PJ	3	5	15	Initial feasibility work will begin prior to April 2015 (funded by LBH) in order to determine likely refurbishment costs. In addition other funding opportunities will be explored in advance of the project delivery phase.
	Land deal not agreed with landowner	PJ/SJ	3	5	15	Early engagement with the landowner (the MET) has already begun and a shared vision for the site will be agreed
	Planning permission not secured for change of use from	PJ	2	5	10	Sound reasoning to be made to demonstrate how change of use is supported in Local Plan Policy
Muswell Hill Maker Space – Revitalising Town Centres	Landowner not in agreement with proposed designs for the vacant land and arches	PJ	2	5	10	Early engagement with Corporate Property to ensure site is available and vision is shared. Flexibility to switch project to an alternative site if required.
	Local residents do not buy in to increased commercial activity at this site.	PJ	4	3	12	Ensure that business case demonstrates the improved social and environmental impact of changing the business demographic at the site. Ensure creation of a robust community enterprise offer and facilities accessible by the community that are an enhancement for local residents e.g. cafe.
	Failure to secure creative sector partners	PJ	2	4	8	Early engagement with prospective service providers to warm organisations up to bid for the service. Ensure funding package is attractive enough.

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Please set out how the proposal **adds value to existing interventions and avoids duplication of funding**:

This project will add value and diversify the investment approaches to workspace creation in the borough and specifically Tottenham. We already have the Opportunity Investment Fund, which is focussed on unlocking private sector investment and targeted principally on projects where the funding can be used as short term equity to de-risk projects. NHB Growth funding will be used as direct grant funding to seed activity and provide public sector leadership in activities supporting economic growth.

Value for money – assessors will consider the cost of the proposal and its outputs and outcomes to make a broad assessment of value for money. If you would like to add any other information on how this proposal is good value for money, please do so below. ***You do not need to complete this section if you have nothing further to add. It is optional.***

Please set out a **brief exit strategy** – if there are on-going costs, state how these will be met and set out a clear financial and legal exit strategy.

NHB investment in workspace provision is intended as seed funding to establish an experienced operator delivering a balance of commercial and subsidised workspace in Tottenham. The operators will be procured through a tender specification that will require them to outline how they will become financially sustainable beyond April 2017.

The design of the specification for a business support service, integrated into these new workspaces, will need to consider how it can generate income to sustain service delivery. However, it maybe that the council will be required to maintain a modest ongoing revenue investment to underpin the service and it's availability across the borough.

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Themed Criteria

Please set out below how your proposal meets some or all of the criteria for the main LEP Programme theme it relates to, as well as any other LEP Programme themes relevant to your proposal:

	Refurbishment of X as incubator space	Refurbishment of Tottenham Police Station as SME move-on space	Refurbishment of Muswell Hill Viaducts as Maker Space	Business Support Service for Haringey
Places of Work criteria				
Proposal will promote SME growth in the area or retains SMEs	Through direct investment			Through hosting support providers
Plan for ensuring suitable turnover of tenants; or targeting specific tenants	Through provision of incubator space			
Plan for engaging any specialist delivery partners, if needed	Through commissioning			
Other relevant support provided for SMEs	Through provision of business support services			
Positive regenerative impact on wider area, including consideration of the impact on local businesses	Through physical investment and area regen		Through public realm improvements and area regen	Through provision of business support services
Business Support criteria				
Clear pathway of support to improved business performance	Through provision of business support services			Through commissioning process
High Streets criteria				
Proposals deliver/support additional activity in the town centre resulting in economic and wider community benefits			Through diversification of employment offer and uses	

Please set out the **outputs and outcomes** you expect the proposal to achieve over its lifetime. These should only relate to the New Homes Bonus funding and any funding you have levered in already and secured. Indicative lists of outputs and outcomes are set out for each LEP Programme theme in the Quality Threshold Framework. These are not exhaustive and you can add your own. Please quantify any outputs.

Total outputs across all three proposals:

Businesses Supported	New Business Units	Premises Improved	Jobs created or safeguarded
130	60	3	150

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Potential to scale up or down: Boroughs do not yet know their final New Home Bonus (NHB) allocations for 2015/16 and therefore their contribution to the NHB topslice. Please indicate if you could scale up your proposal, or scale it down if needed:

Can scale up

Can scale down

Not possible for this proposal

Political sign-off: Please indicate whether you have secured political sign-off for this proposal in your borough.

Yes

No

If no, please indicate when you expect to have a political decision on this proposal in your borough.

4 September 2014