

MUNICIPAL YEAR 2014/2015 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY:

**Portfolio Decision of the Cabinet
Member for Economic
Development**

REPORT OF:

Ian Davis - Director of Regeneration
& Environment

Agenda – Part: 1	Key Decision: KD 3813
Subject: Retrofit London ERDF project	
Wards: All wards	

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1. EXECUTIVE SUMMARY

- 1.1 Enfield Council's funding bid to the Greater London Authority (GLA)'s European Regional Development Fund (ERDF) 2006-13 programme was successful and resulted in securing £525K in ERDF funds. Therefore, Enfield Council is required to sign a Grant Agreement with the GLA setting out audit and monitoring requirements.
- 1.2 Enfield Council is the lead partner in the Retrofit London project, working in partnership with: LB Haringey, LB Waltham Forest, LB Lewisham, Enterprise Enfield and North London Chamber of Commerce.
- 1.3 The project will support 175 local SMEs based in the 4 partner boroughs, and deliver 12 hours business advice & support to enable them to access new market opportunities driven by carbon reduction and energy saving agenda.
- 1.4 Enfield Council is contributing £172,405 match funding towards the project, with: £42K from Procurement Team, £52,405 from the Business & Economic Development Team and £78K from the Council's Match Funding reserve Fund.
- 1.5 The ERDF funding is matched by the 6 delivery partners with an additional £525K, making a total overall project value of £1.05million.

2. RECOMMENDATIONS

It is recommended that the Cabinet Member for Economic Development approves:

- 2.1 that the GLA's grant of £525K ERDF funding, to match fund £525K provided by 6 project delivery partners (total £1.05million), be accepted.
- 2.2 that the Council acts as Lead Partner for Retrofit London and signs an agreement with the GLA, enabling Enfield Council to accept the £525K ERDF funding and the associated audit and monitoring requirements.
- 2.3 that Enfield Council enters into agreements with Retrofit London delivery partners: LB Haringey, LB Waltham Forest, LB Lewisham, Enterprise Enfield and North London Chamber of Commerce, setting out their respective match funding contributions, delivery activities, roles & responsibilities and outputs.
- 2.4 that an allocation of £78K from Enfield Council's Match Funding Reserve Fund is made and £94K worth of staff time (total value £172K) is committed as the Council's match funding contribution.
- 2.5 that a Programme Manager is recruited to manage the Retrofit London project.

3. BACKGROUND

- 3.1 The 'Retrofit London' project builds on the business support work carried out in Enfield by Enterprise Enfield during 2012 and 2013 under the Green Light North London (GLNL) project.
- 3.2 Enfield Council provided match funding for the GLNL project to enable local Construction SMEs to prepare for securing PAS2030 registration; a gateway requirement to accessing Energy Company Obligation (ECO) markets.
- 3.3 In January 2013 there was 1 SME in Enfield with PAS203 accreditation out of a total of 11 in London. By December 2013 there were 8 registered Installers in Enfield and 3 Energy Assessors, with 20 other SMEs at various stages of progressing with their registration.
- 3.4 Enfield SMEs that registered as Installers and Energy Assessors requested support with navigating the complexities of this new market to enable them to secure sales and in-turn safeguard existing jobs and create new jobs.
- 3.5 Over the past 12 months Enfield Council Business & Economic Development (BED) officers have been exploring how to respond to this request for support.

- 3.6 The Retrofit London project model was developed with Business & Economic Development, Procurement, Sustainability and Private Sector Housing officers in LB Enfield, LB Haringey, LB Waltham Forest and LB Lewisham and business engagement staff in Enterprise Enfield and North London Chamber of Commerce.
- 3.7 The 4 partner borough share a commitment to maximise social and economic benefits as part of the delivery of energy saving (including Energy Company Obligation schemes), carbon reduction and also local regeneration programmes.
- 3.8 This research work led to development of the Retrofit London ERDF application, which was submitted to the GLA in October 2013.

Summary of Retrofit London project

- 3.9 The Retrofit London funding application requested £525,000 European Regional Development Fund (ERDF) funding with £525,000 match funding from project partners, giving a total £1.05million budget.
- 3.10 The grant agreement was issued by the GLA in May 2014 and needs to be signed and returned to the GLA in June. The eligible project start date is 1st November 2013, enabling match funding to be captured from this date and the end date is 31st December 2015.
- 3.11 Retrofit London will deliver business advice & support to 175 SMEs in the 4 partner boroughs, to enable access to new market opportunities driven by carbon reduction and energy saving agendas and also supply chains supporting delivery of local regeneration programmes.
- 3.12 The 175 SMEs to be recruited include: Construction trades and allied profession businesses, property management, wholesale and manufacturing business of energy saving products and solutions, with the following SME recruitment targets per borough: 74 from Enfield, 39 from Haringey, 33 from Waltham Forest and 30 from Lewisham.
- 3.13 The project targets includes: 12 hours advice & support to 175 SMEs, safeguard 35 existing jobs, create 25 new jobs, generate £900K in new sales and 20 SMEs to secure PAS2030 accreditation.
- 3.14 Enfield's targets include: 74 SMEs supported, 15 jobs safeguarded, 11 new jobs created, £369K sales secured and 8 SMEs gaining PAS203 accreditation.

Roles and responsibilities of project delivery partners

- 3.15 The Retrofit London project delivery partners: LB Haringey, LB Waltham Forest, LB Lewisham, Enterprise Enfield (EE) and North London Chamber of Commerce (NLCoC) will support the project delivery through nominated officers in: Economic Development, Sustainability, Procurement and Private Sector Housing Teams.

- 3.16 Borough partner officers will support delivery of Retrofit London by:
- support recruitment of SMEs via business engagement teams and local networks.
 - support joint-working with officers working on local energy saving schemes to open-up market opportunities for local SMEs.
 - capture intelligence on market opportunities SMEs can access
 - develop ways to open-up market opportunities for SMEs through local regeneration programmes
 - broker introductions to funders of energy saving measures and their main suppliers
 - support overall project management and deliver of Retrofit London in each borough
 - capture evidence of match funding and outputs achieved to meet audit and monitoring requirements, as required by the GLA.
- 3.17 EE's role includes: technical support and advice on ERDF audit and monitoring systems, verifying eligibility of SMEs recruited, delivering business advice to SMEs, tracking SME participation on the project and working with NLCoFC and borough partners to organise events with funders, SMEs and stakeholders and potential clients.
- 3.18 NLCoFC's role includes: recruiting SMEs, organising SME and funder networking events and activities to support sales lead generation and supporting EE with tracking SME participation.
- 3.19 All project delivery partners will support: project planning, marketing of the project, organising local events and enabling SMEs to access new market opportunities.
- 3.20 Each of the delivery partners is contributing match funding making a total contribution of £525K. The table below shows a combination of staff time and cash contributions from each delivery partner.
(Note –the cost of overheads is not included in the project as it would cost more than its value to evidence such a match contribution).

Table 1: Profile of match funding from delivery partners

Delivery partners contributing match funding	Match £
LB Enfield (Procurement Team and Business & Economic Development Team)	£172,405
North London Chamber of Commerce (own staff)	£047,595
LB Haringey (Sustainability, Private Sector Housing and Economic Development Teams)	£100,000
LB Lewisham (Sustainability & Economic Development Teams)	£075,000
LB Waltham Forest (Procurement Team and Economic Development Teams)	£080,000
Enterprise Enfield (own staff)	£050,000
Total	<u>£525,000</u>

- 3.21 Enfield Council is contributing £172,405 match funding including: £42K from Procurement officer time, £52,405 from Business & Economic Development officer time and up to £78,000 cash from the Council's Match Funding Reserve Fund.
- 3.22 A Project Board will be set-up within Enfield Council to oversee delivery of the Retrofit London project and ensure targets and audit and monitoring requirements, as set out in the GLA's Funding Agreement, are met.
- 3.23 A Partnership Board will be set-up to co-ordinate joint working across partner boroughs and provide monthly updates on local delivery activities.
- 3.24 A Funding Agreement will be put in place with each of the delivery partners setting out their respective: role & responsibilities match funding contribution and monitoring and audit requirements, as required by the GLA.

4. ALTERNATIVE OPTIONS CONSIDERED

To reject the offer of funding from the GLA and let SMEs try to access new market opportunities on their own.

Dialogue with SMEs in Enfield, Haringey, Waltham Forest and Lewisham highlighted the need to support SMEs in order to open-up new market opportunities, particularly as the complexities of these new markets was holding back the ability of SMEs to secure sales and in-turn grow new jobs in this area.

5. REASONS FOR RECOMMENDATIONS

Accepting the ERDF funding from the GLA and delivering the Retrofit London project will put in place a resource to address challenges and barriers faced by SMEs. Also by working with 3 other boroughs delivery partners will increase the scale of demand for retrofit services and the potential to achieve sales and in-turn secure existing jobs and grow new jobs.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The £525k of Greater London Authority (GLA)'s European Regional Development Fund (ERDF), together with £525k match funding will enable to run the Retrofit London ERDF project. The table below shows a combination of staff time and cash contributions from each delivery partner and the contribution from the GLA.

Retrofit London ERDF project	£000
LB Enfield (Procurement Team , Business & Economic Development Team and reserve funded)	172.4
North London Chamber of Commerce (own staff)	47.6
LB Haringey (Sustainability, Private Sector Housing and Economic Development Teams)	100
LB Lewisham (Sustainability & Economic Development Teams)	75
LB Waltham Forest (Procurement Team and Economic Development Teams)	80
Enterprise Enfield (own staff)	50
Greater London Authority (GLA)'s European Regional Development Fund (ERDF)	525
Total Programme	1050

- 6.1.2 The Lead partner role will be undertaken by Enfield who will also be acting as a Co-funder to the programme. Enfield councils match funding of £172.4k will be staff time from the Procurement team (£42k) , Business & Economic Development team (£52.4k) and a further contribution of £78k from the council's match funding reserve.
- 6.1.3 The grant agreement will be signed in June 2014 and the programme end date will be 31 December 2015.
- 6.1.4 A Programme Manager will be recruited to manage the scheme and will be funded from the grant expected.
- 6.1.5 A Project Board will be set-up within Enfield Council to oversee delivery of the Retrofit London project and ensure targets and audit and monitoring requirements, as set out in the GLA's Funding Agreement, are met.
- 6.1.6 The management, financial and monitoring arrangements for running the programme will be subject to the terms and conditions of an agreement between the GLA, delivery partners and Enfield Council, It is important that the funding agreement is drafted so as to minimise the risk to the Council.

6.2 Legal Implications

- 6.2.1 The Council has the general power of competence under Section 1(1) of the Localism Act 2011 (Commencement No. 3) Order 2012 (SI 2012/411) to do anything that individuals may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained

in a statute against the use of this power in this way. The proposed arrangements within this report are in accordance with this power and the use of the organisation in this scenario facilitates this function in accordance with Section 111 of the Local Government Act 1972.

6.2.2 The Council must comply with its obligations with regards to obtaining Best Value under the Local Government (Best Value Principles) Act 1999.

6.2.3 The Council must ensure that it complies with terms of the funding agreement with the GLA.

6.2.4 All agreements must be in a form approved by the Assistant Director of Legal Services.

6.3 Property Implications

None.

7 KEY RISKS

7.1 Lack of take-up of support among SMEs in the 4 partner boroughs.

The London Boroughs of Enfield, Haringey, Waltham Forest and Lewisham have SMEs interested in taking part in the project.

EE and NLCoFC have a network of SMEs they will target to recruit onto the project, including SMEs that got registered with PAS2030 under Green Light North London.

7.2 SMEs do not secure sales in new markets

LB Haringey and LB Lewisham are each leading on multi-borough grant programme, offering Green Deal capital grants as incentives to promote take-up of retrofit services in 6 North and 3 South London boroughs.

Officers supporting delivery on the Retrofit London project are also supporting delivering of this capital grant programme, which will help open-up sales leads for registered installers.

7.3 Project targets delayed and sustained and new jobs not achieved

We are building on the business support work carried out by EE under the GLNL project during 2013 and up to March 2014, and will work with PAS2030 and Green Deal registered SMEs and those close to registration in the first round of businesses supported.

We will work closely with partner boroughs to match-up registered suppliers with funder of energy saving works.

This will give a head start to securing sales in energy saving markets and safeguarding and generating new jobs.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The Retrofit London project will contribute towards Enfield Council's objective to reduce unemployment and improve the skills of Enfield's disadvantaged communities. The project will support SMEs to access new markets driven by the energy saving agenda; secure sales and in-turn create new jobs. The project will share market intelligence about SMEs recruitment needs so that training can be delivered to enable local people to apply for skilled jobs.

8.2 Growth and Sustainability

The Retrofit London project will contribute towards Enfield Council's objective to improve the local economy, reduce unemployment and improve skills. The Retrofit London project will target Construction trades and allied professional businesses, businesses making or selling energy saving products and property management businesses to help them adapt to new market opportunities, drive demand for retrofit services and grow the number of SMEs in the green sector. Opening up new market opportunities will lead to new jobs created.

8.3 Strong Communities

The Retrofit London project will contribute toward Enfield Council's objective to work in partnership with a wide range of organisations and public bodies to effectively address local issues.

Enfield Council is the Lead Partner on the Retrofit London project, working in partnership with business engagement organisations: Enterprise Enfield and North London Chamber of Commerce and London Boroughs of Haringey, Waltham Forest and Lewisham.

This multi-borough and multi-sector partnership will increase the scale of new market opportunities which SMEs partner boroughs can access.

9. EQUALITY IMPACT IMPLICATIONS

9.1 The SMEs to be supported the Retrofit London project will include entrepreneurs and business owners whose first language is not English, enabling them to access advice and support towards developing their business and preparing to access new market opportunities driven by the energy saving and carbon reduction agenda; thereby increase the potential for their business to survive and grow.

9.2 The Funding Agreement between Enfield Council and each of the delivery partners will require the partner to support recruitment of SMEs onto the Retrofit London project.

The Funding Agreement with Enterprise Enfield and NLCoFC will require these organisations to monitor and track the gender, race, disability and

ethnicity of SMEs taking in the project and to report against targets each quarter to Enfield Council.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 Enfield Council will sign an agreement with the GLA setting out ERDF funding, outputs and targets to achieve and audit and monitoring requirements. Project delivery activities and achievements will be monitored by the GLA each quarter from November 2013 to December 2015.
- 10.2 Enfield Council will put in place an agreement with each of 5 delivery partners setting out their respective: match funding contribution, recruitment targets, support to be delivered and actions to enable SMEs to access new market opportunities in each of the 4 boroughs taking part. Audit and monitoring systems required by GLA will be reflected in the agreements Enfield Council will put in place with each delivery partner.

11. HEALTH AND SAFETY IMPLICATIONS

- 11.1 The Funding Agreement between Enfield Council and the 5 delivery partner organisations working on Retrofit London will include clauses relating to Health & Safety Matters. The delivery partners will be required to comply with, and ensure their staff and suppliers comply with Health and Safety and other relevant legislation, including any regulations and codes of practice issued by the Council.
- 11.2 The Provider will also be required to nominate a Health and Safety Representative to liaise with the Authorised Officer on all Health and Safety matters.

12. PUBLIC HEALTH IMPLICATIONS

- 12.1 The purpose of the Retrofit London project is to enable SMEs in Enfield and partner boroughs of Haringey, Waltham Forest and Lewisham to access new market opportunities. In doing so, the project will help sustain existing employment and create new jobs, which Enfield residents can apply for.
- 12.2 Research shows that people who enjoy the benefit of work are generally healthier and live longer. Therefore the Retrofit London project will help improve the long-term health and wellbeing of local residents by increasing the number of new employment opportunities they can apply for.

Background Papers

None.

