

MUNICIPAL YEAR 2015/2016 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:

Cabinet Member for Economic
Regeneration & Business Development

REPORT OF:

Director – Regeneration &
Environment

Agenda – Part:

KD Num: 4257

Subject: New Homes Bonus Unlocking
Development project - Accelerating
Development and Inward Investment in
Enfield

Wards: All

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1. EXECUTIVE SUMMARY

- 1.1 Enfield Council has been awarded £1,082,824 of New Homes Bonus funding from the Growth Deal for London for the period 2015-17.
- 1.2 An initial proposal was approved by the same Cabinet Member on 2/7/2015, as KD4157. The final, revised proposal for inclusion in the proposed grant agreement with the Greater London Authority is more joined-up than the original draft and focusses on the priority themes of Apprenticeships, Skills and Training, Business Support and Unlocking Development, rather than shop front improvements.
- 1.3 Approval is sought for the revised project which comprises the development of supporting tools and activities necessary to unlock and accelerate development and job creation in town centres, industrial estates and commercial land.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Cabinet Member for Economic Regeneration and Business Development approves:
 - 2.1.1 the final New Homes Bonus funded programme (paragraph 4); and
 - 2.1.2 that the LBE enters into a grant agreement with the Greater London Authority for the grant funding.

3. BACKGROUND

3.1 In 2015-16 up to £70m of London Boroughs New Homes Bonus (NHB) funding was top-sliced by central government and pooled for use on a programme of capital and revenue projects across London to be agreed by the London Enterprise Panel (LEP).

3.2 London boroughs were requested to submit proposals to use their allocation of the NHB top-slice to fund projects under seven priority themes. The themes were as follows:

- Apprenticeships, Skills and Training;
- Business Support;
- Digital, Creative, Science and Technology;
- High Streets;
- Places of Work – Suitable and Affordable Workspaces for SMEs;
- Resilience and Low Carbon; and
- Unlocking Development.

3.3 Enfield's initial proposals were against three of the priority themes, Apprenticeships, Skills & Training, Business Support, and High Streets. This has since been revised to include a more joined-up proposal on unlocking development, replacing the original High Streets proposal on improving shop fronts hence the three proposals are now revenue only.

3.4 The total value of the three project programme amounts to £1,082,824.

4. ACCELERATING DEVELOPMENT AND INWARD INVESTMENT IN ENFIELD

4.1 The aim of this project is to unlock and accelerate development and job creation in Enfield's town centres and industrial estates, supporting the Council's overarching ambition of creating thousands of additional jobs in the borough by 2035.

4.2 The main objectives of this project are to: i) intensify the number of jobs in Enfield's town centres by exploring opportunities for developing workspace, introducing an evening economy, and boosting the existing retail and office space; and ii) intensify jobs on industrial estates and in commercial areas by exploring opportunities for developing workspace and maximising use of available commercial land.

4.3 In order to achieve the above aim and objectives this project comprises the development of supporting tools and activities necessary to unlock and accelerate development in town centres and industrial estates.

4.4 The following activity and tools will be developed between March 2016 and March 2018:

- A viability study for Enfield Town Centre covering intensification of retail space, developing a viable evening economy and options for

workspace or office development, including the creation of an action plan for delivery;

- A review of commercial land use, including industrial estates, and options for future land utilisation including a routemap of opportunities for potential change and employment intensification;
- Supporting information systems, such as a property database and CRM database, to support work on inward investment and links to training, apprenticeship or job opportunities for residents. The CRM database will link to the other NHB funded projects on sector boards and apprenticeships to ensure a unified approach to managing data and activity;
- Marketing materials and events programme to specifically target and attract move-on and new businesses, building on work already in progress;
- A programme of stakeholder engagement, building on and enhancing our relationships with landowners, commercial property agents, training providers, government agencies and businesses on key issues for the future such as pressure on land-use, future changes expected in industries and business development.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 There are no alternative options comparable to the scale of the NHB programme available at this time. The GLA have agreed the funding allocation in principle and the grant agreements need to be formalised to allow delivery.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The revised proposal allows a more joined-up approach and will add to other regeneration and business support activity within the borough.
- 6.2 The NHB funding enables the council to leverage in substantial funding to support the council's ambition of creating thousands of additional jobs in the borough.

7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

7.1 Financial Implications

- 7.1.1 Enfield Council has been awarded £1,082,824 of New Homes Bonus (NHB) top slice funding (NHB LEP Programme) for the period 2015-2017.

- 7.1.2 The New Homes Bonus is a Government scheme which is aimed at encouraging Local Authorities to grant planning permission for the building of new homes in return for additional revenue. In 2015/16, London

boroughs will see £70 million of their New Homes Bonus top sliced and spent according to priorities set by the London Enterprise Panel.

- 7.1.3 New Homes Bonus for 2015/16 will be paid in advance to Enfield in four equal quarterly instalments by the DCLG. However, rather than collect the top slice grant for the NHB LEP Programme and pay back, the GLA proposes to give effect to these transactions through book entries.
- 7.1.4 This report proposes to change one of the schemes previously set out and agreed. The High Streets scheme is to be replaced with an Unlocking Development scheme as laid out in paragraph 4 of the report. The total funding for the scheme will remain at £500k but will now be entirely revenue expenditure, whereas previously this was £440k capital and £60k revenue. A further implication is that the previously agreed £80k capital for match funding will now no longer be required and instead can be redirected to fund existing projects. This will reduce the Council's borrowing requirement for 2015-16.
- 7.1.5 There are various conditions attached to the grant. The Council can use the funding only to meet the project objectives in accordance with the grant agreement with the GLA. The GLA can reduce, suspend or withhold funding or ask to repay it if the council is in breach of any conditions or fails to deliver the project or meet project objectives/milestones.
- 7.1.6 The management, financial and monitoring arrangements for running the programme will be subject to the terms and conditions of an agreement between the GLA and the Council. It is important that the funding agreement is drafted so as to minimise the risk to the Council.
- 7.1.7 Relevant expenditure forms will need to be certified and submitted to the GLA quarterly as part of the monitoring arrangements.
- 7.1.8 Any future proposals arising with cost implications would need to be subject to separate reports and full financial appraisal.

7.2 Legal Implications

- 7.2.1 The Council has the general power of competence under Section (1) of the Localism Act 2011 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 use of the power in this way.
- 7.2.2 The Council must comply with its contract procedure rules (CPR)
- 7.2.3 The Council must comply with its obligations with regards to obtaining best value under the Local Government (Best Value Principles) Act 1999.
- 7.2.4 The value of the grant exceeds £250k therefore the Council must comply with the Key Decision Procedure.
- 7.2.5 All legal agreements arising from the matters described in this report must be approved by the Assistant Director of Governance and Legal Services.

- 7.2.6 The Council must comply with the terms of the grant agreement with the GLA.
- 7.2.7 The Council must ensure compliance with the Data Protection Act 1998 requirements on processing any personal data. Appropriate measures must be established and maintained to ensure the security of any personal data.
- 7.2.8 The Council must be mindful at all times of state aid rules. It has obtained independent legal advice that there are no issues with state aid in relation to the project. Having removed the shop front project, all three projects are now revenue only, not capital projects, hence (unless the projects are subsequently modified) state aid issues should not arise. .

7.3 Property Implications

- 7.3.1 The objective of increasing employment opportunities and attracting businesses into Enfield is welcome and could have a positive benefit on the local land market. However, this needs to be guided by a clearly defined economic development strategy to ensure benefits are spread throughout the borough and not focussed solely on the Council's landholdings, albeit Council properties could be used as a catalyst for appropriate development. In doing so, the Council needs to find the right balance of holding land for investment purposes as opposed to regeneration purposes, which may not provide the financial returns it seeks.
- 7.3.2 In implementing the activities proposed in this report, it is imperative that Strategic Property Services is consultant and involved from the outset as to how these activities are delivered and a partnership is fostered to ensure services and activities are not duplicated and are appropriately resourced. It is also important to note that a property database that captures vacant properties already exists, is used by Property Services and its agents, and is also widely available in the market place. Hence the need to avoid service duplication.

8. KEY RISKS

- 8.1 The key reputational risk identified is the delay in the commencement of the overall programme. There have been delays in the Greater London Authority process of approvals which has been exasperated by revising one of the projects.
- 8.2 Delays to the delivery of the programme could also affect the ability of the Council to draw down funding within the current timetable. Negotiations with the GLA will focus on confirming timelines and securing extensions where necessary.
- 8.3 Delays in recruiting the inward investment team would prevent progress on certain elements of this project. Job descriptions have already been prepared and there is funding available for these posts; in the meanwhile existing staff or an interim team can kick off the staff inward investment work.

- 8.4 Project level risks will be managed through the inward investment team. Details of the delivery risks are set out in a separate operational report.

9. IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All

This proposal will result in additional jobs, accessible to local residents, being created across the borough. This supports the Council's aim of tackling inequality through reducing borough-wide unemployment.

9.2 Growth and Sustainability

Through encouraging inward investment and identifying opportunities to intensify the number of jobs in Enfield's town centres and industrial estates, this project will maximise Enfield's growth potential.

9.3 Strong Communities

The tools and activities set out in this proposal will increase the level of communication between the Council and local businesses, resulting in Enfield's business community having greater input into Council decisions and awareness of the opportunities available to them.

10. EQUALITY IMPACT IMPLICATIONS

- 10.1 Corporate advice has been sought with regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to access grant funding.

- 10.2 The programme will expand the opportunities available for local residents through the creation of additional local jobs and the improved interaction between the Council and local businesses.

11. PERFORMANCE MANAGEMENT IMPLICATIONS

This project will support the introduction of more efficient ways of managing relationships with local businesses and is therefore an improvement in the service for residents.

12. PUBLIC HEALTH IMPLICATIONS

This project should impact positively on the health of the Enfield population by increasing access to the labour market for Enfield residents.

Background Papers

n/a