

London Borough of Enfield

Overview and Scrutiny Committee

Meeting Date: 1st April 2021

Subject: Economic Development - Partnerships and Businesses

Cabinet Member: Cllr Nesil Caliskan

Executive Director: Sarah Cary

Purpose of Report

1. To provide Members with a progress report on the Council's Economic Development Strategy including support for businesses during the pandemic and current and potential joint ventures.

Background

2. The Cabinet approved Enfield's Economic Development Strategy 'An Economy That Works for Everyone' on 3 February 2021. The Strategy presents a plan to realise the vision and relevant priorities recently adopted in Enfield's Council Plan: A lifetime of opportunities 2020-2022 as agreed at the Annual Council meeting on 1 July 2020. The Council Plan refreshes the current Corporate Plan with a renewed vision for delivering lifetime opportunities in the borough until 2022. The plan sets out the Council's strategic direction and three priorities including priority 3 focussing on "an economy that works for everyone" by creating more high- quality employment, enhance skills to connect local people to opportunities, develop town centres that are diverse, safe and inclusive, and craft a cultural offer to support London's status as a world class city.
3. The Council, Borough Residents and local businesses are facing some of the most turbulent and challenging times both socially and financially they have ever faced. It is clear that this Economic Development Strategy will need to support more local people and businesses than have ever been necessary before, as they will increasingly need to access help and support from the Council in a variety of different ways.
4. Whilst we continue to face uncertainty and economic challenges for the foreseeable future, it is important to frame this strategy in an optimistic setting and demonstrate that a resilient partnership between residents, businesses and the Council is possible. We have the opportunity to build new long-lasting relationships, structures and delivery models that ensure the Borough can reach its full potential.
5. The Strategy lays out priority areas on which activity will focus over the next ten years under these themes:
 - High Quality Employment
 - People
 - Places
 - Culture.

6. Through these 4 key themes, the Strategy promotes future growth on employment land, diversification of uses in town centres and a reduction in poverty rates to improve career aspirations, skills and higher wages, as well as a desire to fast-track opportunities in creative and cultural industries. It aims to place local people at the centre of everything and shape an economy that works for everyone.
7. The strategy articulates a detailed vision and will be supported by action plans that will facilitate post pandemic recovery in town centres, improved jobs density and career opportunities in industrial sectors, attracting new entrants and supporting businesses in existing growth sectors alongside targeting emerging sectors offering high value jobs.
8. It aligns with the Cultural Strategy 'Culture Connects', in supporting the development of the borough as a destination for residents, business and visitors through the borough's growing cultural offer and events scene; and supporting the growth of the creative sector in terms of skills, businesses and workspaces.

Support for Enfield's businesses during the pandemic

9. The Council has maintained a Business Response team for most of the time throughout the entire pandemic period to the present. The team sits within Economic Development and is supplemented by redeployed officers from across the Council. The Business Response team works very closely with Income & Debt colleagues to ensure that applications are properly assessed, and payments made accurately to eligible businesses.
10. The last 12 months have been incredibly difficult for the business community. Enfield Council remains committed to helping create the infrastructure, facilities and business environment required to support existing, new, small and medium sized enterprises in the borough and enable them to thrive in future.
11. Between March and September 2020 Enfield Council paid over 3,000 government grants totalling over £44.1M to support Small Business, Retail, Hospitality & Leisure and over £46.5M business rates relief to 1,800 retail business and Ofsted registered early years nurseries.
12. Enfield Council also paid some £2.5m in discretionary grants to help 300 small charities, market traders and other businesses severely impacted by the coronavirus pandemic.
13. The Government Spending Review confirmed the business rates holiday for Retail, Hospitality and Leisure businesses would end in March. If the current Business Rate relief scheme is extended Enfield Council will automatically identify eligible businesses for the enhanced relief and then reissue their Business Rates bill.
14. From October 2020 the Government introduced 10 additional grant schemes for businesses which had to remain closed because of the pandemic and some in the sports, leisure and hospitality industry which have been able to continue trading.
15. This includes the Local Restrictions Support Grant from 5 January 2021 onwards to support businesses that are required to close under national restrictions.
16. The Council is also supporting business with additional restriction discretionary grants throughout 2021/22. This means that we will be able to effectively direct further financial support to business sectors that have been most severely impacted

by the pandemic but may not have benefited from the mandatory grant schemes already in place. It is vital that we sustain our business community in this very challenging time so that we are all best prepared for economic recovery

Cumulative COVID-19 Grant Funding distributed by Enfield Council

Scheme	No of Grants/Accounts	Total
Small Business Support Grant	1,998	£19,875,000
Retail, Hospitality & Leisure Grant (RV up to £15k)	208	£2,080,000
Retail, Hospitality & Leisure Grant (RV £15-51k)	868	£21,535,000
Discretionary Phase 1 B&B	7	£7,000
Discretionary Phase 1 Small Charities	23	£115,000
Discretionary Phase 1 Market Traders	20	£54,000
Discretionary Phase 1 Shared Space	81	£387,000
Discretionary Phase 2	189	£1,957,000
Expanded Retail Discount rates relief	1,817	£46,051,072
Nursery rates relief	29	£487,587
Additional Restrictions Grant	12	£17,500
Local Restrictions Support Grant (Closed) Addendum	7,606	£7,551,338
Local Restrictions Support Grant (Closed)	286	£79,961
Local Restrictions Support Grant (Open)	651	£460,855
Local Restrictions Support Grant (Sector)	3	£1,571
Christmas Support – wet-led pubs	17	£17,000
Closed Business Lockdown Payment	1,115	£5,681,000
GRAND TOTAL		£106,357,884

Current Schemes

17. The **Additional Restrictions Grant (ARG)** is a discretionary grant to support businesses that are not covered by other grant schemes or where additional funding is needed.

18. **ARG Phase 1** is meant to support businesses who are not eligible for Local Restrictions Support Grant and Enfield Council does not intend to award ARG funding to a business that has already received LRSG funding.

19. The priority in this phase are those businesses that supply the non-essential retail, hospitality, events and leisure sectors – this is a very significant part of Enfield's business base supporting a high number of jobs and performing a vital function within London's economy, that have been heavily impacted by the enforced closure of in-person businesses and services during the lockdown. These can be businesses that pay business rates currently or work from a shared space, provided they can provide evidence of business related costs.

20. ARG Phase 1 Eligibility

These businesses must be in one of the following groups:

- **Group 1** - Supplier to the non-essential retail, hospitality, events, and leisure sectors, that pay business rates.
- **Group 2** - Supplier to the non-essential retail, hospitality, events, and leisure sectors, that do not pay business rates, but pay commercial property rent.
- **Group 3** - Businesses that has been forced to close between 5 November 2020 and 2 December 2020, do not have a business rates liability because they are not separately rated (for example shared accommodation where the landlord pays the business rates), but pay the landlord commercial rent and have been severely impacted by COVID restrictions

21. **ARG Phase 2** is under development and is intended to support those businesses that have not had previous support or grants. Of particular importance will be the self-employed and SMEs employing reasonable numbers of people that have been severely impacted by the pandemic.

22. In addition to direct grants, we also propose to allocate funding to interventions that accelerate recovery in town centres and promote growth in jobs, skills and training opportunities for heavily impacted groups. Proposals include a new African & Caribbean business centre, an extensive outdoor trading programme and a new town centre cultural programme for example.

23. **Restart Grants** – From April 2021 the government will provide 'Restart Grants' in England of up to £6,000 per premises for non-essential retail businesses and up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses. Further details to follow to allow us to administer the scheme

Other Business Support

24. **Enfield Council tenants rent free period:** Very soon after the initial lockdown came into force, the Council applied a rent-free period for the March – June 2020 quarter to all locally based small and medium sized retail, hospitality and light industrial businesses who occupy Council owned buildings. A total of c.£530k in rent free was granted to over 140 tenants. Subsequent to June 2020, where tenants have exhausted all other avenues of financial assistance but were still in hardship owing to statutory restrictions placed on their trading, assistance has been provided on a case-by-case basis in the form of changing payment arrangements (e.g. deferring or repayment programmes) but no further rent free periods have been agreed.

Business Engagement programme

25. The team is engaging with the top 150 borough businesses by turnover and number of employees and also targeting new and innovative businesses that have located in the borough. Virtual meetings have taken place with senior staff at over 35 companies such as Uniper, Greggs, Metaswitch (Microsoft Azure), Camden Town Brewery, Hensoldt, One Ocean, Fairview Homes, Redmond Group, Ardent Hire, GR Wrights, Hermes, DHL, and more. A client relationship database (Tractivity) is being utilised to track engagement that will ensure knowledge and information is stored in one central place for the Council. Information about Kickstart, and Public Health information regarding the pandemic can be easily shared through this approach.

Productive Valley Fund

26. The team is promoting the loan fund which is primarily for small to medium sized industrial estate-based businesses operating in or looking to relocate to areas within the Upper Lea Valley. Businesses wishing to expand, committed to providing good quality local jobs, and that are an exemplar of modern production are eligible. The team is currently supporting a few businesses based in the borough with their application that will support growth in new sectors such as film and creative industries.

Small Business Hardship Fund Campaign

27. A total of £25,100 was raised by 8 local businesses with pledges from £200 up to £10,000. A range of businesses supported the campaign including Metaswitch, Eggfree Cake Box, Fairview Homes, Uniper, JJ Foodstore and others.
28. Authority to progress with the dissemination of funds is underway and payments are being processed to ensure funds are received into the Council's bank account prior to any funding being granted to local micro businesses. Any businesses supported will be those not in receipt of any previous government grants.

Montagu Estate Redevelopment – relocation/business support

29. The Montagu Estate in Edmonton comprises of 29 acres of tertiary industrial accommodation. The Council are freeholders of 20 acres and the partnership are seeking CPO powers to acquire the remaining 9 acres where commercial, private treaty efforts have been unsuccessful. This is in addition to an ongoing programme securing vacant possession on the remaining leasehold interests. HBD is the Council's development partner for the comprehensive redevelopment of the site. Both parties are 50% shareholders in the regeneration vehicle known as Montagu 406 Regeneration LLP. The economic development team are working with the project team to ensure existing businesses on the Montagu Estate are supported through the development and retained in the borough as far as is possible should they need to relocate as a result of the development.

Partnership work in development

30. We are developing partnerships with Middlesex University and University of Hertfordshire. A possible pilot scheme being explored to support a business for proof of concept which has zero cost to Enfield Council. Middlesex University have funding for a researcher to support a business develop a new concept around clean technology. We're also engaging with East London Business Alliance and Business in the Community to explore working on future business support schemes.

Kickstart

31. The Kickstart scheme proposes to generate thousands of 6-month work placements from autumn onwards and is aimed at those aged 16-24 in Great Britain who are on Universal Credit and are deemed at risk of long-term unemployment. The scheme will pay employers to create new jobs for these young people, and funding will be conditional on the employer proving that these jobs are additional.
32. Enfield Council is an official gateway organisation on behalf of local SMEs and will also take on placements internally. The Economic Development team manages the programme on behalf of the Council and has already applied for funding for 50 placements to date. The target for the year is 200 placements, including at least 10 within the Council.
33. Businesses on the Kickstart scheme must be vetted financially, and all placements must be new placements. The development of the programme will now include further business engagement with local businesses planned in the upcoming months.

Section 106 monitoring

34. We're currently working on 20 cases for S106 for developers to meet their employment and skills obligations. Working with the planning and developers to meet the obligations and yield new employment through apprenticeships and employing local labour. Looking to achieve 30 new apprenticeships for the Colosseum Retail Park for phase 1 development. The apprenticeships should go live in 2022. Currently working on the backlog of S106 cases.
35. We also work with the **Federation of Small Businesses** and have collaborated by promoting their business support offer and events; and by funding 100 memberships for our business community.
36. We're working closely with **Building Bloqs** to develop a business support offer for their members involved in creative and maker industries.
37. We refer standard business enquiries to **Enterprise Enfield** who employ specialist advisers for this purpose.

Town Centres

38. Good Growth Fund – Angel Edmonton

- Jan Kattein and local architects (Fore Street based) Fisher Cheng have been selected through the evaluation process. ROD underway to authorise the procurement. We anticipate the project to now progress at pace.
- Press release proposed to be drafted to announce appointment

39. African Caribbean Business Centre – Angel Edmonton

- Project initiation underway – presented to Cllr Caliskan mid-February
- Next steps to engage with ward members to understand needs before wider community engagement

40. Minor capital projects – Southgate and Palmers Green

- Capital budget for minor public realm improvements for Southgate and Palmers Green

- Programme in development to use as engagement for letter from Cllr Caliskan to community in Southgate

41. Reopening High Streets Safely Fund – All centres

MHCLG has approved the grant plan for spending the £300k re-opening high streets safely fund, which will cover significant costs associated with COVID spending from the highways and comms team and will support a series of small- town centre focussed projects to support town centres in recovery.

42. Outdoor Trading – Enfield Town, Southgate, Palmers Green

Consultant appointed to proactively support businesses take up the expanded pavement licenses legislation, to support activating key areas in town centres focusing on Enfield Town and Southgate.

Inward Investment Update

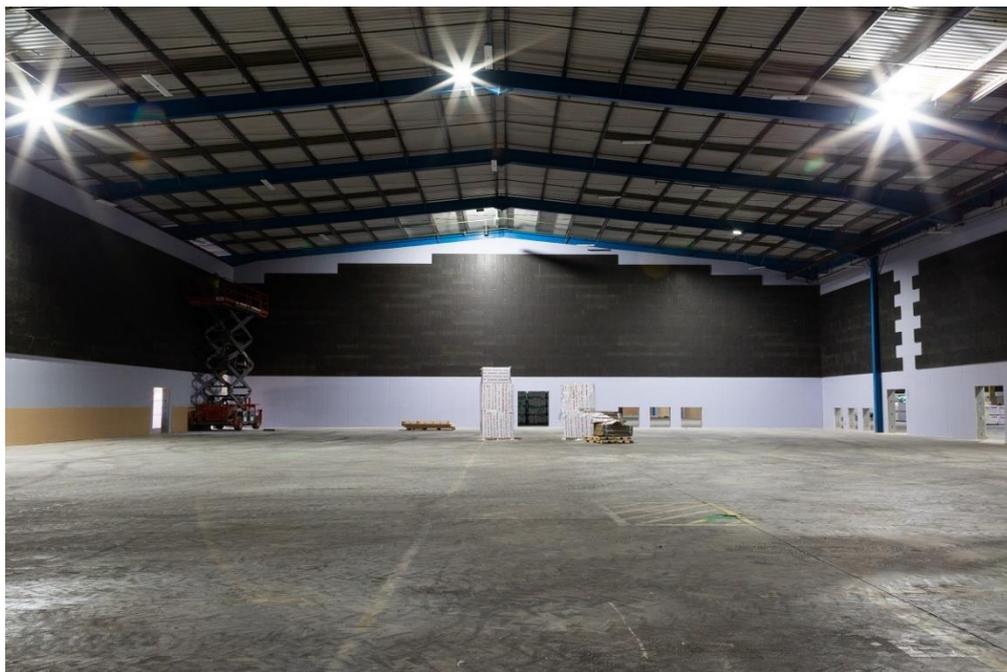
43. Cloud communications leader **Metaswitch**, a Microsoft company, has completed its global headquarters in Enfield. The 55,800 square foot, five-storey building features a rooftop conference centre, full-height atrium, state-of-the-art data centre, and a basement car park with spaces for 96 vehicles and charging points for electric cars and bikes. The office, which will serve up to 500 people, is designed with energy-saving measures that will help Metaswitch meet its environmental sustainability targets. The building's modern design will provide a positive working environment for the global software company's employees and an impressive facility for hosting partners and customers, while the larger space will support the company's growth.



44. **Troubadour Theatres** has struck a deal with the Council to build 3 purpose-built sound stages at Meridian Water, to be known as Troubadour Meridian Water Studios and set to open later this year. A skills academy will also be built on site so that local residents can be trained in film and television industry roles. The studios could create up to 450 permanent jobs once the facility is fully established. An estimated 150 training opportunities are planned in the first 4 years, increasing to nearly 500 per year.



45. Location Collective established **OMA Studios** in February 2020 at a former distribution depot on Mollison Avenue. OMA is now London's largest film studio facility, providing 88,500 sq. ft of high specification filming stages as well as dedicated workshop space and extensive production parking. In July 2020 Location Collective signed a 3year hire agreement with a global streaming platform for the entirety of OMA Film Studios.



46. In addition to these over the past year Waitrose have opened their North London Fulfilment Centre distributing home deliveries to the whole of North London and the near home counties, Arrow XL, specialists in two person home delivery (for larger home deliveries such as furniture) have opened their London Distribution Centre in Brimsdown and Beavertown Brewery (now part owned by Heineken) have opened, also in Brimsdown.

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Date of report 17th March 2021

Appendices

N/A

Background Papers

N/A