



Havering
LONDON BOROUGH

18/36
EXEMPT
FROM
CALL IN

Notice of KEY Executive Decision

Subject Heading:	Strategic Investment Pot Bids May 2018
Cabinet Members:	The Leader
SLT Lead:	Jane West Chief Operating Officer
Report Author and contact details:	<i>Jane West, 01708 431994</i> Jane.west@havering.gov.uk
Policy context:	The 2018-19 Business Rate Retention Pilot agreed between London authorities and the Government includes the allocation of 15% of any net financial benefit to a Strategic Investment Pot (SIP), to be used to fund investment in projects promoting economic growth and attracting match funding. The Pot is administered by the City of London. The City of London has recently written to all London Boroughs inviting bids against the Pot.
Financial summary:	The London-wide Strategic Investment Pot is estimated to be £55 million for 2018/19.
Reason decision is Key	(a) Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	20 May 2018

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Relevant OSC:	Towns & Communities
Is it an urgent decision?	Yes
Is this decision exempt from being called-in?	Yes – exemption from 'Call In' was approved by Councillor Wise on 24 May 2018.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Leader of the Council is asked to note and approve two applications to the London-wide Strategic Investment Pot administered by the City of London for funding in excess of £500k:-

- Note the bid as part of the Local London cluster of East London councils, of which Havering is a member
- Agree a bid for £4 million to support the proposal to establish a creative industries cluster in the Bretons 67 acre site.

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There is estimated to be £55m available to various projects across boroughs in London and funding will be given to projects that promote economic growth and attract match funding.

The Local London Leaders, Mayors and Chief Executives Strategy Group Meeting on 23rd March 2018 agreed to submit a bid to the Strategic Investment Pot focusing on the provision of better connectivity across Local London, e.g. broadband, 4G and other communications. It was agreed that Partnership officers would work with Borough officers on the potential for this option in terms of needs and deliverability.

The Bretons bid is to support proposals being developed for a Creative Industries Cluster to be developed and created specifically to nurture and upskill young people and attract new creatives into the borough as well as enhance the local economy. It forms part of a wider business case for the development and regeneration of the Bretons site, currently being compiled.

The proposed project encompasses the Bretons Manor House, Tudor Barn, walled garden and parks. A business case is being developed that is based on a community focused, commercially viable hybrid business model. The business case will require an extensive range of funding and a number of funders are being approached such as the Heritage Lottery Fund, Essex Football Foundation, the Arts Council and local funders. The council's main contribution to the project is the land and buildings at the Bretons site.

The business model being developed is rooted in, and aligns with, the new Vision for Havering as follows:-

Opportunities – The proposed project would aim to create wider access, educational and learning opportunities, diverse skills and training across culture, heritage, sports, leisure and creative industries. By connecting with local students, residents, businesses and families, networks and mentoring will be developed to raise ambition and foster creativity.

Communities - It would aim to nurture and connect intergenerational communities, users and activities across the business, creative, leisure and sports sectors.

Places – The restoration of Bretons would regenerate culture venues across the 67 acre site

and introduce new places for people to visit, work and enjoy. As well as the creative cluster element, it is proposed there will also be new cultural spaces, learning rooms, arts & crafts studios, creative business spaces, sports facilities, adventure facilities and outdoor play facilities.

Connections - The hybrid community focused, commercially sustainable business model being created will aim to create connections between children, families, seniors, diverse people, visitors and businesses as well as universities, museums, schools and colleges.

The Bretons bid to the Strategic Investment Pot is considered to meet the criteria set for applications as follows:

1. Infrastructure, digital and tech, skills, employment, and business support;

- a) If it progresses, Bretons will build infrastructure in an underutilised part of the borough
- b) It would restore buildings 'At Risk' on the English Heritage register and create new spaces.
- c) Bretons' zonal concept will generate digital and tech skills, employment and volunteering opportunities, business mentoring and support for creative start-ups, sports and leisure facilities, organisations, clubs, charities, residents, businesses, wider diverse communities and corporate partners.

2. Anticipated scale of economic benefit;

- a) Bretons is currently used by over 1,000 people per week (50,000 per annum), despite the under serviced and deteriorating facilities. If the project progresses, it is expected that this figure will more than double thus reaching 100,000 users including residents, businesses, visitors, all of which will drive the day and night time economy.
- b) The Creative Industries Cluster would work with hundreds of local businesses, creative start-ups, mumpreneurs, teens as well as cultural creative, leisure and sports clubs and social enterprises.
- c) It is intended that the Creative Industries Cluster will focus on skills, experience, placements, paid internships, job opportunities, start-ups and 'teenpreneurs' with a strong youth element to meet the growing demand for facilities and opportunities for young people in the borough. Partnerships and collaborations will be forged with local colleges, schools and children's services. University of the Arts Colleges will be engaged to make, create and mentor students and creatives thus creating an exciting exchange of skills, experience and industries. Bretons will reach thousands of children and young people including residents and visitors.

3. Breadth of geographic impact;

- a) Bretons covers the boundary with Barking & Dagenham and would benefit residents, students, creatives and businesses from both sides of the border.
- b) In particular Barking and Dagenham has launched new film studios and the Creative Industries Cluster would provide a pipeline of young people who have gained skills and experience in the film industry via volunteers, interns and apprentices as well as SMEs that specialise in related fields.
- c) Bretons would attract visitors from outside the borough by providing affordable studio and office spaces, skills, volunteering and apprenticeship programmes as well as mentoring.

4. Match funding;

- a) The overall Bretons project includes bids to a range of different funders some of

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which are national. The project offers the opportunity to attract national funding to East London.

5. 'Oven ready' & long term schemes;

- a) Bretons has a number of immediate projects that, should funding be made available, could be delivered including the Creative Industries Cluster as well as the Next Generation centre, football pitches and the children's adventure learning space which would also provide childcare for creatives in the cluster.
- b) The heritage hub is likely to take much longer and is not dependent on other zones. All the zonal areas have been developed so that they can be launched as soon as funding is made available.

The application deadline is 31 May 2018. There is a draft timetable for the approval process for the Bretons full business case which allows for completion and approval by the Council in October 2018.

Plans for future use and development of Bretons are being developed by officers including a business plan which looks at funding streams. Securing funding from sources such as the Strategic Investment Pot will be relevant to any final decision by the Council on those future plans.

AUTHORITY UNDER WHICH DECISION IS MADE

In accordance with the Executive Decision on 18 January 2018 which authorises the Leader to make decisions in relation to the Strategic Investment Pot.

STATEMENT OF THE REASONS FOR THE DECISION

The reason for taking this executive decision is that an application for funding will be submitted to the strategic Investment Pot, which exceeds £500k and in making decisions about the Business Rates Pool the decision to make bids was delegated to the Leader.

- a) Expenditure or saving (including anticipated income) of £500,000 or more**

OTHER OPTIONS CONSIDERED AND REJECTED

The only other option would be not to make a bid to the Strategic Investment Pot. No other projects were considered to meet the criteria for bids to the Pot.

PRE-DECISION CONSULTATION

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The relevant officers, councillors, business partners and key stakeholders have been consulted included SLT, corporate diversity officer, legal and finance business partners.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Jane West

Designation: Chief Operating Officer

Signature:



Date: 30 May 2018

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report recommends that the Leader notes and approves the submission of funding applications to the Strategic Investment Pot as follows:-

- To note the bid as part of the Local London cluster of East London councils, of which Havering is a member
- To agree a bid for £4 million to support the creation of a creative industries cluster in the Bretons 67 acre site.

Partnership funding is part of the consideration in determining applications. The overall Bretons project includes proposals to bid to a range of different funders and the Council's current direct contribution is the site.

The Leader has authority to make bid applications to the Strategic Investment Pot as set out in an Executive Decision on 18 January 2018. The decision is urgent because the deadline for applications is 31 May 2018.

The Council has legal powers to apply for such funds under section 111 of the Local Government Act 1972, namely powers incidental to any primary powers or duties concerning particular projects.

The Council also has powers under section 1 of the Localism Act 2011 under its general power of competence to make an application and accept grant funding. The terms of the grant arrangement including any claw back provisions are not detailed within this report and should be reviewed by Legal Services.

FINANCIAL IMPLICATIONS AND RISKS

This report is seeking formal approval to submit a bid to the City of London seeking £4 million of grant funding from the Strategic Investment Pot to support the development of the Bretons Manor and Park scheme, in particular the Bretons Creative Industries Cluster.

A business case is being developed to assess the viability of the schemes and produce a business plan for the Bretons development. A viable scheme is predicated on receipt of funding from a number of external parties, including the Strategic Investment Pot. The level of Council funding required to deliver the scheme will be determined by the overall sum of external contributions.

The bid is to be made in advance of the development and approval of a full Business Case, which is scheduled to be presented for October Cabinet. The progression of the scheme or any of its constituent parts will be subject to the viability of the business case.

It should be noted that by making this bid the Council is not at this stage committing to proceed with any specific elements of the scheme in advance of the business case.

The Medium Term Financial Strategy agreed by Council in February 2018 did not include any specific approved revenue or capital funding for the scheme. Should the business case

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subsequently identify a need for further Council funding, further reports to Cabinet and Council would be required.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no human resources implications and risks at this stage.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The application to the Strategic Investment Pot and indeed the wider Bretons project will engage diverse communities through culture and heritage and provide open access for all residents in Havering. The Bretons programme is in full compliance with the Equality Act 2010 and the London Borough of Havering's proposed Community Cohesion Strategy. Disability access will be an integral consideration regarding this matter.

There are no risks attached to the funding application.

BACKGROUND PAPERS

None

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed



Name: Councillor Daniel White

Cabinet Portfolio held: Leader of the Council

CMT Member title:

Head of Service title

Other manager title:

Date: 31/5/2018

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 31/05/2018

Signed



