

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	19 March 2015
<b>Subject:</b>	New Homes Bonus London Enterprise Panel (NHB LEP) Top Slice Funding Grant Agreement
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Caroline Bruce, Corporate Director of Environment and Enterprise.
<b>Portfolio Holder:</b>	Councillor Keith Ferry, Portfolio Holder for Business, Planning and Regeneration.
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	None

## **Section 1 – Summary and Recommendations**

This report outlines the purpose of the Council's successful bid to the Greater London Authority (GLA) for £1,060,315 of New Homes Bonus (LEP) topslice funding. It seeks approval to enter into a funding agreement with the GLA to deliver the 2 year programme, (1 April 2015 – 31<sup>st</sup> March 2017).



- 1.5 The programme of support was developed in discussion with Children Services, Resources, and CHAW. Consultation on the proposals was undertaken with HA1 Business Improvement District, Harrow Colleges, Stanmore College, JobcentrePlus and local business support agencies. Extensive negotiations were undertaken with the GLA to ensure that the programme did not duplicate existing provision or planned European funded programmes (through ESIF).

### **Current situation**

- 1.6 The council is currently delivering a range of initiatives to promote apprenticeships, address low skills, and support businesses. This includes:
- The council directly employing apprentices and supporting its suppliers to recruit apprentices. The new funding will provide resources to build on this work by preparing young people for apprenticeships, and developing apprenticeship opportunities with local SME's and micro-businesses.
  - Providing Advice and Guidance and access to money to pay for vocational training for low paid residents (in 2014/15). The NHB programme will enable this provision to continue for a further 2 years.
  - Facilitating access to free business support workshops and masterclasses. NHB money will be used to build on this support, by providing access to shop front premises to enable new businesses to test market their goods and services, and by providing mentoring to micro-businesses.

### **Implications of the Recommendation**

- 1.7 Approval of the decision to enter into a Grant Agreement will provide additional resources to bring empty shops back into use, promote business growth, support young people into apprenticeships, address skill gaps, and support the regeneration of the borough.

### **Resources, costs**

- 1.8 The programme will be managed by the Economic Development Team.

### **Staffing / workforce**

- 1.9 Additional staff on fixed term contracts will be recruited to deliver the Skills and Apprenticeship and the Unlocking Development proposals.
- 1.10 The Meanwhile Space and Entrepreneurship and the Business Support Programme will be delivered by specialist agencies.

## Performance Issues

- 1.11 The decision to enter into the funding agreement will bring additional resources to the Council to help deliver the following outputs and outcomes. These outcomes were agreed through lengthy negotiation and will form part of the Grant Agreement.
- Number of businesses supported – **460**
  - Number of businesses assisted to improve performance – **170**
  - Number of pre-starts assisted – **50**
  - Number of businesses engaged and mentored – **140**
  - Number of business created during the lifetime of the programme - **60**
  - Number of businesses grown in 12 months (measured from April 2016) – **30**  
(increase in turnover, jobs created)
- 200 Information Advice and Guidance next steps advice to residents
  - 100 people to engage in on going support
  - 75 people to take on training
  - 20 people to take construction related training – all trades
  - 20 CSCS cards
  - 15 food hygiene L2 qualifications
  - 15 people to take functional skills and / or ESOL
  - 60 unemployed/economically inactive people into work
  - 40 people sustained employment for 6 months
  - 60 young people recruited on pre apprenticeship training
  - 80 to enter apprenticeship
  - 15 young people to go into work or training
- Sq. m of new and improved public realm, sq. m of new and improved commercial space and sq. m vacant land / space brought back into permanent or temporary use: 4 retail units (240 sq. m) brought back into use (average size: 60 sq. m)
  - Number of shop front improvements: 4

## Environmental Implications

- 1.12 The apprenticeships, skills and training and business support strands will have minimal effect on the environment in general or on climate change. The procurement process required to deliver our business support activity will promote environmentally responsible and sustainable practices. The Unlocking Development strand will be in line our development proposals within the Regeneration Strategy, which were subject to extensive stakeholder and community engagement and to sustainability appraisal. The Housing Zone element of this strand will lead to the retrofit or re-provision of housing stock and commercial space and to new homes built to improved energy standards. The published AAP Sustainability Appraisal is particularly relevant. This tests the AAP policies to identify their likely social, environmental and

economic impacts and evaluates options for mitigation and enhancement where appropriate. The AAP includes specific policies to address flood risk and sustainable drainage, sustainable travel, the provision of a district energy network, open space provision, protection of biodiversity and access to nature.

## Risk Management Implications

1.13 Risk included on Directorate risk register? No  
 Separate risk register in place? Yes

<b>Key Operational Risks</b>	
<b>Risks</b>	<b>Mitigating Actions</b>
Lack of staff capacity	<ul style="list-style-type: none"> <li>• rigorous recruitment to ensure capacity and skills of project staff</li> <li>• Effective project planning</li> <li>• Use of lessons learnt from previous projects</li> <li>• Commitment from directorate Senior Management Team to deploy or release resources to assist with delivery if required</li> </ul>
Failure to deliver outcomes to contract	<ul style="list-style-type: none"> <li>• Effective project governance arrangements</li> <li>• Use of the Directorate Contract Board to monitor contract delivery and quality</li> <li>• Clear responsibilities and accountability for contractors and partners</li> <li>• Agree clear mandates and scopes of work that identifies roles and responsibilities</li> </ul>
Lack of meanwhile use spaces	<ul style="list-style-type: none"> <li>• Use Land Registry and business rates information to help identify landlords.</li> <li>• Clear proposal based on recognised charity and Council support will provide confidence to landlords/agents</li> </ul>
Lack of suitable entrepreneurs to deliver meanwhile uses	<ul style="list-style-type: none"> <li>• Use existing business networks to promote initiative</li> <li>• Project management will assess capacity of organisations and provide support and assistance where required.</li> </ul>
Lack of demand from clients	<ul style="list-style-type: none"> <li>• Outreach through Children's centres, JCP, distribution of information through revenues &amp; benefits teams, housing teams and partner organisations such as CAB</li> <li>• Continual monitoring to assess progress and give early warning of underperformance</li> </ul>
Increased demand for skills, training and business support services	<ul style="list-style-type: none"> <li>• Research and bid for other external funding</li> <li>• Monitor and manage through performance management and more cost-effective procedures the level of increased demand</li> </ul>

Poor financial management	<ul style="list-style-type: none"> <li>• Budget monitoring process</li> <li>• Effective project governance arrangements</li> </ul>
<b>Key Change Risks</b>	
<b>Risks</b>	<b>Mitigating Action</b>
Organisational change affecting delivery capacity	<ul style="list-style-type: none"> <li>• Effective and early communications with stakeholders</li> <li>• Early involvement of Directorate Contracts Board</li> </ul>

## Opportunities

- 1.14 The funding will provide opportunity to leverage European Structural Investment Fund grants and Section 106 funds to increase the number and quality of outcomes we are expected to achieve under the funding agreement. It will facilitate us working more closely with a wider range of partners such as Harrow and Stanmore Colleges, local and national training providers, voluntary and community organisations and local businesses to achieve more sustainable outcomes.

## Legal Implications

- 1.15 HB Public Law will be asked to review the Grant Agreement and advise on any legal implications arising for the Council by signing the Agreement.

## Financial Implications

- 1.16 The level of funding for Harrow is confirmed at £1.06m which will cover a period of two years from 1<sup>st</sup> April 2015. Should the agreement with GLA be signed, the funding will be spent on the four specific projects as detailed in the GLA bid. The implementation of these projects will support the wider objectives of economic development and regeneration. Any additional costs arising from wider work will either be met from other external funding sources or contained within the budget of Economic Development team.

## Equalities implications / Public Sector Equality Duty

- 1.17 We see no adverse impact on the public sector equality duty from this decision. We attach an EQIA as **Appendix 1** duly signed and dated based upon available knowledge and information.
- 1.18 The Apprenticeships, Skills and Training and Business Support strands of the programme are specifically aimed at helping and supporting disadvantaged individuals and groups identified in our initial assessment. They include support for increasing the skills and earning potential of low paid residents, and supporting workless residents

secure training and sustainable employment. Priority for the pre-apprenticeship programme will be given to young people leaving care, those people for whom the council has parental responsibility especially those who are known to be hard to engage and retain, NEETs, and other disadvantaged young people. The business support will include diversity business mentoring targeted at BAME and women entrepreneurs. The Unlocking Development strand will focus on area of greatest socio-economic need in Harrow.

## **Council Priorities**

1.19 The Council's vision:

### **Working Together to Make a Difference for Harrow**

Please identify how the report incorporates the administration's priorities.

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

1.20 The proposals in the NHB Programme will help deliver the priorities follows

#### **Apprenticeship, Skills and Training - Making a Difference for Business, Communities, Families, and Vulnerable Residents**

- Increase skills and earning potential of low paid residents, and support workless residents secure training and sustainable employment.
- Offer business start up opportunities for pre-apprentices in a pop up shop.
- Deliver a local marketing campaign to raise the awareness of apprenticeships with local small businesses and young people.
- Provide brokerage between Harrow's small businesses, young people, job seekers and training providers.

#### **Business Support - Making a Difference for Business**

- Broker relations between national and regional business support providers and Harrow Small and Medium sized Enterprises (SME's) and microbusinesses to maximise the number of Harrow businesses benefiting from national and regional provision.
- Promote procurement opportunities and help and support local SMEs compete for tenders.
- Develop local mentoring and peer support which will utilise the skills of staff within established businesses and business support organisations to support start-ups and young companies (less than 5 years old).

### **Meanwhile Space and Entrepreneurship - Making a Difference for Business**

- To convert 4 – 6 empty shops into “pop up” spaces providing temporary space for new entrepreneurs to test their ideas and for community use.

### **Unlocking Development - Making a Difference for Communities, Families and Business**

- To enhance the Housing Zone programme by providing funding to support the planning and development process, which will provide new homes and commercial space on Harrow’s key sites.

## **Section 3 - Statutory Officer Clearance**

Name: Jessie Mann	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 13 February 2015		
Name: Stephen Dorrian	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 12 February 2015		

<b>Ward Councillors notified:</b>	<b>NO, as it impacts on all Wards</b>
<b>EqIA carried out:</b>	<b>YES</b>
<b>EqIA cleared by:</b>	<b>Hanif Islam</b>



## **Section 4 - Contact Details and Background Papers**

Contact: Malcolm John, 0208 736 6846, External Funding Manager, malcolm.john@harrow.gov.uk

Background Papers: None.

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

**NOT APPLICABLE**

*[Call-in applies]*