

---

**REPORT FOR: CABINET**

---

<b>Date of Meeting:</b>	21 April 2016
<b>Subject:</b>	London Regeneration Fund Grant
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Paul Nichols, Divisional Director of Regeneration and Planning
<b>Portfolio Holder:</b>	Councillor Keith Ferry, Deputy Leader and Portfolio Holder for Business, Planning and Regeneration
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	Wealdstone
<b>Enclosures:</b>	Appendix 1 GLA Grant Application London Regeneration Fund Appendix 2 EQIA

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

This report seeks approval to: -

- (1) enter into a funding agreement with the Greater London Assembly (GLA) to deliver the 2 year London Regeneration Fund (LRF) Programme, (1 April 2016 – 31<sup>st</sup> March 2018),
- (2) begin a procurement process to select and appoint a contractor to deliver the Project Objectives set out in the Grant Funding Agreement and to enter into contract with the selected contractor to deliver the Project Objectives.

**Recommendations:**

Cabinet is requested to:

- Delegate authority to the Chief Executive, following consultation with the Portfolio Holder for Business, Planning, and Regeneration, to enter into a £1.5m London Regeneration Fund Grant Agreement with the GLA.
- Delegate authority to the Chief Executive following, consultation with the Portfolio Holder for Business, Planning and Regeneration, to begin a procurement process to select and appoint a contractor to deliver the Project Objectives set out in the Grant Funding Agreement and to enter into contract with the selected contractor to deliver the Project Objectives.
- Recommend to Council for the inclusion of new projects funded through London Regeneration Fund and other external funding in 2016/17 to 2019/20 Capital Programme.
  - Artisan Workspace £0.66m
  - Creation of a public Town Square in Wealdstone £1.165m.

### **Reason: (For recommendations)**

It is recommended that Harrow Council enters into an Agreement with the GLA to secure the LRF Grant to fund activities, which will promote job creation, business growth, and regeneration in Wealdstone, one of Harrow's most deprived wards. Those activities will support the Corporate Priority To Make a Difference for Business, and the Corporate Priority to make a Difference for Communities, and the Vision of Building a Better Harrow.

By providing the delegation to enter into contract with supplier(s) the agreed activities in the Grant Agreement can be delivered.

## **Section 2 – Report**

### **Introductory paragraph**

This report informs Cabinet of the Council's successful competitive bid to the GLA for £1.5m from the London Regeneration Fund. The Funding will be used to deliver the Council's Vision of Building a Better Harrow by (a) the provision of workspace and business support services, delivering the Corporate Priority to Make a Difference for Local Businesses, and (b) the provision of a new public space for communal activities, delivering the Corporate Priority to Make a Difference for Communities, .

### **Options considered**

The following were considered

Bid for money from the London Regeneration Fund to secure funding to support the delivery of the Council's Core Strategy, and Regeneration

Strategy to create 3,000 new jobs, and to create new public space in Wealdstone.

Or

Do nothing to secure additional funds to support Harrow Council's Regeneration objectives

## **Background**

The Mayor of London's London Regeneration Fund was established by the London Enterprise Panel (LEP). The Fund's main aim is to develop growth in Places of Work and High Streets by supporting innovative and place-based projects. It aims to nurture new ways of working, as well as supporting existing communities and economies.

The Fund is for two years from April 2016 to March 2018. Grants are 100% capital and £20m is available across London.

The application process was very competitive and the Mayor has announced that Harrow has secured £1.5m to help create over 450 jobs and to revitalise Wealdstone.

The focus of our application is to create workspace and a new public square in Wealdstone (expanding on the space between Trinity Church and Subway).

The Square will provide a public space for events, which could include markets, and street entertainment.

## **Current situation**

Wealdstone has been identified by the Council and the Mayor as a priority area for regeneration and is designated as part of the Opportunity Area in the Harrow Core Strategy.

## **Why a change is needed**

Wealdstone ward is Harrow's most deprived ward. It has the highest levels of deprivation for Income, Income affecting children, Employment, Education Training and Skills, and Adult Skills. It is the second most deprived for Health and Disability, and the fourth highest for crime.

Overall employment in the area (Wealdstone & Marlborough wards) has declined from around 11,000 employee jobs in the 1980s to less than 5,000 by 2013, a fall of around 55%.

Wealdstone District centre has the highest number of empty shop premises in the borough. At the last count in June 2015, 9.37% of retail frontages were vacant. This compares with a borough average of 3.85% for Harrow's district centres.

The GLA 2014 report Creating Artists Workspace indicates that with 3500 artists likely to lose their place of work in the next five years, there will be considerable workspace demand.

The LRF provided an opportunity to secure funds to address long term job loss in Wealdstone, meet borough and London Planning priorities, and utilise Artisan Studios (the former ColArt Winsor and Newton) premises to provide workspace for new and start up businesses in the creative sector and attract new small businesses to replace the manufacturing jobs that have been lost.

The LRF also provided the opportunity to create a new public space in Wealdstone to complement regeneration plans for 4,000 new homes, the re-location of Harrow’s Civic Centre, a new leisure centre, and the Kodak site redevelopment.

## Implications of the Recommendation

### Resources, costs

The £1.5m is being matched by Section 106 money, private sector match from Altomart (owner of Artisan Studios), for Harrow Council Officer time and funding from the Post Office.

Breakdown as follows

Activity	Funding
Intensify workspace usage at Artisan Studios by creating additional public open workspaces in ground floor for co-working and café/event space for new businesses	GLA £660k Capital, Altomart £1.2m Capital and subsidised rent Harrow Council £12k (Officer time)
Creating a “town square”, engaging community and business in design process; providing young people with design skills; developing business/community partnership	GLA £850k Capital, Section 106 (£375k) – on complimentary transport measures Harrow Council £12k (Officer time)
Provide on-going business support to new businesses through our existing business support through the Economic Development Team Deliver the Post Office Retail Awareness Training programme which offers merchandising, financial management and social media training.	Post Office (£30k) Section 106 funding for town centre initiatives (£1125k) Harrow Council £12k (Officer time),

### Staffing/workforce

Two staff will support the delivery of the Programme, an Economic Development Officer (Grant funded), and a Project Support Officer (externally funded).

## Performance Issues

The following KPI's will be delivered

- 3,700 sqft. of public realm improvements as part of the programme to create a focal point for Wealdstone
- 450 new jobs
- Halving of vacant shop frontages

## Environmental Implications

The LRF programme is part of an integrated plan for the Heart of Harrow which includes the relocation of the Civic Centre, and creation of up to 4,000 new homes. Our objective is to reduce journey times to shop by enhancing the shopping experience, encouraging more local residents to shop in Wealdstone. This will be achieved by providing the infrastructure for events and activities in a new public square. The provision of new work space will provide local businesses and residents with local places to work from, reducing travel to work times.

## Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? Yes (This is included in the attached LRF Application Form)

Council			
Main risk	Likelihood	Impact	How manage/contingency
Increased demand for services against reduced budgets	L	H	Public realm improvements will be designed to minimise ongoing costs.
Implications if targets, milestones are not met	L	L	The Grant Funding Agreement is not performance related; there will be no claw back of funds. Funding is paid on the completion of milestones. The milestones relate to agreed activities. If those activities do not take place, the council will not incur any spend, nor will it draw down any resources.
Implications for health and safety, in terms of does it increase risk to any	L	H	Detailed design principles will be to minimise risk

party (employee, resident, business or other) by agreeing the decision.			
---	--	--	--

See attached Appendix for Programme Risks

**Legal Implications**

The Council has statutory powers to enter into the GLA Grant Funding Agreement and the related funding Agreements, including under The Localism Act 2011 and section 111 of the Local Government Act 1972, and Section 106 of the Town and Country Planning Act 1990 (as amended)

The Council must comply with the terms and conditions of the Grant Funding Agreement and must only use the funding for the Project Objectives as defined in the Grant Agreement.

The Director of Legal and Governance Services will support the procurement process and advise on the contracting arrangements to ensure robust legal and commercial protection for the Council

**Financial Implications**

The successful bid of the London Regeneration Fund has secured £1.51m of capital grant for the Council over two years from 16/17. This will be used to deliver two capital projects detailed in the original bid.

- Artisan Studios Workspace. The total estimated capital costs for refurbishing the site to convert it to workspace for new businesses are £1.2m. These will be met from LRF (£660k) and a private contribution from Altomart Limited (£540k).
- A new Town Square in Wealdstone. The total estimated capital costs for creating a new public space are £1.165m. These will be met from LRF (£850k) and S106 funding (£315k).

These projects are not currently included in the capital programme, and given the values of the projects, will require Council approval before they can be added to the 2016/17 programme. For Artisan Studios Workplace, the capital value for the Council’s programme is £660k as this represents the capital grant from the GLA. The remaining capital spend will be managed directly by Altomart Limited.

It is anticipated that these projects will be managed by existing staff resources. Should any additional project management support be required, the cost will need to be contained from within the capital grant.

## Equalities implications / Public Sector Equality Duty

This proposal provides a universal service for residents, either for residents, workers, or visitors accessing the new Town Square or business owners in the creative and media sector seeking work space. The creation of the Town Square and the business opportunities should have a positive impact on some groups with protected characteristics

### Council Priorities

If adopted the recommendation will support the Council's vision of :

#### **Working Together to Make a Difference for Harrow and Building a Better Harrow.**

It will do so by providing a new improved offer in Wealdstone's High Streets through the creation of a Town Square and by supporting the creation of affordable workspace. In doing so it will also support the Council's priorities of

- Making a difference for communities, by providing a space for community events
- Making a difference for local businesses, providing workspace for start up businesses in the media and creative sector
- Making a difference for families, by providing a space for events which families can enjoy.

### Section 3 - Statutory Officer Clearance

Name: Jessie Mann	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 9 March 2016		
Name: Elaine Bell	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 10 March 2016		

<b>Ward Councillors notified:</b>	<b>YES</b>
<b>EqIA carried out:</b>	<b>YES</b>
<b>EqIA cleared by:</b>	<b>Dave Corby</b>

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

Contact: Mark Billington, Head of Economic Development and Research, Tel: 020 8736 6533, e mail [Mark.billington@harrow.gov.uk](mailto:Mark.billington@harrow.gov.uk)

Background Papers:  
 London Regeneration Fund Prospectus  
<https://lep.london/regenfund>

Vitality Profiles  
 Harrow Index Multiple Deprivation  
[http://harrowhub/info/200200/borough\\_statistics/289/statistical\\_information](http://harrowhub/info/200200/borough_statistics/289/statistical_information)

<b>Call-In Waived by the Chair of Overview and Scrutiny Committee</b>	<b>NOT APPLICABLE</b>  <i>[Call-in applies]</i>
---	---