

REQUEST FOR MAYORAL DECISION – MD1469**Title: The Mayor's High Street Fund 2015-16****Executive Summary:**

This MD sets out the proposed use of the remaining Mayoral High Street Funds allocation of £8,353,000 (£7,446,815 capital and £866,185 revenue) and seeks approval for the related 42 grant awards to 21 London boroughs and 15 voluntary sector organisations, charities and traders' groups along with approval for the use of £40,000 of these funds for evaluation purposes. It also seeks delegation of approval for the use of £400,000 of expenditure on the commissioning and development of high street regeneration projects to maximise growth potential.

Decision:

The Mayor

- i) Approves the grant award of £7,713,000 to the 25 highest ranking large-scale applications;
- ii) Approves the grant award of £314,452 to the 17 highest ranking applications made via the Mayor's High Streets Space Hive online platform;
- iii) Delegates to the Executive Director – Development Enterprise & Environment decisions for the expenditure of a further £285,548 for at least one further wave of Mayor's High Streets Space Hive applications;
- iv) Approves expenditure of up to £40,000 for the evaluation of High Street Fund projects upon completion; and
- v) Delegates to the Executive Director – Development Enterprise & Environment decisions for the expenditure of £400,000 to establish a 'commissioning fund' i.e. the commissioning and development of high street regeneration projects in areas of London where future investment could unlock the most growth potential but where bids are currently unforthcoming.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:

Date:

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor has acted early and strongly to address the specific challenges faced by London's High Streets; working closely with the London boroughs and a range of organisations to guide investment and develop better management models to deliver jobs, growth and housing for the city as part of high street renewal. The Outer London Fund £50m, the Mayor's Regeneration Fund £70m (MRF/LEF), and direct investment in pilot Town Teams accompanied by a significant support offer from City Hall have led to significant economic uplift, along with wider outcomes and learnings that can be applied more broadly across London.
- 1.2 On the back of this success the GLA allocated an additional £9m in 2014/15 to further support the work of the Regeneration team in this area. The proposals set out in this paper result from a small amount of funding utilised in 2014/15 to support partners to develop better performing investment propositions and better crafted projects. The majority of the expenditure will now take place in 2015/16.

2. Objectives and expected outcomes

- 2.1 A series of 'High Street Conversations' took place Summer 2014 with the London boroughs and other high street stakeholders to test the prescription set out in 'The Mayor's Action For High Streets' document (launched June 2014) and help to further define the parameters for future funding ahead of the launch of the High Street Fund Prospectus September 2014.
- 2.2 The subsequent Prospectus further outlined the criteria and eligible activities for future high street investment and support from across the GLA. It invited submissions to deliver activities across 4 key themes
- Proactive stewardship – to establish local partnerships to encourage changes and to develop high street strategies.
 - Stimulating activity – to improve the look and feel of places, make them more welcoming including support for events and physical improvements.
 - Occupying empty space – to help bring back a high street bustle and ensure a diverse and desirable range of uses.
 - Accommodating growth – to boost the high streets role in supporting and shaping development and town centre intensification.
- 2.3 Proposals were also expected to demonstrate good levels of leverage and match funding, deliverability, scope for economic uplift, ways to boost place shaping capacity and high levels of collaboration and support.
- 2.4 Interventions were to focus on a 'blend' of activities focussed around a place to maximise cross cutting outcomes and impact. Projects were sought that could experiment and prototype new ideas and innovations. In particular and in line with newly revised London Plan policy, proposals were sought that could accommodate growth by promoting the diversification and intensification of the high street and town centres.
- 2.5 An open call was been designed to invite project proposals and to build a 'pipeline' of projects with the intention of securing further funding from 2015/16 onwards through any combination of LEP and European funding, private sector sponsorship, partnership input and other external funding.

The programme is therefore designed to be an ideal vehicle to 'fold in' additional funding and initiatives.

- 2.6 The open call included the launch of the Mayor's High Streets Space Hive online platform which has been developed to facilitate smaller applications of up to £20,000 from a much wider pool of would-be delivery partners including the voluntary sector, community groups, traders associations and schools. Borough led partnerships were invited to access funds of up to £2m per location via a traditional application process. Boroughs were asked to ensure their applications were scalable and divisible.
- 2.7 A total funding request of £24.8m (£21.4m capital and £3.4m revenue) was received by the 1st December 2014 deadline. This included 81 applications via the Mayor's Space Hive (accounting for £1.4m) and 56 larger applications from partnerships led by Boroughs (accounting for £23.4m). In terms of applications a good geographic spread was achieved with at least one application from within each of the London boroughs and the City of London. This overall request was accompanied by commitments to £35,154,913 in match funding.

Table 1. Funds requested

Funds requested	Capital £m	Revenue £m	Total £m	Match £m
Smaller 20,000	1.100	0.300	1.400	3.200
Larger	20.300	3.100	23.400	32.000
Total	21.400	3.400	24.800	35.200

- 2.8 The Regeneration team carried out a validation and appraisal process involving key experts from various other GLA teams (Housing and Land, Environment, Culture, EPBU, Transport/TfL) to determine the best performing project proposals against a range of preset criteria. GLA Economics were also asked to assess bid information related to value for money / cost benefit and economic uplift.
- 2.9 The validation and appraisal process took just over two weeks. The results were compiled, mapped and presented to a moderation panel December 16th, further revised and recommended to the Mayor's Advisor on Aviation and Crossrail (Advisory lead for the High Street Fund) December 18th.
- 2.10 Following the moderation panel and advisor input, recommendations were made to and endorsed by the Investment Programme Board (IPB) in January 2015. These were
- 1) to fund the highest ranking 17 Space Hive projects to a total of £314,452 (comprised of £210,042 capital and £104,410 revenue).
 - 2) A further £285,548 (£235,548 capital and £50,000 revenue) is to be set aside for at least one further wave of applications.
 - 3) to fund 25 projects (see appendix 2), to a total of £7,713,000 (£7,001,225 capital and £711,775 revenue).
- 2.11 As initially proposed, the 25 recommended large projects would deliver a significant level of outputs, outcomes and match funding. The re-scoping of the projects as part of the preferred option has resulted in an inevitable reduction in outputs – although higher numbers of outputs have been confirmed by delivery partners than those reported as estimates to IPB in January 2015.

Table 4. Output measures

Output Measure	Application	IPB Jan Estimated	Confirmed following rescoping
Jobs created or safeguarded	672	456	543
Number of businesses supported	1,207	948	920
Number of town centre/high street associations supported	51	23	30
Number of events held	399	332	264
Area of public realm improved (m2)	38,273	12,533	34,555
Number of buildings/ shop fronts improved	173	99	141
Increase in footfall (%) average across 19 projects	14	10	5
Decrease in vacancy rate (%) average across 12 projects	8	8	4
Area of vacant floor space re-occupied (m2)	16,244	13,723	24,446
Area of new or improved commercial space or work space (m2)	24,702	20,426	15,603
New start-up businesses (number)	122	116	111
Apprenticeships (number)	56	49	52

- 2.12 There have been a number of good examples of delivery of High Street investment across earlier rounds OLF and MRF/LEF programmes. Independent interim evaluations have indicated many positive signs regarding programme strengths. It has been widely found that there is strong support for High Street investment and that it can lead to some significant results.
- 2.13 All the lessons learned via the programme and its evaluations have been incorporated into a publication 'Learning From London's High Streets' and widely disseminated via the GLA administered High Street Network.
- 2.14 IPB therefore endorsed the proposal that the GLA continue to evaluate and share knowledge in this way utilising £40,000 for this round of the High Street Fund.
- 2.15 During the moderation panel (December 16th) it was noted that there was a lack of strong proposals from certain areas of London and in particular from some areas that have strong growth potential. IPB therefore endorsed the proposal that the GLA's Regeneration team spend their time with these boroughs in these areas to develop a series of project proposals in readiness for future rounds of funding and other funding streams. Furthermore IPB suggested that the OLF capital underspend, currently projected at £400,000, be utilised for these purposes and in particular directed where future investment could unlock the most growth potential. As the nature of this investment is likely to be predominantly revenue, this was subject to the requisite availability of revenue funds, which was confirmed as part of the Mayor's Final Budget for 2015-16 on 27 February 2015.

3. Equality comments

- 3.1 All projects will be developed and delivered in compliance with relevant Codes of Practice and in line with the requirements of the public sector equality duty to ensure that the following issues have been considered
- i) Design (project) Proposals: All design (project) proposals will be assessed in terms of accessibility to ensure we minimise disadvantages suffered by people who share a protected characteristic. age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation

- ii) Documents and publications: all documents produced will comply with Mayor of London branding guidelines, it being based on guidance from the Royal National Institute of Blind People. Where possible accessible formats will be available.
- iii) Events: all events will be open to all and, where possible, we will encourage people who share a protected characteristic to participate in any activity in which their participation is disproportionately low.

3.2 The Boroughs receiving High Street funds will already share the public sector equality duty. This will be stipulated in grant agreement to ensure delegation is clear. Non Borough organisations won't automatically be under this duty but will be provided with guidance to ensure they meet these requirements.

4. Other considerations

key risks and issues

- 4.1 Delivery – While time frames are compressed significant resources are being directed toward delivery from across the regeneration team –including oversight of differing work streams by 3 members of the regeneration management team. This will be managed by establishing clear client, steering and review group structure to oversee development of the work. Delivery and performance will be managed through existing established structure in the Regeneration team, rated 'substantial' through the GLA's audit process.
- 4.2 Due to the novel approach taken to solicit applications from the community and voluntary sector via the Space Hive Online platform there is a risk around the bidders' assessment of capital and revenue spend. In the case of voluntary and community organisations in particular it is possible that some of the spend proposed as capital is, in fact, revenue. Therefore, to manage this risk, a further sum of £50,000 has been included within the revenue Space Hive allocation, with a corresponding reduction in the capital expenditure.

links to Mayoral strategies and priorities

- 4.3 The High Street fund has been developed to support London Plan policies with regard to Town Centres, Retail, Lifetime neighbourhoods, public realm and urban design. It also supports the delivery of the Mayor's Economic development strategy by supporting public and private bodies to work in partnership to support SMEs to flourish.

impact assessments and consultations.

- 4.4 A series of 'High Street Conversations' took place Summer 2014 with the London boroughs and other high street stakeholders to test the prescription set out in 'The Mayor's Action For High Streets' and help to further define the parameters for future funding ahead of the launch of the High Street Fund Prospectus September 2014.

5. Financial comments

- 5.1 Approval is sought for expenditure of £8,353,000 (£7,446,815 capital and £866,185 revenue) from the Mayor's High Street Fund and £400,000 of revenue OLF funds to establish a commissioning fund. The Mayor's Final Budget for 2015-16 approved the reduction of the available Regeneration capital funding by £753,000 and a corresponding increase of £753,000 in the available Regeneration revenue funding to resource the additional High Streets (£353,000) and OLF (£400,000) revenue expenditure, as detailed in this decision.

6. Legal comments

6.1 The foregoing sections of this report indicate that:

6.1.1 the decisions requested of the Mayor fall within the statutory powers, acting on behalf of the Authority, to do anything which is facilitative of or conducive or incidental to the promotion of economic development and wealth creation in Greater London; and

6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- (a) pay due regard to the principle that there should be equality of opportunity for all people;
- (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- (c) consult with appropriate bodies.

6.2 Officers have indicated in sections 1 to 4 of this report that the contribution of funding to the proposed recipients will amount to the provision of funding and not a payment for services to be provided and must ensure that the proposed funding is disbursed in a fair and transparent manner in accordance with the Authority's Contracts and Funding Code and grant funding agreements are put in place between and executed by the Authority and recipients before any commitment to the funding is made.

6.3 Officers must also ensure that ensure that any services or supplies required for delivery are procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code and appropriate contract documentation is put in place and executed by the Authority and contractors before the commencement of any such supplies or services.

6.4 The Mayor may delegate the exercise of the GLA'S statutory power to undertake activity considered facilitative of or conducive or incidental to the promotion of economic development and wealth creation in Greater London to the Executive Director of Development Enterprise and Environment if so he chooses.

6.5 Officers must ensure that, to the extent that any funds are to be distributed other than through a competitive process, such distribution is undertaken in a State aid compliant way.

7. Investment & Performance Board

Minutes:

10.1 *The Board received a report which sought in principle approval for the allocation of £8,353,000 from the High Street Fund and the related preparation of 42 grant awards to 21 London boroughs and 15 voluntary sector organisations, charities and traders' groups.*

10.2 *Officers explained that the proposals would require additional revenue budget of up to £753,185 and a corresponding reduction in the requirement for capital funds. The Executive Director - Development, Enterprise and Environment explained that £11m of revenue resource was expected to become available in exchange for an equal amount of capital funding. After discussion, it was agreed that the revenue funding requirement set*

out for this programme would be made available through the potential £11m with all remaining funding being held centrally.

10.3

DECISIONS:

- a) That the recommendations as set out in the report be agreed; and*
- b) That the request to swap £753,185 of capital funding for revenue be agreed subject to confirmation of the revenue resource being made available.*

8. Planned delivery approach and next steps

8.1 The next steps following consideration/in-principle approval by IPB are summarised below:

Activity	Timeline
MD Sign off	w/c 16.03.15
DD Sign off (Programme wide)	w/c 21.03.15
Delivery Start Date [for project proposals]	01.04.15
Delivery End Date [for project proposals]	31.03.16
Project Closure: [for project proposals]	31.06.16
Final evaluation start and finish (self/external) [delete as applicable]:	31.09.16

Appendices and supporting papers:

- Appendix 1- SpaceHive project list
- Appendix 2- Large projects (Option1)
- Appendix 3- Successful applications map
- Appendix 4- SpaceHive project descriptions

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Jamie Dean has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Debbie Jackson has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date