

Title of Report: Good Growth Fund: Grand Union Canal Activation
Meeting date: 26 September 2019
Report to: Board
Report of: Tom Cardis, Interim Assistant Director of Planning

For decision

This report will be considered in public

1 Summary

- 1.1 This report provides an update on OPDC's successful bid for, and funding arrangements associated with, the delivery of Early Activation projects along the Grand Union Canal area utilising grant funding from the GLA's Good Growth Fund. The report outlines the objectives of the early activation initiative, the anticipated projects to be delivered utilising this funding, as well as an overall budget and key risks.

2 Recommendations

The Board is asked to:

- 2.1 **Note the total programme expenditure up to the value of £2.4m (£2.198m cash and £0.202m non-cash) to deliver early activation projects in the Grand Union Canal area;**
- 2.2 **Approve the receipt of £1.2m of grant funding (capital) from the GLA's Good Growth Fund (Round 2);**
- 2.3 **Delegate authority to the Chief Executive Officer to approve expenditure within the cash budget of up to £2.198m;**
- 2.4 **Note the OPDC match funding requirements of up to £1.2m (£0.998m cash contribution and £0.202m non-cash contribution); and**
- 2.5 **Approve OPDC underwriting match funding (cash) of up to £0.643m in the event that resources are not secured**

3 Background

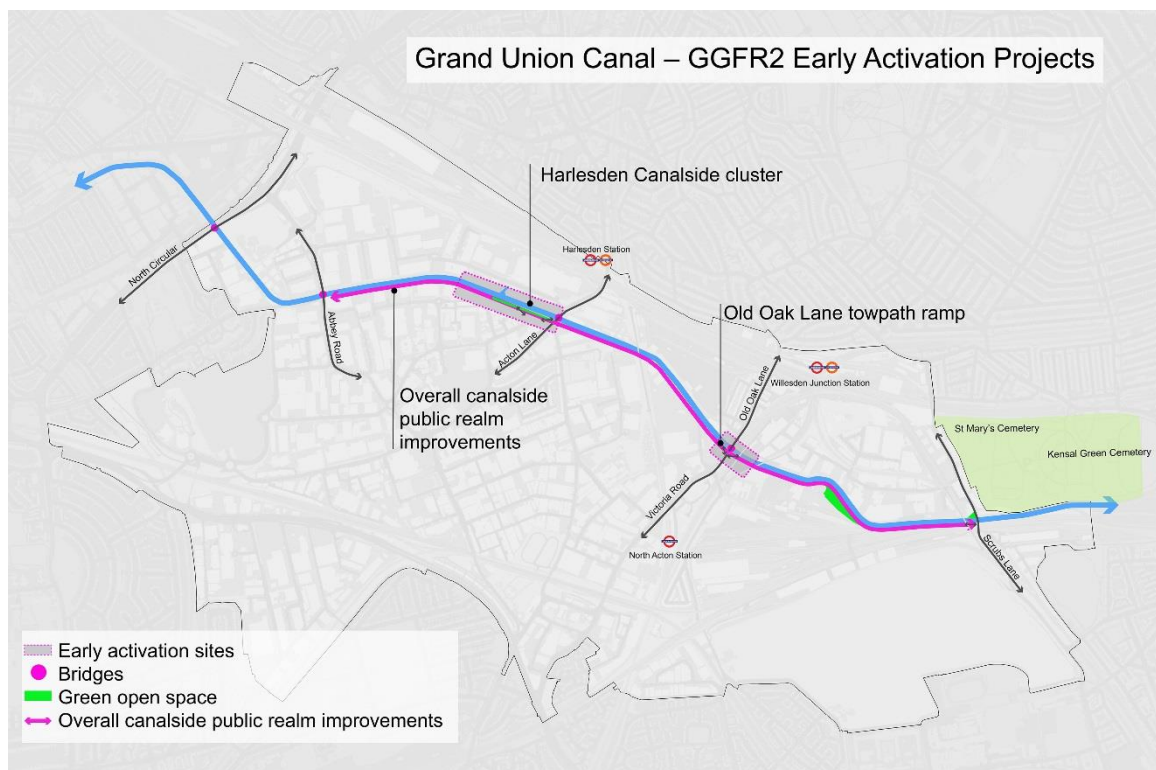
Early Activation Overview

- 3.1 Early Activation enables OPDC to deliver improvements and pilot initiatives within locations where it is possible to accelerate delivery. It is an initiative comprising a portfolio of capital projects located across Old Oak and Park Royal, which will together deliver the objectives set out below over the next five years. A key aim is to provide confidence that OPDC are bringing forward the successful regeneration of Old Oak and Park Royal.
- 3.2 The overarching objectives of the Early Activation Programme are:
- To deliver immediate benefits for local communities by improving physical links, open spaces and community infrastructure;
 - To establish a reputation for innovative, creative placemaking in Old Oak and Park Royal to attract high calibre investors and organisations; and
 - To pilot activities and foster local initiatives that could benefit future redevelopments.
- 3.3 The initial project scoping work undertaken during 2018 has identified around 12 potential projects for Early Activation clustered in three strategic areas: Old Oak 'fringe', Park Royal centre, and the Grand Union Canal. Five of these projects have been agreed as priorities for delivery within the first phase to implementation (2019-2021), as follows:
1. Willesden Junction Station environs improvements;
 2. Wormwood Scrubs entrance from Scrubs Lane – improvements;
 3. Old Oak Lane to canal - ramp upgrade;
 4. Harlesden Canalside Cluster; and
 5. Cerebos Gardens improvements
- 3.4 The GLA's Good Growth Fund is the Mayor of London's regeneration programme, delivered through the London Economic Action Partnership (LEAP). It will provide up to £70m funding from the Local Growth Fund in the form of grants. It has been designed to build a broad and balanced programme of innovative and exemplary regeneration activities and encouraged projects to respond to three strategic challenges: to empower

people, to make better places and to grow prosperity. The funding granted must be spent by March 2021.

- 3.5 OPDC were successful in gaining funding from the GLA Good Growth Fund Round 1 fund for the first two of the above projects. This was approved by the Board in March 2019.
- 3.6 OPDC also made an application to the GLA's Good Growth Fund Round 1 for projects along the Grand Union Canal which was unsuccessful. However, the GLA supported the underlying vision to revitalise the canal and awarded £50,000 'project development' funding to OPDC to undertake a Placemaking Strategy for the Grand Union Canal, intending to enable OPDC to be in a stronger position to secure funding during Round 2 and deliver strategically significant, coordinated projects along the canal. OPDC gained Board approval to receive and spend canal 'project development' funding in March 2019.
- 3.7 OPDC applied to the GLA's Good Growth Fund Round 2 for funding to deliver a series of early activation projects along the Grand Union Canal including the third and fourth projects noted in paragraph 3.4 (see figure 1 below). In December 2018 the GLA awarded OPDC £1.2m to deliver these projects. Match funding has since been identified from a range of sources including the OPDC's Great Places Scheme funding, S106 contributions, and third-party funding. This report is now seeking OPDC Board approval to receive and spend the funding granted to OPDC and underwrite unsecured match funding.

Figure 1: Locations of Good Growth Fund Round 2 Early Activation Projects



- 3.8 Key early activation projects have been identified which will be delivered using the £1.2m funding awarded to OPDC. An overview of the projects which will be delivered using this funding is set out below:

Old Oak Lane Towpath Improvements

- 3.9 A key access point to the canal for local communities is at Old Oak Lane, where many local buses stop adjacent and existing communities along the Victoria Road corridor are close by. However, the route to the towpath here is not accessible to wheelchairs or pushchairs as it has steep gradients and is muddy. Furthermore, it is overgrown and has poor visibility from the street providing an unwelcoming environment and attracting anti-social behaviour (ASB). The proposals will completely rebuild the ramp to be DDA compliant and fully accessible, providing a high-quality canal-side environment for all users which it is envisaged could attract a range of recreational boating activities in future.
- 3.10 Ealing Council and the Canal and River Trust (CRT) are key partners on this project.

Harlesden Canalside Cluster

- 3.11 A cluster of new facilities and public realm improvements which build on the successful activities already established in this location including the Grand Junction Arms pub and the Beit el Zaytoun restaurant. The public realm will support the creation of a critical mass of activity at this key access point to Park Royal and Harlesden communities, and Harlesden station. Facilities proposed are:
- Canoe club - over summer 2018 OPDC commissioned the Sharks canoeing club to run very successful trial classes for children on the Grand Union Canal. The second year of operations are now underway, and the club is developing initiatives for other opportunities such as to run adult classes for local employees/businesses, and classes specifically for nearby primary and secondary schools. The Good Growth Fund proposals deliver the next phase of this project by supporting the creation of a floating canoe club house on a canal boat incorporating changing facilities, and a multifunctional space which can be used for classes, community meetings, volunteer base etc as well as storage for canoeing kit and boats. The use of a boat for the canoe club facilities has been suggested by the community canoeing club itself, and has a number of benefits including the ability to moor the facility at other points nearby to deliver activities, responding to opportunities to engage with other communities, and ease and affordability of delivery in comparison with the challenges of delivering a new building here. If successful this initiative could be developed

into a new multi-functional building for the canoe club and other community activities in future, and the boat can be reused elsewhere for canoeing or other community activities; and

- Boaters workshops: a cluster of open access boat repair workshops - this is underpinned by the ambition to support London's boating sector and to build networks and opportunities for collaboration between the local residents, businesses and the boating community. These are envisaged as an innovative model of new civic spaces and will be a shared facility to support boaters and integrate boaters with residential and business communities - currently these groups are poorly integrated. Proposals will incorporate rentable workshops and a tool library, a potential skills exchange component and reuse of waste material from local industries. The proposals are for a pilot phase for this project, which could be expanded or relocated in future in successful. This initiative responds to a severe lack of facilities for boat repair in London identified by CRT and the boating community, and observations on site of boaters undertaking ad hoc repairs along the towpath in Park Royal and Old Oak. This project will be coordinated with CRT who are funding new boater facilities, including a water and refuse point, which will be co-located.

4 Issues for Consideration

Risks

4.1 Risks associated with the grant award for Grand Union Canal Early Activation projects have been considered and are set out below.

a) Match funding

The Good Growth Fund round 2 bid included a match funding commitment totalling £1.2m, of which £0.998m is cash and £0.202m is non-cash. At present, £0.643m is yet to be secured, with a breakdown of the sources of funding as follows:

- £0.248m of contributions from the Liveable Neighbourhoods Fund for towpath upgrades;
- £0.225m contributions from HIF for improvements to the canal environmental quality and access;
- £0.02m s106 funds; and
- £0.150m from the HS2 Community and Landscape Fund for improvements to the Old Oak Lane towpath ramp.

Alternative funding sources are being identified if the above match funding is not secured, which would need to be agreed with the GLA.

b) Delivery and Maintenance Arrangements

There is a need to reach agreements with a number of third parties over delivery and maintenance arrangements for the projects identified, including the Canal and River Trust, Brent and Ealing Highways. If these cannot be secured, they will delay or prevent projects from being delivered. All of these organisations are and will continue to be closely involved in the project development. Resource constraints within some of these partner organisations has also been identified as a risk.

The funding secured does not cover long term revenue management and maintenance funding, therefore the proposals will be focused on enhancing existing assets and amenities rather than creating new assets which will require additional management and maintenance not already within existing arrangements. Where this is not possible, OPDC will seek to identify organisations to support the long-term management and maintenance e.g. workspace operators and community groups with the capacity to manage and operate viably and successfully.

5 Equality Comments

- 5.1 Under Section 149 of the Equality Act 2010, as a public authority, the Chief Executive Officer must have 'due regard' of the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 5.2 The Early Activation projects described above funded by the GLA's Good Growth Fund will have generally positive impacts for surrounding communities, including those with protected characteristics. OPDC, project partners and appointed consultants will engage with local community stakeholders on a fully inclusive basis, in liaison with OPDC's engagement team.
- 5.3 The proposals will be reviewed by the Community Review Group (CRG) to give their views and recommendations. The CRG members reflect the diversity of the wider OPDC area, and represent expertise on age, disability and cultural backgrounds to provide detailed advice.
- 5.4 Any external consultants will be procured under an open competitive, tendering process overseen by TfL.

6 Financial Implications

- 6.1 The total three-year programme value is up to £2.4m which comprises of cash and non-cash elements, detailed in the table below:

Table 1 – Indicative Programme Funding

Source of Funding	£000's
Cash	
GLA Good Growth Fund Round II	1,200,000
OPDC Contribution	99,700
Great Places Scheme	173,250
Canal and River Trust	50,000
Create London - Challenge London funding	32,500
Liveable Neighbourhoods Fund	248,000
Housing Infrastructure Fund	224,550
S106 Funds	20,000
HS2 Community and landscape Fund	150,000
Total Programme Funding	2,198,000
Non-Cash	
OPDC Staff Time	160,000
Canal and River Trust staff time	42,000
Total Non-Cash Budget	202,000
Total Programme Funding	2,400,000

- 6.2 The cash element of the programme expenditure totals £2.198m, of which £1.2m will be funded through the GLA Good Growth Fund Capital grant, with an additional £0.998m funded through a variety of sources as noted above.
- 6.3 Of the total cash match funding contribution of £0.998m, £0.643m is currently being sought to be secured from a number of sources by OPDC officers to supplement the programme.
- 6.4 In the event that the income is not secured, officers will in the first instance discuss with the funders the option to reduce the overall programme expenditure accordingly as an alternative to OPDC underwriting the income. Consequently, officers are advised not to commit expenditure which the unsecured income is funding until this has been secured and agreed by the Finance team (£1.29m).
- 6.5 Revenue funding for maintenance costs associated with the capital expenditure is not included within the budget for this programme. If such costs require funding, alternative sources will need to be identified, otherwise there is a risk that the Corporation will need to resource this expenditure.
- 6.6 Capital Expenditure must be incurred in accordance with accounting regulations. Unless expenditure qualifies as capital, it will fall outside the scope and be charged to revenue in the year that the expenditure is incurred. Officers are therefore reminded to ensure that appropriate finance

approvals are in place prior to incurring capital expenditure otherwise there is a risk that the Corporation will be required to provide revenue funding to meet commitments that can not be capitalised.

7 Legal implications

- 7.1 The proposals are consistent with the OPDC's legal framework and all expenditure will be in accordance with its procurement obligations

Appendices

None

Background Papers

None

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