

Appendix A

Details of Bids Recommended for Approval by Strategic Investment Pot Bid Evaluation Panel¹

Further details on the bids making up the Strategic Investment Pot package recommended by the evaluation panel are set out below. They are presented in no specific order.

West London Alliance

The West London Alliance is well established and has a clear governance arrangement in place to manage the projects which might be recommended for funding by the SIP Panel. Of the three initiatives proposed, two are recommended for funding, in full or in part, and these are set out below.

West London Alliance: Investment in Digital

SIP Allocation Recommended by Panel: £7.70 million

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| Bid size | | £7.7m | The West London Alliance proposes a major extension of the high- speed fibre network to large areas of West London covering seven boroughs, particularly targeting areas affected by persistently slow internet speeds – so-called ‘not-spots’ - that are also located in mandated growth and regeneration areas. Libraries, schools, public and council offices located in ‘not-spots’ would be connected directly to the super-fast fibre network from their local TfL Underground or rail station and private providers will then be able to connect business properties within 250m of the public building. Also, a 'broadband fighting fund' is proposed to support fibre installation that would otherwise be commercially unviable. |
| Estimated total project cost | | £10.3m | |
| Estimated SIP proportion | | 75% | |
| Match Funding | | | |
| Estimated DCMS Vouchers | | £2.6m | |
| The bid also claims to leverage £150m TfL investment in the roll-out of fibre to tube stations. | | | The Bidder expects this to cover public buildings, but potentially enable access to 18,900 businesses and 41,950 households. |
| Project timeframe | Within 18 months | | |

The Investment in Digital initiative is a well-developed scheme, with delivery arrangements in place via an agreement with TfL which will add the work to its existing programme. The timescale reported is ambitious, which will allow the impact of the SIP to be quickly demonstrated to Government.

¹ The details and tables in this Appendix are taken from the City of London Corporation’s document ‘London Business Rates 2018/19 100% Pilot Pool Strategic Investment Pot (SIP) Consultation Report’

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West London Alliance: Skills & Productivity

SIP Allocation Recommended by Panel: £3.43 million

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| Bid size | | £3.43m | The bid would fund delivery of an evidence-based productivity and skills programme for West London to support individuals and businesses. |
| Estimated total project cost | | £5.42m | |
| Estimated SIP proportion | | 63% | |
| Match Funding | | | The Bidder expects this to support 4,925 residents and 595 employers over the course of the programme. There are various schemes: one pilot suggests potential £6.9m total annual salary growth for participants; apprenticeship programmes deliver £25-52k per person in 3 year cost savings. |
| Public sector match (unspecified) | | £1.99m | |
| Project timeframe | 3-5 Years | | |

The Skills & Productivity initiative appeared to be a well-planned scheme with a clear strategic aim. Whilst the Panel note an apparent optimism bias in this scheme between the detailed appendices and the outputs shown on the bid form, the Panel are supportive of this bid and the expected impacts on business in the area. The Panel note that there is adult education funding and funding for English as a Second or Other Language (ESOL) available but expect that this project will help residents access these opportunities.

South London Innovation Corridor

SIP Allocation Recommended by Panel: £8.00 million

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| Bid size | £11.33m | This project proposes strategic investments into central (South Bank; Vauxhall Nine Elms Battersea) and local (Brixton; New Cross; Old Kent Road; Peckham; Camberwell; and Wandsworth) growth clusters in several workstreams: Workspace (capital investment into affordable workspace and incubators projects, delivering substantial new commercial floorspace), Business support (cross-borough networking; accelerators and support for creative and digital start-ups supporting substantial job creation), and Talent development (cross-borough creative and digital employment initiatives focussed on enabling disadvantaged groups to access employment and support career progression). |
| Estimated total project cost | £26.33m | |
| Estimated SIP proportion | 43% | |
| Match Funding | | The Bidder expects this to deliver £1.5m in business rates income, 400 pre- apprenticeships, 200 work experience placements, 200 apprenticeships, and 1,700 jobs. 750 businesses will be supported, beneficiaries will be 50% BAME. |
| Unidentified (bid describes as 'cash match') | £15m | |
| Project timeframe | 1.5-3 Years | |

The Panel considered this bid to be imaginative and wide ranging covering workspace, talent development, and business support. The bidder expected in particular that it would produce a significant amount of commercial space. Supporting this bid therefore is expected to grow business rates through both direct and indirect means. The Panel discussed the level of management fees but concluded that these were reasonable given the number of sub-projects described. The Panel considered reducing the amount to be awarded in the case of this type of bid and concluded that this could be expected to increase the focus and assist bidders in ensuring that prioritisation takes place and only the most effective sub-projects are funded. The Panel consider that £8 million is a reasonable level and recommend an award at that level.

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Local London Investment in Fibre

SIP Allocation Recommended by Panel: £7.70 million

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| Bid size | £15m | Eight Local London Partnership boroughs and Haringey propose investment to undertake Full Fibre upgrade to key public sector sites that will anchor fibre investment by the commercial sector. The chosen sites will be those where there will be significant improvement in public sector service delivery and where the commercial sector will be motivated to invest in key development zones and address areas of digital exclusion. |
| Estimated total project cost | £20m | |
| Estimated SIP proportion | 75% | |
| Match Funding | | The Bidder expects this to provide connectivity in 15 strategic investment locations, providing an increase in penetration by 10%. Additional private sector investment is expected to be leveraged through public investment. |
| DCMS vouchers estimated | £5m | |
| Project timeframe | 1.5-3 Years | |

The Panel considered this bid to be relatively similar to the bid for West London: Investment in Digital and is expected to provide similar benefits to local residents and businesses. However, the size of the bid, at £15 million, is considerably greater. In order to allow for a balanced and affordable overall package, the Panel recommends funding both projects at £7.7 million each.

South Dock Bridge

SIP Allocation Recommended by Panel: £7.00 million

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| Bid size | £7m | South Dock Bridge is a proposed new footbridge to provide a fully accessible link to South Quay within the private Canary Wharf estate, near its new Elizabeth and Jubilee line stations. The bid will unlock delivery of new housing and commercial development and links residential and commercial districts to the south of the Isle of Dogs to the Canary Wharf commercial district. |
| Estimated total project cost | £12m | |
| Estimated SIP proportion | 58% | |
| Match Funding | | The Bidder expects this to unlock development on the Isle of Dogs, and to relieve congestion on nearby public transport. |
| CIL & S106 | £1.5m | |
| Unidentified (likely CIL, though some sponsorship potential) | £3.5m | |
| Project timeframe | 1.5-3 Years | |

The Panel conclude that this bid would bring forward the provision of the proposed infrastructure and are confident that this will unlock earlier development in the area. The importance of the borough to London and the wider UK economy is a factor in recommending this bid. Supporting this bid will deliver a particular, discrete piece of transport infrastructure and clearly demonstrate to Government the impact of SIP funding.

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Productive Valley

The Productive Valley study provides a clear rationale for intervention in this area, and of the four initiatives proposed, the Panel concluded that three should be recommended for funding and these are set out below.

Productive Valley: Investment Fund

SIP Allocation Recommended by Panel: £3.00 million

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| Bid size | | £5m | The Productive Valley Investment Fund would be a valley-wide loan fund, modelled on the existing Opportunity Investment Fund which provides unsecured loans at an interest rate of 6-8% per annum to local businesses, with an initial repayment holiday. The fund would help support businesses, enabling them to grow and attracting others into the area. |
| Estimated total project cost | | £6.5m | |
| Estimated SIP proportion | | 77% | |
| <i>Match Funding</i> | | | The Bidder expects this to directly support at least 32 businesses over three years. |
| In-kind (officer time) | | £0.3m | |
| Unidentified (would ask for match) | | £1.2m | |
| Project timeframe | 3-5 Years | | |

The repayment nature of this fund means that it is expected to have a wide and longer term impact than simply offering grant funding. However, the lack of specific projects identified and approved for funding means that the Panel identify a possible risk to the delivery of these projects and some potential for delay. Given the limited amount of SIP funds available, the Panel consider that a lower award than the £5 million bid of £3 million is reasonable and recommend funding at this level.

Productive Valley: South Tottenham Employment Area

SIP Allocation Recommended by Panel: £2.00 million

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| Bid size | | £2m | The South Tottenham Employment Area bid is for delivery of 7,776m ² of good quality employment space through a mix of refurbishment, extension and redevelopment of existing premises in the South Tottenham Employment Area. |
| Estimated total project cost | | £2.5m | |
| Estimated SIP proportion | | 80% | |
| Match Funding | | | The Bidder expects this to redevelop the site, which they consider underutilised. In addition to new space, this will also provide 2,029m ² of refurbished space. They expect an uplift of c.£0.32m of rates income and 320 new jobs. |
| Public sector funding | | £0.2m | |
| In-kind (staff time) | | £0.3m | |
| Project timeframe | 3-5 Years | | |

The South Tottenham Employment Area initiative is considered deliverable by the Panel because the building involved is already in the ownership of the bidding authority. The Panel also understood from the bid that the proposals formed the first stage of a much larger scheme, in the process of being planned. Supporting this bid will deliver regeneration on a specific site and increase the business rates base through additional commercial space.

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Productive Valley: Rigg Approach

SIP Allocation Recommended by Panel: £0.75 million

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| Bid size | | £2m | Rigg Approach is a 5ha area of land identified as a Strategic Industrial Location (SIL) that forms the Lea Bridge gateway to Waltham Forest. This bid is for SIP funding to be used to: establish formal partnerships with businesses, landowners, interested developers and strategic parties; prepare an agreed masterplan, overarching outline and phase one planning applications; develop strategies and business cases for securing investment and the first phases of work. Funding will also be retained to kick-start the initial phase of development. |
| Estimated total project cost | | £3m | |
| Estimated SIP proportion | | 67% | |
| Match Funding | | | The Bidder expects this to complete master-planning, identify land assembly and phasing strategies and assess delivery routes/more detailed business cases for a programme of regeneration of 5ha to 2028. Total GDV c.£250m, 11,000-22,000m ² industrial. They expect 100%+ growth in business rates income for the area. |
| In-kind (spend to date) | | £0.15m | |
| To be identified – Council funding and officer time | | £0.85m | |
| Project timeframe | 1.5-3 Years | | |

The Rigg Approach initiative covers a large site, and the bid aims to increase density and intensify activity in the area. The bid aims to improve the performance of industrial land and investigate multi-level industrial use. Supporting this bid will contribute to a clear strategy to grow business rates in London's limited land resource over the longer term and could also free up land for housing where there is not additional business demand. The Panel note that 25 per cent of the £2 million bid is intended to support the first phase of development which has not been guaranteed, leaving a balance of £1.5 million for the master-planning exercise. The Panel view £1.5 million as a very significant amount to spend on an initial project, and considering the size of the SIP fund, recommend a smaller award of £0.75 million to produce a focused piece of work.

South London: Multi-Purpose Internet of Things Platform

SIP Allocation Recommended by Panel: £4.00 million

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| Bid size | | £12.25m | This proposal is for establishment of a sustainable, region-wide, multipurpose ‘Internet of Things’ (IoT) platform connecting various IoT enabled sensors across Council boundaries to gather data about, for example, air quality, footfall, flood risks, traffic, road surface temperature, and parking space availability. Data would be made available to local and central government through the London Data Store. |
| Estimated total project cost | | £17.95m | |
| Estimated SIP proportion | | 68% | |
| <i>Match Funding</i> | | | The Bidder expects this to improve access to and increase use of town centres, to reduce emissions and improve logistics, and to reduce costs for council services. |
| Borough capital funding | | £5.2m | |
| In kind | | £0.5m | |
| Project timeframe | 1.5-3 Years | | |

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The Panel agree that this is an innovative project and that it will have an impact on local services for the bidders. Smart City initiatives have been successful elsewhere, and the Panel feel that this should be considered in more detail. In particular, the approach to the data and whether it is open or commercialised, and the scope for making this project self-funding through commercialisation. There is debate about the effects of the transport aspects of this bid, and the Panel acknowledge that it will be difficult to predict the impact of parking sensors on traffic levels (which is a key consideration in relation to assessing the strategic alignment of this project). Given the need to ensure that SIP funds are focused on enabling economic growth, the Panel consider that funding of £4 million should be awarded to carry out further detailed study and pilot work on this project.

Euston Recruitment Hub

SIP Allocation Recommended by Panel: £3.00 million

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| Bid size | | £3m | The proposal is seeking funding to build a Euston Construction Skills Centre to deliver bespoke construction skills for key construction companies. The centre will also provide skills needed for construction in general, including housing, plus skills needed for transportation, with rail/engineering opportunities through HS2. The Centre will also provide STEM skills training and will pilot new building methods/technologies (off-site manufacturing). The centre will build on previous experience from the successful King’s Cross Construction Skills Centre currently delivering short courses, apprenticeships and job starts. |
| Estimated total project cost | | £9m | |
| Estimated SIP proportion | | 33% | |
| Match Funding | | | The Bidder expects this to lead to more than 200 job starts and 150 apprenticeships per annum. The centre will run short courses and adult education |
| CIL & S106 | | £0.4m | |
| HS2 Grant Funding | | £4.1m | |
| Mayor’s Construction Academy | | £1.5m | |
| Project timeframe | 5+ Years | | |

This scheme was recognised by the Panel as having identified significant match funding and offering a specific business rates outcome (by way of the Centre itself) as well as the indirect growth in rates expected through its supporting employment. The long term nature and wider geographical focus of this scheme was also considered positive. The construction theme is well-aligned strategically with the SIP as this industry in particular will be required to increase business rates. The expected effect of leaving the EU on this sector and forthcoming significant London developments requiring these skills (e.g. Crossrail 2) also make this timely and relevant. The Panel therefore recommend this bid for funding.

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Open Data Standard for Planning

SIP Allocation Recommended by Panel: £0.25 million

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| Bid size | | £0.25m | This bid is for development of an open data standard for planning applications to transform the quality of strategic planning and administration of planning permission. This would meet the objective of planning data in a format that is consistent across boroughs, regardless of the particular software tools or policies of individual boroughs. This bid would provide a single end to end data solution, which no providers in the market currently provide. This bid could benefit all London Boroughs and any planning authority, provided their software vendor adopts the data standard |
| Estimated total project cost | | £0.75m | |
| Estimated SIP proportion | | 33% | |
| Match Funding | | | |
| MHCLG grant | | £0.25m | The Bidder expects this to offer significant benefits, in line with other open data projects (overall potential of open data estimated at £6-7bn and TfL data at £130m per annum). They expect improved access to faster, more efficient planning services. |
| Borough funding | | £0.25m | |
| Project timeframe | Within 18 months | | |

This bid is highly rated, and the Panel believes that it clearly has the greatest potential for a wide geographical impact given the number of planning authorities throughout England. Whilst there is not a direct link between the project and business rates the Panel concluded that there it had significant potential to increase income: firstly, relating to business premises themselves which must get planning permission, with clear timing benefits from improved access; secondly, relating to potential savings for local authorities, which could free resources for further investment in the many areas of local authority activity which develop the economy; and thirdly in relation to the potential to assist SME developers in identifying smaller in-fill type sites. The Panel also noted the potential impact on housing. The Panel recommend that a funding condition specifies an open source standard. Subject to this condition, the Panel recommend this bid for funding.

The map below shows the amount of funding each authority is supporting in the package of programmes recommended by the Strategic Investment Pot evaluation panel.

