

REQUEST FOR DIRECTOR DECISION – DD2351

Title: LEP New Homes Bonus Programme

Executive Summary:

The Mayor approved: (under cover of MD1549) the receipt (by way of entitlement to MHCLG grant determination of New Homes Bonus funding) and expenditure of £70 million; a package of proposals to be delivered by London's 32 Boroughs and the City of London under the LEP New Homes Bonus (NHB) Programme; delegated decisions on the rebalancing and approval of borough project proposals; entry into funding agreements and variations to projects required within the funding period to the Executive Director Development, Enterprise & Environment.

The Executive Director (Development, Enterprise & Environment) approved: (under cover of DD2033) a change to the overall capital/revenue split for the programme to accommodate changes to the project proposals of five boroughs.

Further up to date information has now been submitted by two of the five boroughs whose changes to project proposals have already been approved, by the Executive Director (Development, Enterprise & Environment) under cover of DD2033 and one other borough for their project proposals which necessitate a change to the original capital/revenue split for the programme.

This DD seeks approval for a change to the previously approved capital/revenue split as well as seeking an extension of the programme to accurately reflect boroughs' plans for delivery.

Decision:

That the Executive Director for Development, Enterprise and Environment approves:

1. The aggregate change of the capital/revenue split and budget adjustments in the New Homes Bonus Programme for three London boroughs as set out at paragraph 2.2; and
2. An extension of the programme until June 2022.

AUTHORISING DIRECTOR

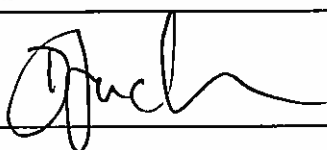
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Debbie Jackson

Position: Executive Director,
Development, Enterprise & Environment

Signature:



Date:

10/07/19.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Government's announcement of the Growth Deal for London in July 2014 included £70million of New Homes Bonus (NHB) funding to be used with London's boroughs on projects to support the LEP's Jobs and Growth Plan. NHB is a non-ring fenced grant to local authorities, calculated broadly on the number of homes built in each authority. All London boroughs contributed a proportion of this funding to the £70m, based on their NHB allocation for 2015/16. The NHB funds have been paid to the boroughs directly by the government whilst the GLA is acting as the strategic administrator to ensure the funds are committed by the boroughs on the agreed priorities.
- 1.2. A government condition was that the overall funding of each borough contributes to a proportion of the NHB and should be returned to this community via the LEP NHB Programme. The LEP agreed the programme of proposals put forward in October 2014. Subject to the entry into grant funding agreements with the GLA, London boroughs have retained their full proportionate share of the £70m funding. The LEP NHB Programme is an important opportunity to demonstrate to national government that London local and regional government and the LEP can work together effectively.

2. Objectives and expected outcomes

- 2.1 The process for developing the programme saw proposals invited across seven themes which aligned with the LEP Jobs and Growth Plan. The seven themes were as follows:
 1. Apprenticeships, skills and training – projects which seek to support unemployed or economically inactive people into employment or which seek to provide skills or training opportunities in preparation for employment.
 2. High streets – proposals delivering or supporting additional activity in town centre which result in economic and wider benefits for the local community; proposals which improve the look and feel of high streets, support their distinctiveness or seek to unlock the inherent capacity of high streets to help meet housing need and boost economic activity.
 3. Places of work – proposals seeking to support the delivery or retention of suitable and affordable workspace for SMEs; promoting SME growth or retention of specific tenants within an area.
 4. Unlocking development – this theme aims to provide funding where evidence that it will unlock or accelerate development.
 5. Business support – proposals which will provide a clear pathway of support to enable improved business performance, resulting in business starts, job creation or job safeguarding.
 6. Digital, creative, science and technology – proposals under this theme will seek to improve market conditions to support the digital, creative, science and technology sectors in London.
 7. Resilience and low carbon – activity that supports London's low carbon economy and/or ensures business resilience to future climate impacts and/or improve resilience through efficient infrastructure.
- 2.2 The original funding allocation was authorised by the Mayor under cover of MD1549 and amended under cover of DD2033 for Lambeth, Redbridge, Enfield, Greenwich and Southwark. Haringey, Lambeth and Redbridge have since reviewed their proposals and would now like to alter the capital

and revenue split in their proposals. No change is proposed to the overall amount allocated to each borough. New proposed figures are highlighted in blue.

Local Authority	Value of allocation amount	Original project proposal value		Amended project proposal value (DD2033)		NEW project proposal value	
		Capital	Revenue	Capital	Revenue	Capital	Revenue
Haringey	£1,677,550	£800,000	£877,550	N/A	N/A	£300,000	£1,377,550
Lambeth	£3,155,388	£351,000	£2,804,389	£461,028	£2,694,360	£416,524	£2,738,864
Redbridge	£1,120,056	£457,868	£662,188	£230,850	£889,206	£186,587	£933,469

- 2.3 The previous and current GLA approved and proposed new (highlighted in blue) aggregated allocations are as follows:

	Capital value	Revenue value
Original (MD1549)	£27.74 million (39.6%)	£42.26 million (60.4%)
Amended (DD2033)	£26.19 million (37.4%)	£43.81 million (62.6%)
New	£25.60 million (36.6%)	£44.40 million (63.4%)

- 2.4 In parallel to the NHB funded programme, GLA officers developed proposals for a series of other Growth Deal linked investments that are designed to benefit the whole of London; including the Digital Skills Programme and the Mayor's High Street Fund.
- 2.5 These pan London initiatives are predominantly capital funded and require an element of revenue to enable effective delivery. The NHB funded programme provides London the flexibility to respond to this challenge given that NHB funding is delivered to the borough as non-ring-fenced revenue. In order to facilitate these programmes, the GLA secured agreement with some London Boroughs to deliver £10.7million of revenue funding via their NHB grant, which has in turn see the equivalent capital investments for the boroughs. This revenue funding commitment has been secured via the funding conditions referenced above.
- 2.6 The eight Boroughs who agreed to account for their NHB top slice in this way have not required a change in their capital/revenue funding position. Hence the £10.7m revenue funding to support other GLA programmes is unaffected by the changes for which approval is sought here.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 (the "Equality Act"), as public authority, the Mayor and the GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (the duty in respect of this last characteristic is to eliminate unlawful discrimination only).
- 3.2. Through the selection of project proposals for the New Homes Bonus funded programme and development of these, the GLA required all London Boroughs to evaluate the potential impacts regarding protected characteristic groups. All projects had to minimise disadvantages to all protected

characteristic groups within society. Boroughs were asked to outline the impact their projects had on the proposed beneficiaries, and how, if applicable, they proposed to minimise disadvantages suffered by people due to their protected characteristics and take steps to meet the needs of people from protected group where these are different from the needs of other people. Officers working in the Regeneration and Economic Development Unit have worked with many of these boroughs to develop their proposals further and a number of them are linked to other major Regeneration programmes such as the Good Growth Fund. Impacts have been captured in individual grant agreements.

- 3.3. As a condition of funding agreements, projects awarded funding were required to meet the Public Sector Equality Duty and demonstrate this through regular reporting of progress.
- 3.4. This decision is not expected to have any negative impact on persons with a protected characteristic under the Equality Act.

4. Other considerations

- 4.1. Failure to agree a package of proposals could potentially mean losing this funding for London. This risk has been mitigated by co-designing the process between GLA, London Councils and London boroughs and jointly assessing proposals. Local authority grant determinations from Treasury stipulate that failure of individual boroughs to reach agreement with the GLA will entail transfer of their topslice in its totality to the LEP.

5. Financial comments

- 5.1 The GLA has been allocated £70m from the Government's New Homes Bonus fund (NHB) in the form of a top slice from each London borough's NHB allocation. It should be noted that this top slice funding is paid directly to each borough along with each borough's own NHB element.
- 5.2 The GLA is required to apply the top slice funding to each borough on a package of borough projects so there is a net nil cost to the GLA in aggregate and also for each borough. The transactions will be monitored by the GLA and also recorded in the GLA's accounts.
- 5.3 Boroughs had initially proposed to apply the £70m top slice towards capital and revenue projects with aggregate values of £27.74m and £42.26m respectively. Following changes made under cover of DD2033, this was amended to aggregate values of £26.19m capital and £43.81m revenue.
- 5.4 In the light of the changes which are to be applied to the three boroughs highlighted above, the aggregate values for the capital and revenue split are now £25.6m and £44.4m. Eight boroughs have certified that, in aggregate, they would be prepared to receive £10.7m as a capital grant but that amount would be paid to GLA as revenue grant.
- 5.5 This provides the flexibility to the GLA to fund revenue projects up to this value (i.e. £10.7m) by swapping with capital grants. The proposed changes to the aggregate allocation still maintains the £10.7m revenue grant to be accounted for by the GLA because the amended capital/revenue splits in paragraph 2.2 above do not involve any of the eight boroughs referred to above.
- 5.6 Any further amendments which may be required to borough capital and revenue certifications in the light of actual spend will need to ensure that the £10.7m additional revenue grant received from boroughs is maintained.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:

6.1.1 The decisions requested of the Director (pursuant to delegation by the Mayor recorded under cover of MD1549) fall within the powers of the Authority, to do anything which promotes 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 must ensure that the Authority and relevant boroughs enter into and execute appropriate deeds of variation reflecting the revised capital/revenue split before a commitment to the provision of funding is made, liaising with MHCLG as appropriate.

7. Planned delivery approach and next steps

7.1 The three boroughs noted in paragraph 2.2 also propose to extend their delivery phase by varying periods which will necessitate the continuation of project monitoring and oversight to March 2022.

Activity	Timeline
Delivery phase	From September 2015 to June 2022
Project monitoring and oversight	To June 2022
Reporting to London Enterprise Panel	Quarterly as necessary

Appendices and supporting papers:

Appendix 1 – LEP NHB Programme – project breakdown by Borough

Appendix 2 – List of Borough Funding Allocation

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved 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 - Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:

Genevieve D'Souza has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

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

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 8 July 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Llc

Date

9.7.19