

**REQUEST FOR DIRECTOR DECISION – DD1371**

**Title: Mayor's Regeneration Fund – Extension of funding period to 2015/16**

**Executive Summary:**

Formal approval is required for the continuation of projects funded by the Mayor's Regeneration Fund (MRF) and London Enterprise Fund (LEF) into the 2015/16 financial year and further re-profiling into 2016/17 of funding associated with Gateway to Peckham: This follows approval in principle by IPB and corporate approval for the carry forward of programme budget.

In all cases with the exception of one, the continuation of projects is in accordance with original project scope where approval provides for an extension of the delivery into 2015/16, from the original approval of 2014/15. The exception is the Gateway to Peckham Project which seeks approval for further re-profiling beyond 2015/16 into 2016/17.

Approval is therefore sought for the execution of 15 variation agreements (refer to appendix 1) to ensure that Grant Agreements be aligned with the proposed project continuations. This is a request for budgetary re-profiling and is not a request for additional funding.

All other MRF / LEF projects continue to deliver within the relevant timescales stipulated within approvals.

**Decision:**

That the Executive Director – Development, Enterprise & Environment approves:

- 1) The extension of funding period into 2015/16 for the stated MRF / LEF projects in appendix 1 with an aggregate value of £15,220,474.14 capital and £1,120,779.08 revenue, with £2,468,847.00 capital of this continuing into 2016/17.
- 2) The provision of fifteen variation Grant Agreements (please refer to appendix 1) to reflect the continuation of projects.

**AUTHORISING DIRECTOR**

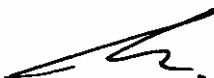
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Fiona Fletcher-Smith

**Position:** Executive Director – Development, Enterprise & Environment

**Signature:**



**Date:** 30/9/15.

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 £70m funding was made available via the Mayor's Regeneration Programme following unprecedented levels of public disorder in several locations across London in August 2011.
- 1.2 Work was undertaken to prioritise the Boroughs most in need of support following analysis to identify those areas worst affected by the riots and which had the highest potential for sustained growth from investment.
- 1.3 Under MD895, the Mayor approved the funding streams for post- riot interventions, the proposed governance arrangements and delegated decision making on detailed allocation of programme budget to the then Director of Development and Environment. MD1092 approved a revised funding profile for the programme enabling delivery up until the end of the 2016/17 financial year.
- In September 2013, IPB was presented with a paper that forewarned of the likely slippage in delivery of the MRF programmes initially intended to complete at the end of the 2013/14 financial year. The Board acknowledged that MD1092 allows the Executive Director Development, Enterprise & Environment to determine what constitutes significant variation with regards re-profiling decisions. Appropriate action plans and budget carry forwards subject to the GLA's annual budget setting process were approved.
- 1.4 Some MRF / LEF projects have Grant Agreements which ended in March 2015; these projects are the subject of this decision.
- 1.5 Gateway to Peckham (Peckham Rye Station) – Due to project re-scoping, formal approval is now required for the extension into 2016-17. Funding required year by year is now £2,686,158 in 2015-16 and £2,468,847 in 2016-17. The project will create a centre piece for the Peckham Regeneration programme and will see the creation of a new square that will provide an improved setting to highlight the high quality heritage asset that is the station building and provide better access to meet the high usage demands of the station which has seen a significant rise in users; a result of the arrival of London Overground.
- 1.6 Rigorous project and programme management controls have been used to monitor projects where a period of potential continued delivery was identified. In all cases, decisions to extend project timescales where warranted have been based on an assessment of impact on the quality of outputs and outcomes and of deliverability. Requests for 15 MRF / LEF project extensions where approvals expired at end 2014/15 were put to the Regeneration Programme Board in March 2015. The Board approved the requests in principle subject to the GLA's formal budget setting process.

#### **2. Objectives and expected outcomes**

- 2.1 Approval is now sought to enter into re-profiled Grant Agreements, which will include robust and deliverable project plans which correspond to the extended delivery timeframes. Equally, revised Grant Agreements will include new output and funding profiles and milestones. This process will ensure that the delivery of projects continues in accordance with the proposal for which funding was originally awarded and that a high quality of output and outcomes are delivered.

2.2 Budget re-profiling for other MRF / LEF projects has been subject to the GLA's formal budget setting process but continue to deliver within the lifetime of existing approvals.

### **3. Equality comments**

3.1 All GLA Grant Agreements stipulate that, in the delivery of MRF / LEF funds, the delivery partner must adhere to the duties set out in the Equality Act.

3.2 A majority of projects include elements of physical works to the public realm in town centres. Through the GLAs design dialogue process with delivery partners, inclusive design principles are adhered to, ensuring the delivery of better public facilities.

### **4. Other considerations**

#### **a) Key risks and issues**

**Financial:** There is a possibility that the projects will underspend and the full fund will not get disbursed to the London boroughs. This will be mitigated by revised, well-defined project schedules articulating clear, timely and achievable milestones.

**Outputs:** There is a risk that the some of the projects fail to deliver the outputs and outcomes they have signed up to. This has been mitigated by the production of a guidance paper on economic uplift and a toolkit for delivery partners to apply. This guidance and toolkit has been designed alongside colleagues in finance, governance and GLA Economics and disseminated to boroughs. Effective monthly monitoring with each borough is identifying early on if projects are not going to deliver, and agree changes to the project or funding as relevant to maintain value for money. The GLA have also commissioned external consultants to provide ongoing support to delivery partners in developing their self-evaluation templates and to plug any gaps they may have in their baselines data.

**KPIs:** Delivery partners fail to secure or realise committed match funding. Funding agreements have required certification by the borough s.151 officer that match funding is committed via schedule 9 of the grant agreement. The GLA have been seeking assurances from s151 officers as part of each quarterly grant claim return that match funds have been spent as outlined in the project milestones. This will continue and the re-profiling of agreements will only be signed off once delivery partners have re-profiled any match expenditure to align with the re-profile of GLA monies.

#### **b) Links to Mayoral strategies and priorities**

London's town centres, including many of its high streets, are a key spatial priority of the London Plan, providing access to a range of services and enabling all parts of London to contribute to London's economic success. The continued delivery of the OLF will support and help deliver the aspirations of the London Plan and the Mayor's Economic Development Strategy.

#### **c) Impact assessments and consultations**

Requests for extension have been rigorous assessed and monitored by officers in the Regeneration Unit. The extension requests have been presented to and approved by the Regeneration Programme Board.

## 5. Financial comments

- 5.1 Approval is sought for the continued delivery into 2015/16 of fifteen Mayor's Regeneration Fund / London Enterprise Fund projects, with one continuing into 2016/17; the funding of which will be contained within the existing Regeneration funds.

## 6. Legal comments

### Power to Undertake the Requested Decision

- 6.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act') the GLA, after appropriate consultation, is entitled to do anything that will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 6.2 Furthermore, section 34 of the Act allows the GLA, to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In this case, the decisions relate to the carrying forward of budget and the attendant extension of the funding periods of the grants for the Gateway to Peckham project, which aims to improve parts of the urban realm in Peckham. Accordingly, the said carry forward and variations may be viewed as being calculated to facilitate social development in Greater London.

### Variation of the Funding Agreements

- 6.3 The officers should ensure that the agreed variation of the timeframes for the funded projects and any agreed variation of the scope of the funded projects be effected by the correct instrument. To this end, if the funded agreement has been executed as a deed, the variation must be effected by a deed of variation. However, where the funding agreement has not been executed as a deed, a letter setting out the particulars of the variation may be signed by both parties.

## 7. Planned delivery approach and next steps

<b>Activity</b>	<b>Timeline</b>
Execution of re-profiled grant agreements	September 2015
Processing of Q1 2014/15 claims	September 2015
Monitoring of project progress	Ongoing
Project self-evaluation activity	Upon individual project completion

### **Appendices and supporting papers:**

Appendix 1 - List of variation agreements

**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 strictly to the shortest length necessary.

**Note:** This form (Part 1) will either be published within one working day after approval or on the deferred 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:**

Jas Birha has drafted this report in accordance with GLA procedures and confirms that:

✓

**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.

✓

**Financial and Legal advice:**

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

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*M. D. Elle*

**Date**

*30.9.15*

Appendix 1

LEF/ MRF	Project Name	Existing Approval	15-16 base budget (excludes 14/15 carry forward approval)  (CAP)	15-16 base budget (excludes 14/15 carry forward approval)  (REV)	Slippage (CAP)	Slippage (REV)	Forecast completion date
MRF	LB Enfield: Market Gardening	DD1059	£0	£0	£0.00	£177,912.68	Mar-16
LEF	LB Haringey: Growth on the High Road	DD874	£1,000	£0	£663,318.68	£22,567.19	Mar-16
MRF	LB Camden: Cobden Junction	DD885	£0	£0	£804,741.57	£0.00	Mar-16
MRF	LB Camden: Retail Property Strategy & Collective Scheme	DD877	£0	£0	£28,028.83	£32,342.75	Mar-16
MRF	LB Ealing: Shaping Southall	DD968	£0	£0	£576,286.80	£0	Mar-16
MRF	LB Ealing: Dine in Southall	DD1017	£0	£0	£743,428.41	£2,840.00	Mar-16
LEF	LB Croydon: High Streets	DD1103	£0	£0	£74,435.02	£278,503.37	Mar-16
MRF	LB Croydon: New Addington	DD1177	£0	£0	£708,657.72	£0.00	Mar-16
MRF	LB Croydon: Old Town Masterplan	DD905	£0	£0	£0.00	£21,639.00	Mar-16
LEF/ MRF	Project Name	Existing Approval	15-16 base budget (excludes 14/15 carry forward approval)	15-16 base budget (excludes 14/15 carry forward approval)	Slippage (CAP)	Slippage (REV)	Forecast completion date

			(CAP)	forward approval) (REV)			
MRF	LB Croydon: West Croydon Interchange	DD879	£0	£0	£3,957,941.54	£0.00	Mar-16
LEF	LB Croydon: Wellesley Road	DD1021	£779,000	£0	£1,469,957.51	£0	Mar-16
LEF	LB Croydon: Business Rate Relief	DD973	£0	£0	£0	£355,078.98	Mar-16
LEF	LB Croydon: West Croydon Investment Package	DD1027	£0	£35,000	£0	£232,467.61	Mar-16
MRF	LB Merton: Colliers Wood	DD1087	£1,346,000	£0	£1,038,673.06	£32,427.50	Mar-16
MRF	LB Southwark: Gateway to Peckham	DD886	£4,000	£0	£5,155,005.00 *	£0	Mar-17
<b>Total</b>	-	-	<b>£2,130,000</b>	<b>£35,000</b>	<b>£15,220,474.14</b>	<b>£1,120,779.08</b>	

\* includes £2,468,847.00 re 2016/17

