

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.

Crystal Palace Subway

Name:	Crystal Palace Subway		To unlock the potential of the Crystal Palace Subway as a cultural destination for south London. The Subway is jointly owned by Bromley and Southwark and is situated on the edge of Crystal Palace Park where five boroughs meet, the others being Croydon, Lewisham and Lambeth. This project will increase tourism and boost the local economy.		
Bid Size:	£2.34m				
Estimated total project cost:	£3.84m				
Estimated SIP proportion:	61%				
Match funding:		Will this directly generate growth in business rates?		No	
		Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?		Yes	
Match funding - public sector	£0.80m	Estimated outputs:			
In-kind contributions	£0.70m		Jobs	30	
Project timeframe:	Mid-term (1.5-3 years)	Commercial space (sq. m)		555	

The Panel conclude that this bid would be a valuable project as part of a wider cultural strategy for the area. The difficulty of attracting funding for work to a Grade II* listed building such as this could be seen by the Panel, so it was felt that SIP funding would genuinely unlock additional funds and allow the project to be delivered. The footfall and supporting information from businesses provided a good indicator that this would support the local economy.

Inclusive Growth:

- Central London Inclusive Growth
- Building an Inclusive Knowledge Economy

These two bids were submitted by an overlapping group of boroughs from Central London Forward, and both were combined initiatives including supporting the development of workspace and providing support to businesses which might occupy it:

Name:	Central London Inclusive Growth		Inclusive growth directed investments to deliver 8,940 SQM of affordable workspace with digital infrastructure and support for 888 businesses across six central London boroughs. £2.16m rateable value uplift and £213m net additional GVA is forecast. Investments will help residents from all backgrounds to set-up in business, micro businesses to employ (diversely) and small businesses to expand.		
Bid Size:	£10.00m				
Estimated total project cost:	£20.67m				
Estimated SIP proportion:	48%				
		Will this directly generate growth in business rates?		Yes	
		Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?		Yes	
Estimated outputs:			Jobs	780	
			Commercial space (sq. m)	8940	
Match funding:			Fibre broadband connections	22	
Match funding - private sector	£2.33m		Businesses supported	888	
Match funding - public sector	£8.33m		Rateable Value Uplift (£m)	2.16	
CIL and S106 funds	£0.01m		Net additional GVA (£m)	213	
Project timeframe:	Midterm (1.5-3 years)		Reduced Cost to Public Sector (£m)	0.49	

¹ The details and tables in this Appendix are taken from the City of London Corporation's document 'London Business Rates 2019/20 75% Pilot Pool Strategic Investment Pot (SIP) Consultation Report'

Name:	Building an Inclusive Knowledge Economy	To create an inclusive knowledge economy that stretches across the economic clusters of 4 boroughs and four economic clusters, integrating 'people' and 'place' so that places are opened up to local people for economic benefit through spatial planning and intensification, business growth and skills development		
Bid Size:	£6.03m			
Estimated total project cost:	£10.96m			
Estimated SIP proportion:	55%	Will this directly generate growth in business rates?	Yes	
Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?		Yes		
Estimated outputs:				
Jobs	1260	Commercial space (sq. m)	3,716	
Match funding:		Businesses and (potential) entrepreneurs supported	377	
Match funding - private sector	£4.31m	Apprenticeships, internships and work experience opportunities	140	
Match funding - public sector	£0.62m	Private sector investment raised	5,000,000	
Project timeframe:	Longer term (3-5 years)	Local people engaged in knowledge economy	1,000	

The Panel noted that both of these bids had a high priority endorsement from Central London Forward, which had been agreed by that group's Members. The Central London Inclusive Growth bid was felt to be very deliverable, as it identified specific interventions, and to have been prepared by experienced practitioners. Building an Inclusive Knowledge Economy provided less detail, but also included a range of coherent interventions in these areas.

As it seemed clear that the majority of these boroughs were working together, the Panel felt it would be appropriate to consider these bids together, and recommend that they are brought together as a combined project such that the best aspects of both might be retained. It therefore recommends that the bidding authorities be invited to rationalise and identify priorities within the overall proposals against a funding envelope of £8m (50% of the combined bids). The Lead Authority will liaise with the two accountable boroughs to progress this approach, ideally to a single funding agreement.

London Cancer Hub

Name:	London Cancer Hub	The London Cancer Hub will create the world's leading life-science district specialising in cancer research, treatment, enterprise and education. Transforming the campus into 280,000sq.m of commercial space, generate £13m of business rates and £1.2bn GVA annually.		
Bid Size:	£8.38m	This bid seeks funding for the demolition of existing buildings and infrastructure requirements for the Knowledge Centre.		
Estimated total project cost:	£35.46m	Will this directly generate growth in business rates?	Yes	
Estimated SIP proportion:	24%	Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?	No	
Estimated outputs:		Jobs	259 (phase 1) / 6,428 high quality jobs (campus)	
Match funding:		Commercial space (sq. m)	8,361 sq.m (phase 1) / 280,000sq.m (campus)	
Match funding - private sector	£24.70m	NNDR (Business Rates)	£949,429 (phase 1) / £13.84m (campus)	
Borrowing	£2.38m	GVA - Direct	£26,297,568 (phase 1) / £779,047,575 (campus)	
Project timeframe:	Longer term (3-5 years)	GVA - Direct & Indirect	£43,906,094 (phase 1) / £1.22bn (campus)	

The Panel considered this an exciting project, showing Local Government working with the NHS and other partners. The potentially exceptionally wide impact of this project was a key factor in its inclusion in the recommended package, given the significance of the institutions in cancer research involved.

Supporting Sustainable Growth with 5G

Name:	Supporting Sustainable Growth with 5G		This bid is focused on enabling the roll-out of large scale 5G trials that unlock growth and investment. It includes: Mapping/condition surveying of key digital assets, filling gaps in digital infrastructure, and identifying models for further deployment. It will focus resources on strategically important places in a way that unlocks private sector investment.		
Bid Size:	£1.70m				
Estimated total project cost:	£3.24m				
Estimated SIP proportion:	52%				
Match funding:			Will this directly generate growth in business rates?	Yes	
Match funding - private sector	£1.40m		Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?	Yes	
In-kind contributions	£0.14m				
Project timeframe:	Mid term (1.5-3 years)		Estimated outputs:	Jobs	8185

This bid addresses an acknowledged issue with technology companies, who sometimes struggle to do business in London, across the various Local Government administrations in place around the capital. The Panel felt that the mapping exercise proposed would be valuable, could provide a template for other sub- regions to carry out a similar exercise, and would allow West London to be ready once operators were looking to roll-out 5G infrastructure.

However, the Panel felt that the wider proposals would need further development to confirm the case for public sector intervention, and so recommended level of funding is to cover the mapping part of the bid only, at an estimated cost of £0.15m, and subject to confirmation of the costs of this element of the bid.

West London Orbital and Strategic Growth

Name:	West London Orbital and Strategic Growth		This covers development of the West London Orbital which will support up to 29,000 homes, 22,000 jobs and £99 million business rates. Without borough match-funding it may be delayed or cancelled. It covers technical work to take the project to powers application stage; public consultation/engagement; borough master planning and advice/consultancy to ensure readiness for a powers application.			
Bid Size:	£3.60m					
Estimated total project cost:	£6.80m					
Estimated SIP proportion:	53%					
			Will this directly generate growth in business rates?		Yes	
			Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?		Yes	
Estimated outputs:			Housing units	29,300	Jobs	22,000
Commercial space (sq. m)	419,000		Additional business rate income by 2041		99,300,000	
Match funding:			Additional business rates (value increase pa)		5,240,000	
Match funding - public sector	£3.20m		Additional CIL income		262,000,000	
Project timeframe:	Mid-term (1.5-3 years)		Economic benefit (time savings etc)		1,260,000,000	

The Panel noted the progress that has been made with the West London Orbital rail programme since the SIP bid submitted in 2018-19 and considered this a more focused bid which would directly assist with the delivery of the railway. This was also felt to be a large-scale project, with a potential pan-London impact. Whilst included in TfL's business plan and the Mayor's Transport Strategy, the Panel agreed that support was required to secure progress in this important project.

South London Knowledge Exchange

Name:	South London Knowledge Exchange		The South London Knowledge Exchange will build an ecosystem of dynamic SME/University collaboration to stimulate knowledge-based growth through business start-up or expansion, improved productivity and creating high-quality jobs. Via a network of knowledge hubs in new workspace, a partnership of councils and universities will deliver a consistent innovation support offer and routes into more intensive collaboration between entrepreneurs and academia.			
Bid Size:	£12.07m					
Estimated total project cost:	£27.65m					
Estimated SIP proportion:	44%		Will this directly generate growth in business rates?			Yes
Match funding:			Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?			Yes
Match funding - private sector	£4.59m					
Match funding - public sector	£3.88m		Estimated outputs:			
In-kind contributions	£0.57m		Jobs	654	Commercial space (sq. m)	11,369
CIL and S106 funds	£0.21m		Existing businesses supported			1,115
Borrowing	£3.34m		Early stage businesses supported			532
Unidentified	£2.99m		Business-HE collaborations			265
Project timeframe:	Mid term (1.5-3 years)		New products/processes/JV developed			50

This bid was acknowledged as taking a strategic and innovative approach, partnering with Higher Education in a way which had not been seen in a SIP bid before. There was detailed background information provided in a helpful format, which assisted the Panel in understanding what would be delivered with the funding.

However, the Panel felt that the £12m bid amount would be a very significant commitment to an innovative approach, and therefore suggested a 50% reduction to allow a smaller scale project to go ahead in the first instance.

Croydon Creative Campus Phase 1

Name:	Croydon Creative Campus Phase 1		The project will kick start the transformation of Croydon into a Creative Campus by establishing a university presence at the heart of the metropolitan centre. £2.5 million SIP funding is sought to redevelop an under-utilised Council owned building into an efficient and modern university site. The refurbishment of the proposed site supports the expansion of London South Bank University (LSBU) in Croydon.			
Bid Size:	£2.50m					
Estimated total project cost:	£5.60m					
Estimated SIP proportion:	45%		Will this directly generate growth in business rates?			No
			Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?			Yes
Estimated outputs:			Commercial space (sq. m)	161	Jobs	112
Fibre broadband connections	1		Refurbished learning facilities (New campus created) (sq. ft.)			5,350
Match funding:			Number of additional university students			2,133
Match funding - public sector	£3.10m		Number of enterprises supported			126
Project timeframe:	Mid term (1.5-3 years)		Number of enterprises assisted to cooperate with research entities/institutions			40

The Panel felt that supporting the introduction of a university presence would contribute to the ongoing regeneration of Croydon town centre and help to improve skills within its broader catchment area. The technical working group considered the economic impacts to be potentially understated, as the bid did not attempt to quantify the wider economic value of a larger skilled workforce.

Local London e-Business for Growth

Name:	Local London e-Business for Growth	The 'e-Business for Growth' programme will tackle inhibitors to local economic growth and business rate revenue maximisation. Support for 6000 businesses will empower them to harness opportunities presented by digital and web-based technology. Activities will generate various short and long-term positive economic impacts at local, borough and sub-regional levels worth in excess of £106m.			
Bid Size:	£7.50m	Will this directly generate growth in business rates?			No
Estimated total project cost:	£13.40m	Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?			Yes
Estimated SIP proportion:	56%	Estimated outputs:			
Match funding:		Safeguarded Jobs	10,000	Jobs	1,100
Match funding - private sector	£2.40m	Businesses Supported			6,000
Match funding - public sector	£3.50m	Residents upskilled (Digital): c.2 per business			12,000
Project timeframe:	Mid term (1.5-3 years)	Additional Turnover Generated (£m)			106

This bid included specific plans for interventions. Although some of them might be considered low level, they address digital skills, the importance of which is well acknowledged. Both the Panel and technical working group had seen evidence that this kind of intervention is needed, and therefore it is considered that a large-scale pilot would be worthwhile, especially if it can be robustly evaluated. The measures planned in the bid appeared to be relatively easily scalable, so to ensure the affordability of the overall package the Panel recommend funding this project at 75%.

Lower Lea Valley Bridge Enabling

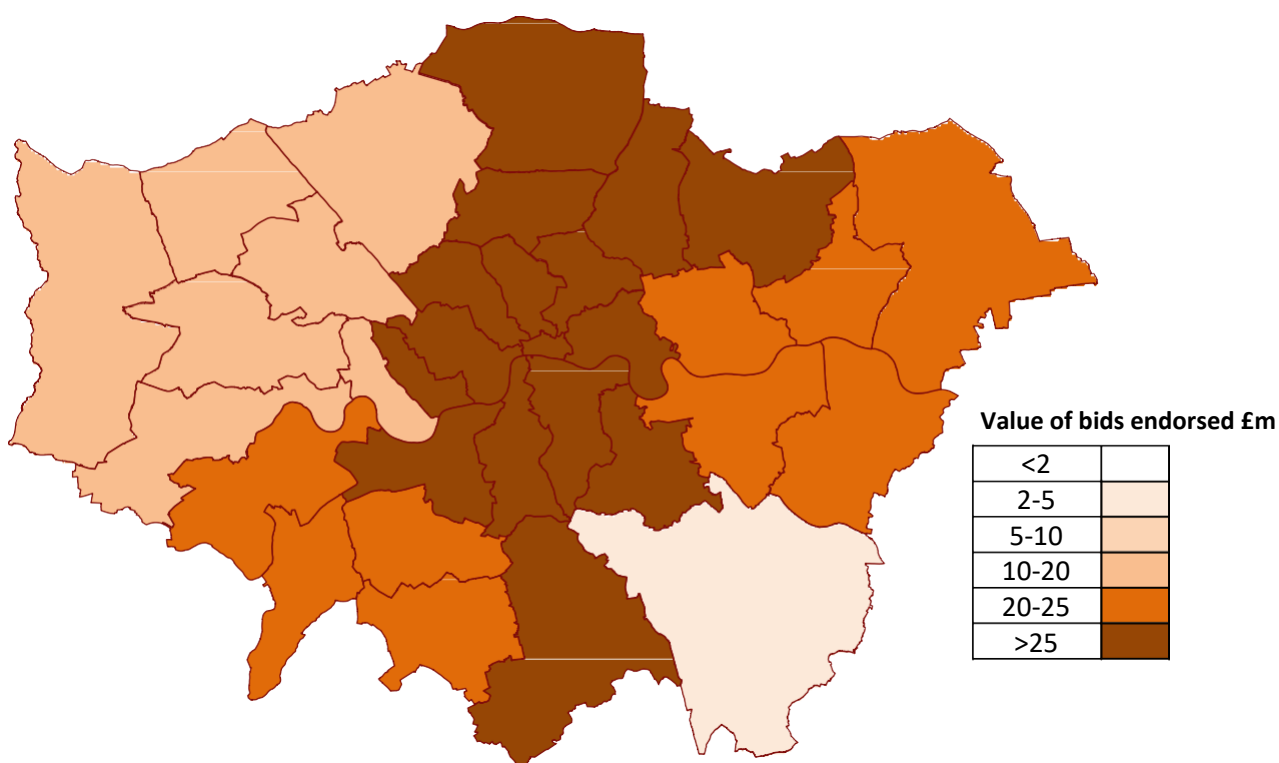
Name:	Lower Lea Valley Bridge Enabling	This bid will enable a network of bridges in the Lower Lea - finalising designs, securing consents and land, and transitioning to construction. This infrastructure will increase economic growth and housing capacity. As well connecting two boroughs separated by a river, the programme will unlock local severance from the wider public transport network, greatly enhancing connectivity across London.			
Bid Size:	£0.50m	Will this directly generate growth in business rates?			No
Estimated total project cost:	£1.00m	Will this indirectly generate growth in business rates as a result of wider economic benefits anticipated?			Yes
Estimated SIP proportion:	50%				
Match funding:		Estimated outputs:			
Match funding - private sector	£0.40m	Housing units	5,080	Jobs	10,761
Match funding - public sector	£0.10m	Commercial space (sq. m)			32,331
Project timeframe:	Mid term (1.5-3 years)	Additional business rate revenue per annum			4,780,000

The Panel considered the benefits of master-planning bids, which are very deliverable in themselves. However, to deliver economic impacts, they need to be progressed to development and/or adopted as part of local planning policy. This bid was felt to be a project which had been developed locally, and which SIP funding would help progress quickly. This could unlock development of a significant number of new homes and jobs.

Appendix B

Data on Total Bids Received for Strategic Investment Pot Funding¹

The expected value of SIP funds as forecast at September 2019 is £39.9m, subject to the final outturn on business rates. Following the invitation to bid, by the deadline in September, 18 SIP bids were received from 11 accountable boroughs for a total of £102m. All authorities (except the Lead Authority) individually supported at least one bid, and the majority supported bids of at least £10m. In addition, support was also expressed through memberships of sub-regional group, with each sub-regional group either being part of the preparation and submission of bids or identifying bids which as a group they support. Support for bids is shown in the map:

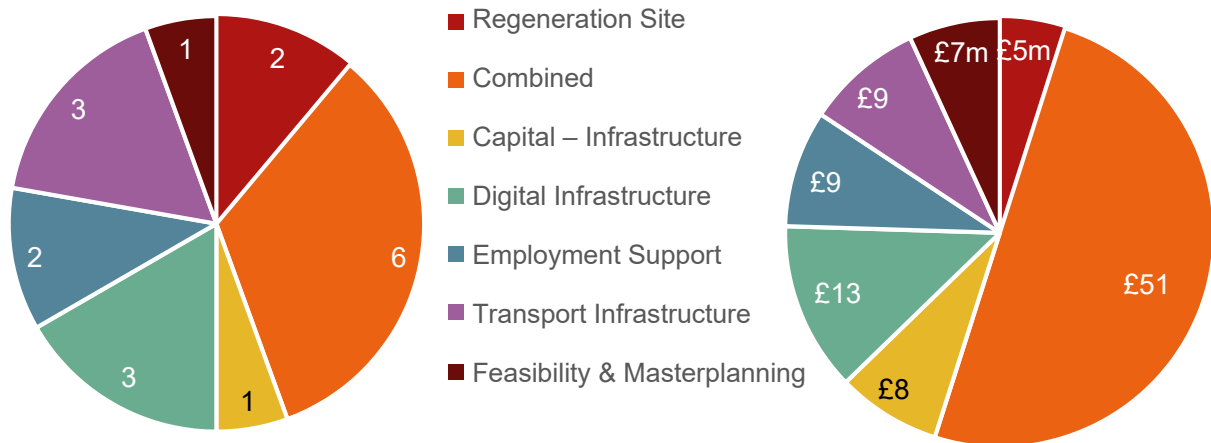


Bidders provided categorisations for their bids, and these were considered by the Panel. As laid out in the bidding guidance, a technical working group also reviewed the bids and suggested some further detailed groupings. The working group also grouped bids by geographical impact, by deliverability and anticipated impact. The Panel considered bids in these groups, but they were kept under review throughout the evaluation process; no 'quota' was applied, and there was no specific aim relating to categorisation in the Panel's approach to identifying a recommended package.

¹ The details and graphs in this Appendix are taken from the City of London Corporation's document 'London Business Rates 2019/20 75% Pilot Pool Strategic Investment Pot (SIP) Consultation Report'.

Appendix B

The graphs show the total bid amount and number of bids received in each category, as nominated by the bidders:



The bids were for projects with a range of different sizes, and bidders were asked to identify the total cost of the project and analyse the funding sources. The average bid size was £5.7m, with a minimum of £0.5m and a maximum of £12.1m, and the SIP funding proportion was from 11% to 92%. The bidders identified a wide range of different sources of match funding, and as part of their bid categorised these into private and public sector match funding, in-kind contributions, and CIL/S106. Some projects had not identified the total funding for their project, with some unidentified, and some had planned to use borrowing to support their plans.

The Panel considered the additionality of match funding (as described above under ‘The bidding and evaluation process’) offered by bidders and the quantum of match funding to inform their recommendation. The graph shows the total (estimated) project costs and funding sources, over all the bids received:

