

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2544

Title: Good Growth Fund – Redeployment of Funds

Executive Summary:

The Good Growth Fund (GGF) is an overarching regeneration programme delivered through the London Economic Action Partnership (LEAP). Under MD2163, the Mayor delegated approval of detailed funding allocations of the LEAP GGF to the Executive Director of Development, Enterprise, and Environment (now Good Growth), in consultation with LEAP. Under MD2495, the Mayor also approved reallocating underspend for the Cleaner Heat Cashback scheme.

This Decision Form seeks approval for the redeployment of LEAP funds against existing and reserve projects in the GGF programme as previously delegated. The proposed redeployment of the GGF against the High Street Challenge Fund (HSCF) requires a new decision, which is within the approval level of the Director.

Decision:

That the Executive Director of Good Growth approves:

- grant funding to the following reserve projects:
 - Cockpit Arts Deptford Development – £1,000,000
 - Hackney Community Bath House – £400,000
- additional grant funding to the following existing projects:
 - Open Havelock existing project (original award £537,588) – an additional £110,000
 - Re-Imagining Rich Mix existing project (original award £550,000) – an additional £150,000
 - Bedford House existing project (original award £640,000) – an additional £35,000
- the redeployment of £113,458 towards HSCF-funded projects that align with the objectives of the GGF, with the final selection of projects to be undertaken by the Executive Director of Good Growth.

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: Philip Graham

Position: Executive Director, Good Growth

Signature:



Date:

9 August 2021

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 This Decision Form seeks approval for the redeployment of LEAP funds against existing and reserve projects in the Good Growth Fund (GGF) programme as previously delegated. The proposed redeployment of the GGF against the High Street Challenge Fund (HSCF) requires a new decision, which is within the approval level of the Director.
- 1.2 Under MD2163, the Mayor approved receipt of £60.88m of funding awarded from the Government to the London Economic Partnership (LEAP) as part of the Growth Deal 3 allocation and delegated approval of detailed funding allocations of such funding to the Executive Director of Development, Enterprise and Environment (now Good Growth), in consultation with LEAP.
- 1.3 The GGF programme has awarded £74m¹ of LEAP capital funds towards 79 projects across three rounds since 2017. The majority of projects are making good progress with some already open and fully operational. However, a number of projects have failed to make sufficient progress despite additional officer support; or have been withdrawn since the individual award was confirmed due to a change of priorities by the delivery partner.
- 1.4 A further programme, the LEAP-funded Cleaner Heat Cashback, was unable to fully spend its allocation, and these funds have been returned for repurposing. In light of this, previously committed grant funds are now available for redeployment. Under MD2495, the Mayor also approved reallocating underspend for the Cleaner Heat Cashback scheme.
- 1.5 The table below lists the projects and the associated funds that have been identified for release.

Project	Grant funds available for redeployment
Affordable Artist Studios at St Bernard's Chapel	£423,713
Re-imagining New Cross – Goldsmiths' Enterprise	£1,000,000
Inclusive Growth in Finsbury Park	£86,905
Cleaner Heat Cashback Programme	£297,840
Total	£1,808,458

- 1.6 If approved for release these funds create an opportunity to:
- support existing under-capitalised projects, currently struggling to deliver their full scope to the required quality
 - realise delivery of reserve projects, previously identified as deliverable and impactful, subject to available funds
 - better reflect the priorities of the London Recovery Board particularly the disproportionate impact of Covid-19 on London's disadvantaged communities.
- 1.7 The reserve projects listed at 2.3 are drawn from Round 3 of the programme, which was opened in 2019 (approved under DD245). The existing projects that require additional capital are from across all rounds of the programme.

¹ Additional funding was secured across rounds raising the original allocation from £60.88m

2. Objectives and expected outcomes

- 2.1 The projects selected to receive the reallocated funding were chosen based on the following criteria, which reflect emerging priorities in response to the pandemic and its disproportionate impacts on London's disadvantaged communities:
- additionality of impact if further funds are awarded to existing projects, so that the extra funds make the difference in delivery, quality and scope.
 - deliverability – the project has match-funding secured; site ownership is within their control with planning permission in place to ensure projects can proceed at pace with key early development milestones met.
 - the diversity of beneficiaries by location – prioritising projects benefiting some of the most deprived wards in the country that have been disproportionately impacted by COVID-19.
 - potential to benefit demographically diverse local communities and under-represented minority groups.
 - diversity of organisational leadership and trustees, and/or a long-term equality, diversity and inclusion (EDI) approach with a commitment to improve diversity of staff and trustees in the EDI plan.
- 2.2 The selection of these projects has also considered their potential to contribute to the specific objectives of the High Streets for All recovery mission. This mission focuses on creating thriving, inclusive and resilient high streets, and town centres, within easy reach of all Londoners; promoting local employment and near-home working; protecting existing community and cultural spaces; and introducing new types of businesses and civic organisations.
- 2.3 The projects selected for additional funding are set out in the table below.

Project	Status	Proposed award
Open Havelock	Existing project Original award £537,588	£110,000 (additional)
Re-Imagining Rich Mix	Existing project Original award £550,000	£150,000 (additional)
Bedford House	Existing project Original award £640,000	£35,000 (additional) within this year/uplift
Cockpit Arts Deptford Development	Reserve	£1,000,000
Hackney Community Bath House	Reserve	£400,000
Total		£1,695,000

- 2.4 The projects in receipt of new funds will be required to enter into a new grant funding agreement with the GLA before receipt of funds in accordance with the GLA Contracts and Funding Code, and the projects who have been selected to received additional funds will be required to enter into a Deed of Variation with the GLA to amend their existing contracts grant agreement before receipt of additional funds.
- 2.5 This will leave a balance of £113,458 of the funds identified in paragraph 1.5, which is proposed to be allocated to the High Streets Challenge Fund (HSCF). HSCF projects will be selected for additional funding from this allocation on the basis of their alignment with the objectives of the GGF, which will

be assessed at the application stage and through discussions with project delivery partners prior to entering into contracts. The projects will be selected from the final shortlist of the HSCF programme, on the basis of a recommendation by the Head of Regeneration and approval by the Executive Director of Good Growth.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010, the Mayor and GLA are subject to the public sector equality duty and must have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2 The GLA, on behalf of LEAP, has required that all projects undertake an equalities assessment as part of the application stage of the project prior to entering into contract and these assessments form part of the contract schedules. The objectives as set out in 2.1 demonstrate the GLA has taken account of the public sector equalities duty to date.

4. Other considerations

- 4.1 The proposed grants will support the priorities set out in the Recovery Missions – specifically by supporting projects that provide equal access to social infrastructure serving all London’s communities and promote growth in London’s social economy including community businesses and social purpose organisations. The projects proposed for funding will also proactively support under-represented places or communities; and are located in some of the most deprived wards in the country that have been disproportionately impacted by COVID-19.

Previous impact assessments and consultations

- 4.2 The GGF was developed following consultation with LEAP and adapted across rounds to reflect feedback from applicants, potential applicants, and policy leads. Each round the assessment process drew on input from 13 specialist teams across the GLA, including Culture; Community Engagement; Social Integration; Economic Development; Education and Youth; Food; Health; Housing and Land; Team London; Economics; and Transport. Input from other teams ensures alignment with Mayoral priorities across policy areas and adds to the understanding of specific sectors. Feedback from other teams was used to suggest targeted rescoping of a small number of projects, to ensure that they would maximise delivery on the full range of Mayoral priorities.

Conflicts of interest

- 4.3 Any potential conflicts of interests are raised by officers during the assessment and moderation process. In the event of any conflict having been declared during the assessment, moderation or decisions process, another officer would be asked to score the project and make a funding recommendation. In Round 3 of Good Growth funding, no conflicts of interest were declared for any of the projects. No conflicts of interest were declared in the drafting and clearance of this form.

Risks and mitigation

Risk: spend to forecast – the programme is currently spending to forecasts. However, long term impacts of	Mitigation: regular monitoring by project managers on project progress, and by programme leads at programme level, to
---	---

-COVID on individual projects are more variable, which may delay expenditure over time.	ensure the overall programme remains on forecast by using agreed flexibilities across the programme – such as increasing the intervention rate where the performance enables it.
Risk: performance – outputs expected may be adversely impacted by the impact of COVID on the longer-term economy.	Mitigation: programme-level outputs are reviewed quarterly to track outputs against forecasts. Any variance to this will be reprofiled so that any delays to early performance can be reported within the delivery period of the overall programme.
Risk: delivery – there is a risk that delays experienced within the programme will result in a slower rate of delivery against milestones.	Mitigation: project managers will work with delivery partners to look at a range of measures to sustain progress, such as reprogramming of works or resequencing the commission of services.

5. Financial comments

- 5.1 This decision requests approval to reallocate £1,808,458 from the Good Growth Fund. The funding identified for reallocation arises from five projects which have not progressed as planned as set out in paragraph 1.5.
- 5.2 A total of £1,695,000 is to be allocated to five distinct projects selected based on their potential to contribute to the objectives of the High Street Recovery Mission, as set out in the table below. The balance, £113,458, will be allocated towards the HSCF for grant funding of projects to be identified and developed in discussion with delivery partners. The table below provides a breakdown of the projects' original funding and the proposed funding

Projects	New funding	Original funding	Total
Cockpit Arts Deptford Development	£1,000,000		£1,000,000
Hackney Community Bath House	£400,000		£400,000
Open Havelock	£110,000	£537,588	£647,588
Re-Imagining Rich Mix	£150,000	£550,000	£700,000
Bedford House	£35,000	£640,000	£675,000
HSCF	£113,458		£113,458
Total	£1,808,458	£1,727,588	£3,536,046

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- the decisions requested of the Director concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to, the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London
 - in formulating the proposals, in respect of which a decision is sought, officers have complied with the Authority's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute toward the achievement of sustainable development in the United Kingdom
- consult with appropriate bodies.

- 6.2 In taking the decisions requested, the Director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, gender reassignment, marriage and civil partnership, and pregnancy and maternity) and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Director should have regard to section 3 (above) of this report.
- 6.3 Paragraph 2.3, above, indicates that the contribution of funding to the projects listed in the table will amount to the provision of grant funding and not payment for services. Officers must ensure that an appropriate funding agreement is put in place between, and executed by, the GLA and recipient before any commitment to fund is made. To the extent that additional funding is contributed to existing projects with a funding agreement already in place, officers must ensure that such funding agreements are varied in accordance with the relevant provisions of the agreement and all necessary variation documentation is put in place with and executed by GLA and recipient before any commitment to the additional funding is made.
- 6.4 Officers have indicated at paragraph 1.2 that part of the Good Growth Fund funding was received from the Government's Growth Deal 3 fund. Officers must ensure that they are content that the GLA continues to comply with any conditions to which the Government's Growth Deal 3 funding is subject.
- 6.5 Officers have confirmed at paragraph 2.5 that part of the redeployed funds will be allocated to the High Street Challenge Fund for grant funding projects that align with the objectives of the Good Growth Fund, the detail of such funding to be approved by the Executive Director of Good Growth. Officers must ensure any funding is distributed fairly, transparently, in accordance with the GLA's Contracts and Funding Code. Officers must also ensure that an appropriate funding agreement is put in place between and executed by the GLA and the recipient(s) before any commitment to fund is made.

7. Planned delivery approach and next steps

Activity	Timeline
Vary existing contracts and enter into new contracts	August to September 2021
Delivery Start Date	Existing projects in delivery/reserve projects: September 2021
Delivery End Date	2024-25
Project Closure	2024-25

Appendices and supporting papers:

None

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:

Laurence Tricker has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Louise Duggan 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.

✓

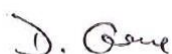
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 2 August 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

9 August 2021