

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2352

Title: Good Growth Fund – Additional projects at Round 2 Stage 2

Executive Summary:

The Good Growth Fund is the London Economic Action Partnership's overarching regeneration programme. It provides funding, expert regeneration advice, design support and knowledge sharing opportunities to a broad range of public, private and third-sector organisations to support their projects to deliver against three strategic themes: Empowering People, Making Better Places and Growing Prosperity.

MD2163 delegated approval of detailed funding allocations to the Executive Director of Development, Enterprise and Environment, in consultation with the LEAP. DD2302 provided an overview of the Good Growth Fund round 2 application process which recommended a number of reserve projects.

Following consultation with the LEAP, this report seeks approval for additional capital expenditure of £2,183,379 from underspend on the Small Sites programme to support grant funding for the delivery of two projects from the Good Growth Fund round 2 reserve list: Better Bankside's 'Crossing the Line' project and the London Borough of Redbridge's 'The Forge Centre' project.

Decision:

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

Capital expenditure of £2,183,379 to support delivery of Better Bankside's 'Crossing the Line' project and the London Borough of Redbridge's 'The Forge – Hainault Country Park' project. This will take total approved capital expenditure through the Good Growth Fund to £60,855,085.

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 of Development, Enterprise and Environment

Signature:

Date:

06/06/19.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Good Growth Fund (GGF) is the London Economic Action Partnership's overarching regeneration programme. The fund provides £67.183m Growth Deal funding, targeting equality, inclusion and citizen-led regeneration. It is focused on delivery against three strategic themes: Empowering People, Making Better Places and Growing Prosperity.
- 1.2 The GGF prospectus states that in making funding decisions, the way applications map across stated priorities and London's communities will be assessed, in order to deliver a balanced programme of exemplary projects.
- 1.3 Under MD2163 the Mayor approved proposed funding arrangements for the Good Growth Fund including the receipt of £60.88m of Growth Deal 3 funding from Government; the allocation of unused funding from the Growing Places Fund and the London Regeneration Fund; and the expenditure of a total of £67.183m over the lifetime of the programme. MD2163 delegated approval of detailed funding allocations to the Executive Director of Development, Enterprise and Environment, in consultation with the London Economic Action Partnership (LEAP).
- 1.4 The GGF programme was specifically designed to flex and adapt to new funding opportunities, with Reserve projects having first call on funding made available, provided always that any award of such funding would always remain subject to the discretion of the GLA. MD2133 notes that any under-spends from Growth Deal capital on the Small Sites programme will be reallocated to the GGF programme.
- 1.5 DD2302 provided an overview of the GGF Round 2 application process. The evaluation process has three distinct stages: validation, appraisal and moderation.
- 1.6 **Validation** provided an initial check that all applicants had provided all requested information to allow detailed assessment to take place.
- 1.7 **Appraisal** focused on the detail of proposals and by reference to the published criteria, interrogated whether applicants will deliver high-quality projects and outcomes, and what sort of contribution they make to the strategic themes of empowering people, making better places and growing prosperity.
- 1.8 Input from teams across the GLA was sought to add to the understanding of specific sectors and to ensure that they would maximise delivery on the full range of Mayoral priorities.
- 1.9 The Programme Team also reviewed all applications to provide a sense check on the material provided, and to check grant readiness and co-ordinated data requests to allow GLA Finance to perform targeted due diligence checks on non-borough applicants. In addition to this, senior members from the Finance team undertook financial deliverability checks on all applications to enable them to raise any issues that need to be addressed before entering into a grant agreement.
- 1.10 **Moderation** provided a further level of scrutiny and introduced a programme-wide view and assessment process. The aim of this was to check consistency of assessment, to consider whether the mix of projects met the aim of achieving a balanced programme, and to scrutinise investment readiness.

- 1.11 All initial scores were subject to moderation in order to ensure that the appraisal was conducted consistently with the published criteria within the Area Based Regeneration Management team, with the Deputy Mayor for Planning, Regeneration and Skills. This was followed by a London-wide overview and area-focussed engagement session with three LEAP Investment Committee members.
- 1.12 Round 2 Stage 2 appraisal and moderation recommended five Reserve projects in consultation with the LEAP. These projects had a total GGF ask of £5,283,379, comprising capital grant (£5,188,379), and revenue grant (£95,000).
- 1.13 On 27 March 2019 the LEAP Investment Committee endorsed the carry forward of capital expenditure underspend and reallocation of £2.215m from the Small Sites programme to the Good Growth Fund to bring forward delivery of GGF Round 2 Stage 2 Reserve projects. At this stage, having assessed best fit in terms of programme balance and project readiness, two previously approved reserve projects are recommended as recipients of the funding:
- £1,000,000 capital to support Better Bankside in the delivery of its 'Crossing the Line' project in the London Borough of Southwark;
 - £1,183,379 capital to support the London Borough of Redbridge in the delivery of its 'The Forge Centre' project.
- 1.14 The proposed expenditure from the Good Growth Fund will be used for the provision of grant funding as a contribution to the project costs for two projects as detailed in Appendix A. The grant funding will be used to support the recipients in procuring the required design and construction services for the capital works.

2. Objectives and expected outcomes

- 2.1 The overarching aim of the Good Growth Fund is to support projects that deliver against three strategic themes:
- **Empowering People:** projects that support people of different ages, ethnicities, and socio-economic backgrounds to interact with one another to foster social integration and enable Londoners to benefit personally, socially and economically from London's growth and prosperity as well as enabling Londoners to participate and share in the benefits of regeneration.
 - **Making Better Places:** projects that demonstrate measurable local benefits for all Londoners by physically improving the social, economic, and environmental sustainability and inclusivity of London's places.
 - **Growing Prosperity:** projects that recognise London's diverse business base, economic assets and local economies, and support their growth to drive London's future prosperity, as well as enabling digital delivery and infrastructure investment that meets growth demands.
- 2.2 Delivery partners will be required to deliver the full project outputs and benefits by an agreed date, providing appropriate evidence of the achieved outputs and benefits.
- 2.3 Ongoing engagement by officers is helping to ensure that rich and productive partnerships are established and that the projects engage with the place specific issues and opportunities and improve impact of mayoral investments.
- 2.4 Delivery partners must undertake a self-evaluation of the project, the parameters of which will be agreed at project inception, and which will be submitted after completion of the project to assess whether and how well the original project objectives have been met and the output and benefits that have been achieved. Delivery partners will baseline outputs before projects enter into grant agreement, and to provide effective theory of change models that highlight the rationale for their

project, the inputs and activities required to deliver it, and the short and long-term gains that will result from it.

- 2.5 The Good Growth Fund programme will pilot a number of additional activities to augment the individual project evaluations. In Q1 19/20 we will appoint a Good Growth Fund evaluation partner to conduct a quantitative and qualitative impact evaluation of the programme. This work will require the service provider to work with the relevant delivery partners and stakeholders to assess whether the aims and objectives of the GGF were met, what the impact and value for money of the programme and individual projects was, and what the strengths and weaknesses of implementation were, and make a set of recommendations for future regeneration funding programmes. As well as implementing a programme-wide evaluation strategy, the service provider will review and update the existing outcomes and outputs framework and GGF Evaluation and Impact Handbook and offer bespoke support to delivery partners who lack the resources and/or experience to perform their own self-evaluation.

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 Good Growth Fund programme and the selection of project proposals and development of these, the GLA will require applicants to evaluate the potential impacts regarding protected characteristic groups. Any project must minimise disadvantages to all protected characteristic groups within society. In the Stage 2 application form, the applicants of the two selected reserve projects outlined the impact their projects will have on the proposed beneficiaries, and how they propose 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. These responses will be further developed with officers in the Regeneration and Economic Development Unit and then captured in individual grant agreements as part of an agreed Equalities, Diversity and Inclusion approach for each of the two selected projects.
- 3.3. In the Stage 2 application form, applicants were also asked to demonstrate how they would encourage people from protected groups to participate in their projects and how project activities would be designed to accommodate and reflect the needs of the existing community and those that will live, work and visit an area. This includes the design for those with physical disabilities and mental health problems and older persons.
- 3.4. As a condition of funding agreements, projects awarded funding will be required to meet the Public Sector Equality Duty and demonstrate this through regular reporting of progress.
- 3.5. This decision is not expected to have any negative impact on persons with a protected characteristic under the Equality Act.

4. Other considerations

a) Key risks and issues

- 4.1. **Programme** – Delivery partners are expected to forecast spend accurately and ensure projects deliver to that forecast. The appraisal process has already included a deliverability assessment by the Regeneration Programme Team and GLA Finance. GLA Officers will engage further with delivery

partners to ensure that project milestones and delivery programmes are realistic. Once grant agreements have been signed careful programming and project monitoring is in place to ensure spend is achievable.

- 4.2. **Project failure** – Main risks include unforeseen increase in costs, failure to obtain required consents and approvals including planning, and lack of buy-in from local stakeholders. Delivery of the proposed projects will be regularly monitored through the GLA's Budget and Performance Review process. Project proposals will be consulted on in a timely manner. The projects will be subject to design review during the design and implementation phase. Reviews will be undertaken by the independent panel of Mayor's Design Advocates and will be in line with the Mayor's Design Review Charter, following best practice principles of proportionality, timeliness, continuity and independence. GLA officers will ensure that appropriate and meaningful scrutiny is applied to each project as required.
- 4.3. **Underachievement against targets and outcomes** – the two-stage application process, and applicants' engagement with GLA officers prior to submission, is designed to minimise any potential discrepancies between outputs listed in applicants, grant agreements, and eventually delivered outcomes. An Evaluation and Impact handbook has been shared with applicants to ensure that outputs are properly baselined and that definitions are shared at an early stage. GLA officers will continue to monitor projects during delivery to ensure that agreed outputs are delivered.

b) Links to Mayoral strategies and priorities

- 4.4. The investment supports the priorities set out in a *City for All Londoners* and the Mayor's subsequent statutory and non-statutory strategies based on the principles of 'good growth' and investment in London's future. This includes further developing London's strengths in innovation by encouraging collaboration across sectors, promoting more productive links between business and academia, providing support for innovation activities, fostering entrepreneurial skills and helping access funding and supporting culture ensuring London continues to thrive as a cultural capital.

c) Impact assessments and consultations

- 4.5. The Good Growth Fund prospectus was developed following consultation with the LEAP. The assessment process, drew on input from teams across the GLA including Culture, Community and Social Policy, Economic and Business Policy Unit, Education and Youth, Food, Health, Housing and Land, Team London and Transport, to optimise alignment with Mayoral priorities across policy areas, and to add 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.

5. Financial comments

- 5.1 Capital budget of £2,215,000 is to be transferred from the Small Sites programme underspend in 2018/19 to fund two Good Growth Fund reserve projects costing £2,183,379, the remaining balance of £31,621 will be available to use in future application rounds of the Good Growth Fund. Both the Good Growth Fund and Small Sites are funded as part of the LEAP's Growth Deal 3 programme. The transfer of Small Sites underspends was approved in principle by MD2133.

6. Legal comments

- 6.1 The decisions requested of the Director (in accordance with the GLA's Contracts and Funding Code) 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; and 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 towards the achievement of sustainable development in the United Kingdom;
- And 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 and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Director should have particular regard to section 5 (above) of this report.

6.3 Paragraph 1.14 above indicates that the contribution of £2,183,379 to Better Bankside and London Borough of Redbridge amounts to the provision of grant funding and not payment for works or services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities and in manner which affords value for money in accordance with the Contracts and Funding Code. 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.

7. Planned delivery approach and next steps

Activity	Timeline
Funding agreements	May 2019
Start project delivery	May 2019
Interim programme evaluation	Sept 2019
Programme closure	Mar 2022
Final programme evaluation	Sept 2022

Appendices and supporting papers:

Appendix A – Project descriptions

Background Documents:

MD 2163 Good Growth Fund: <https://www.london.gov.uk/decisions/md2163-good-growth-fund>

MD 2133 Small Sites, Small Builders: <https://www.london.gov.uk/decisions/md2133-small-sites-small-builders>

DD 2302 Good Growth Fund – Recommendations at Round 2 Stage 2:

<https://www.london.gov.uk/decisions/dd2302-good-growth-fund-recommendations-round-2-stage-2>

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

Until what date:

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:

Tim Rettler 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 28 May 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Dubeck

Date

7.6.19

