

## **LEAP Investment Committee**

Date of meeting: **21 May 2019**

Title of report: **Good Growth Fund Update**

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Cleared by: **Patrick Dubeck, Head of Regeneration**

Classification: **Public**

### **1 Executive Summary**

- 1.1 This paper updates the Committee on progress to date with the Good Growth Fund, including its development funding. It also seeks endorsement of the proposed Good Growth Fund Round 3 Communications Plan.

### **2 Recommendations**

- 2.1 That progress to date on the Good Growth Fund be noted.
- 2.2 That the proposed Good Growth Fund Round 3 Communications Plan be endorsed.

### **3 Introduction and Background**

#### **Main Fund Update**

- 3.1 The Good Growth Fund is an overarching regeneration programme delivered through LEAP. It will provide over £70 million in 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 key policy areas: empowering London's people; strengthening London's places; and growing London's prosperity.
- 3.2 All Round 1 projects are in grant and delivery is underway. Officers are currently progressing the contracting for Round 2 projects. Five of 35 are in now in contract and a further six are with applicants for signing. The aim is for all projects to be in grant by the end of Quarter 1 (30 June 2019).
- 3.3 When all contracts are signed we will have have committed approximately £50,416,706 across Rounds 1 and 2. This excludes the £2.5 million Crowdfund London allocation, but nevertheless is well ahead of the target of £40 million agreed with Government for the end of 2018/19.

- 3.4 £8,982,294 capital funding is currently available to award through Round 3. As outlined in DD2303, a further £8 million will be made available from the Growing Places Fund, meaning a total of £16,982,294 capital funding will be available to allocate in Round 3. Underspend on other LEAP funded programmes will (subject to appropriate approvals) be incorporated into the Round 3 pot, meaning this figure is likely to increase.
- 3.5 The Programme Office, area teams, and communications officers are undertaking detailed planning and review of processes and procedures, including analysis of Round 1 and 2 by the GLA intelligence team and detailed communications planning (see below). This will help inform decision making in Round 3.

### Development Funding Update

- 3.6 A total of £3,658,000 GGF revenue funding was approved in DD2181 to assist with the delivery of a balanced programme of investment that maps across GGF and London's communities' priorities and to build a pipeline of good projects. This funding can support projects with design and development costs ahead of Good Growth capital funding being applied for.
- 3.7 Development Funding (DF) has been approved at Stages 1 and 2 of both Rounds of the GGF. Following Round 1, approval was also put in place to bring forward proposals for approval between rounds.
- 3.8 45 DF projects, with a combined total value of £2,622,500, have been approved so far. Of this total, four projects have not proceeded by mutual agreement following discussions with the applicants due to changes in circumstances, such as sites becoming unavailable and organisational change. The value of these approvals is £280,000. One project led by Phoenix Cooperative Housing Association, with a value of £25,000, has been approved between rounds (this is covered under the LEAP Funding Decisions agenda item).
- 3.9 The remaining DF programme level budget allocation is £1,315,500.

	<b>No. of projects</b>	<b>Value</b>
<b>Programme level budget allocation</b>		<b>£3,658,000</b>
Round 1 awards <sup>1</sup> (DD2181; DD2222)	26	- £1,610,000
Round 2 awards (DD2278; DD2302)	18	- £987,500
Between Round awards (ADD2343)	1	- £25,000
Projects that have not proceeded	- 4	+ £280,000
<b>TOTAL APPROVALS</b>	<b>41</b>	<b>£2,342,500</b>
<b>Remaining programme level budget allocation</b>		<b>£1,315,500</b>

- 3.10 The number of development projects that are in grant is 26. The remaining 15 are moving into grant.

<sup>1</sup> Note 27 awards made in Round 1, but 2 projects merged during the scoping process.

- 3.11 The table below sets out the GGF Round 3 bidding intention of Round 1 DF projects.

<b>Bidding intention / result (Round 1 Projects)</b>	<b>No. of Projects</b>
Recommended for approval Round 2	3
Recommended as reserve Round 2	1
Bid forecast for Round 3	15
Expected to bid to future round	2
Do not intend to bid	1
Project not proceeding	4

- 3.12 The process of scoping and agreeing the 19 Round 2 DF projects is well underway and, although it is difficult to predict how many projects will be ready to bid for Round 3 capital funding, the current best estimate is that around nine R2 DF projects will submit a bid to the GGF Round 3.
- 3.13 In combination we therefore expect around 24 DF projects to make a full bid in Round 3. 15 Round 1 projects are forecast to make full applications for capital funding in Round 3.

## **4 Issues for consideration**

### **Strategic engagement plan and key activities**

- 4.1 Available at Appendix A, this plan outlines the engagement activities which will be delivered through identified communication tools and channels across GGF Round 3. It outlines key messages and identifies opportunities to engage with audience.

### **Engaging with appropriate audiences**

- 4.2 The GLA's Opinion, Research and Statistics team is engaging with previous applicant and non-applicant sample groups to gather feedback on the programme process. This will feed into Round 3 of the fund in order to refine and improve the programme – from the application process through to project delivery. A report will be disseminated and published on the GLA's GGF webpage upon completion.
- 4.3 We will ensure that we engage with potential applicants such as community and grassroots organisations and micro-businesses from areas of multiple deprivation and in areas we haven't funded before at a local level by delivering area-based workshops and online surgeries. By offering face-to-face opportunities and activity through a digital platform the fund will remain accessible and open to a wide range of applicants.
- 4.4 A map is being built which will highlight investment across the previous two funding rounds. This map will feature layers which will allow GLA Regeneration officers to understand where investment should be focussed including areas of multiple deprivation.

### **Understanding community engagement and benefit**

- 4.5 LEAP Members have expressed a desire to more simply demonstrate community engagement and benefit that underpin and drive applications through the production and submission of a short film by applicants.

- 4.6 It is proposed that this can be achieved in Stage 1, by asking applicants to submit a strategy on how they will engage with their local community. Once they have progressed to Stage 2, applicants will have the option to submit a short two-minute film to complement their main application. However, this will need to be agreed, tried and tested by the team delivering the GLA's new fund management system.
- 4.7 Through the development and delivery of the Open Project System (OPS) – the GLA's new grant and project management system – applicants will be able to use a new and user-friendly online system to submit their Stage 1 and Stage 2 bids. This fulfils the objective of GGF Round 3 by allowing for a more open and accessible application process.

## **5 Equality comments**

- 5.1 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.
- 5.2 Specifically, at Stage 2 applicants are asked to outline the impact their projects will have on the proposed beneficiaries, and how, if applicable, 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 captured in individual grant agreements as part of an agreed Equalities, Diversity and Inclusion approach for each individual project.
- 5.3 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.

## **6 Risks arising / mitigation**

- 6.1 GGF programme processes have been fine-tuned to optimise scrutiny and timeliness and take six months from launch to award of funding. In 2019/20 the pre-election period means all decisions must be approved by 23 March 2020. Subject to endorsement of the headline programme, we will work with colleagues to ensure LEAP endorsement and Mayoral sign off can be secured in this timeframe.

## **7 Financial Comments of the Executive Director Resources**

- 7.1 Revenue funding of £3.658 million was allocated to support applicants in the development of project proposals for the GGF in DD2181. Subsequently, approvals for the use of this funding have been made in various Director Decisions (DDs) and Assistant Director Decisions (ADDs), as shown in the table above. As a result of these decisions and four development projects awarded funding not proceeding, a total of £1.315 million of the original £3.658 million remains available to spend. This report provides an update on progress

and does not request approval for further expenditure at this stage. Additional expenditure will be subject to the usual LEAP and GLA approval processes.

## **8 Next steps**

8.1 The next steps following consideration by the Committee are summarised below:

<b>Activity</b>	<b>Timeline</b>
Project delivery (from)	April 2019
Launch third bidding round	Sept 2019
Interim programme evaluation	2019/20
Programme closure	Mar 2022
Final programme evaluation	Sept 2022

### **Appendices:**

Appendix A: Proposed GGF Round 3 Communications Plans