9

GLA-OPS GUIDANCE: RECYCLED CAPITAL GRANT FUND SYSTEM USER GUIDANCE

VERSION: APRIL 2024

Contents

1. Introduction

Providers that operate a Recycled Capital Grant Fund (RCGF) within London are required to submit an annual return to the GLA using the GLA's Open Project System (OPS). This return records details of recycled grant credited to each fund, how the funds have been spent in London in the last financial year and future commitments to use these funds.

Credits and expenditure related to schemes outside London should be reported to Homes England.

Annual returns must be submitted electronically using the OPS system (unless otherwise requested by the GLA). The GLA will have 'view only' access to this information and will notify providers of decisions to roll over expired funds for a further year.

Organisations submitting a return must ensure that the certification requirements, set out in section 5.2 of this guidance have been met when submitting a return.

1.1. Who needs to submit an annual RCGF return?

All Organisations in receipt of capital grant (past or present) in London for affordable housing developments need to submit an annual RCGF return **if** they maintain a fund generated from relevant events related to that grant. Further details are set out in the "GLA Capital Funding Guide" (see section on Grant Recovery) and the "GLA Recovery of Capital Grant General Determination", both available at the following link:

https://www.london.gov.uk/what-we-do/housing-and-land/increasing-housing-supply/affordable-housing-capital-funding-guide

Organisations who chose to repay recycled grant directly to the GLA and are not operating a recycled capital grant fund, are not required to complete an annual return.

1.2. Where can I find further detail of RCGF requirements?

The link above provides full details of RCGF requirements in relation to recycled grant, permitted uses and requirements on organisations to reports and use this fund. Please refer to the guidance linked above in conjunction with the system guidance in the document to ensure you are fully adhering to the use of these funds and the reporting requirement for the use of this recycled grant.

1.3. Deadline for submitting the 2023-24 return

The RCGF return must be submitted via the GLA Open Project System by the **deadline of 30th June 2024.** The system will not prevent returns being submitted after this date, however the GLA reserves the right to withdraw all RCGF funds from Organisations who fail to submit by the deadline or submit incorrect details about the funds.

1.4. Access and registration to GLA Open Project System (GLA-OPS).

See guidance on https://www.london.gov.uk/what-we-do/housing-and-land/open-project-system-ops

2. Creating a 2023-24 annual return

2.1. What 'permissions' do I need in OPS to create and submit a return?

To create a return, you must have the correct permissions set up for your user account within GLA-OPS. These permissions are set up via either the 'Project Editor' or 'Organisation Admin' roles in the system. If you do not have either of these roles, please contact the GLA-OPS administrator within your organisation who will be able to assign these system roles to your user account.

2.2. What historical data is available in OPS?

The opening and closing balances for returns submitted in previous years from 2014-15 onwards are shown in GLA-OPS. Pre 2018 returns are from historic Investment Management System records.

2.3. How do I create a return?

To create a return, log into GLA-OPS and click on 'Organisations' → 'Manage Organisation' → then on the name of your organisation:

Select 'ANNUAL RETURNS' from the available tabs and then click → 'Create New'.
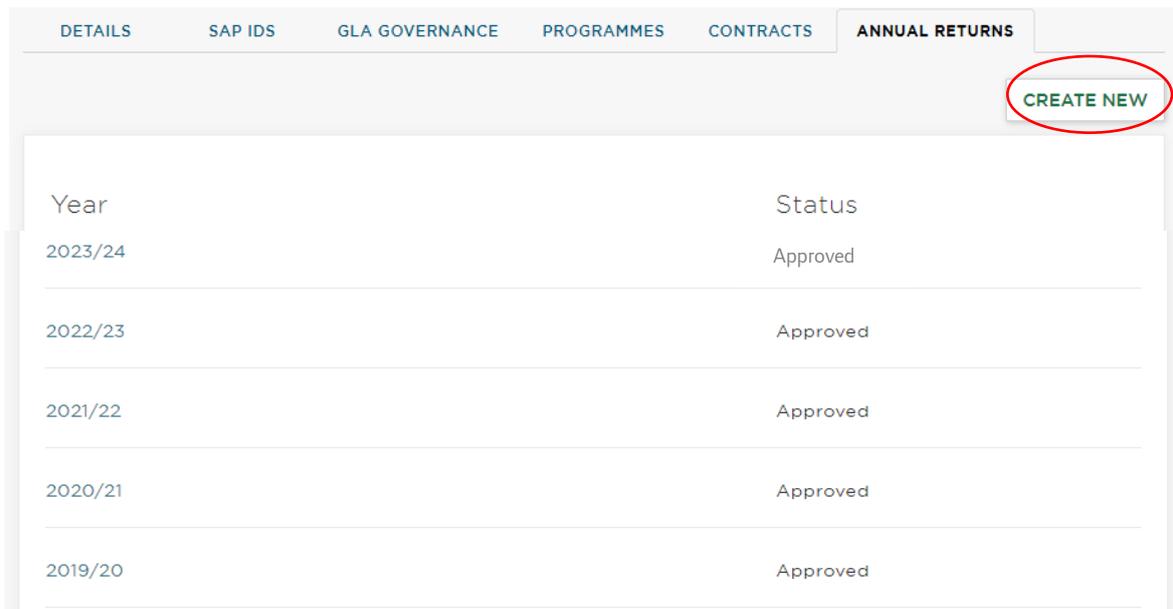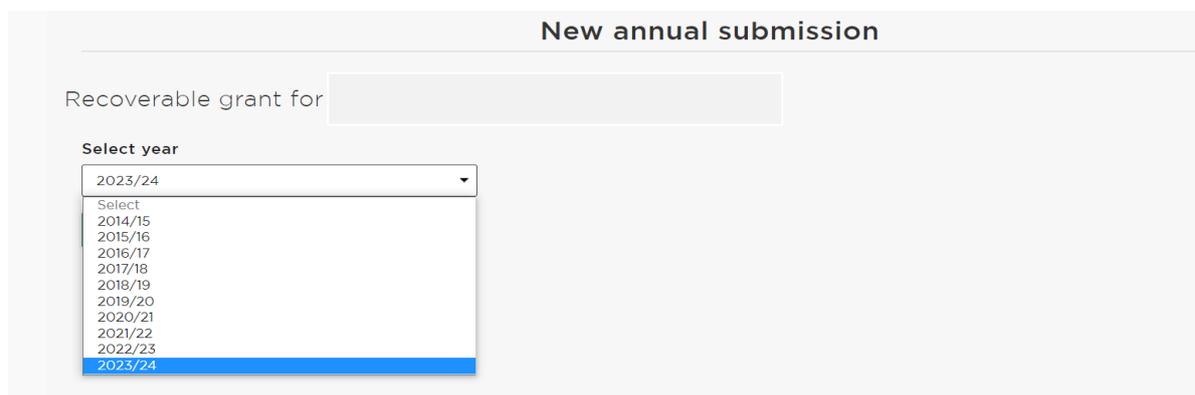
A new return will be created, and you will be taken to an overview page showing the blocks that you will need to complete – 'Annual RCGF Submission' and 'RCGF Commitments & Age Analysis'
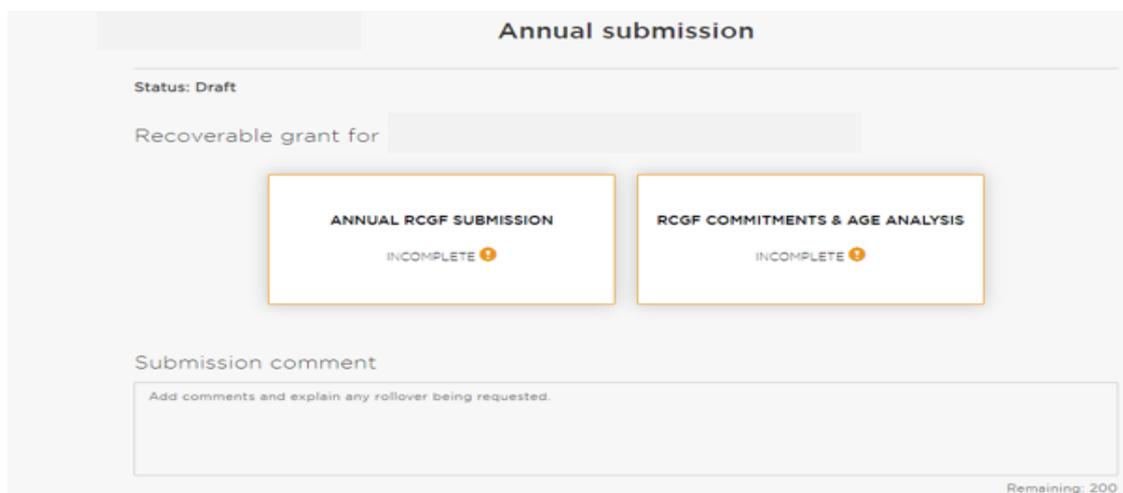
2.4. What will I need to complete?

To complete the return, you will be asked to provide the following information:
- Income generated in 2023-24 (broken down by category)
- Spent funds/withdrawals in 2023-24 (broken down by category)
- Details of the expired balance (in the fund for 3 years)
- Details of commitments against the fund (what you expect the spend the fund on, note this should be discussed and agreed by the GLA in advance as uses for RCGF require GLA approvals).
- An age analysis of how long the funds have been held (breakdown by expiration year).
- Confirmation that the organisation has met the certification requirements related to the information being submitted (see appendix 1 below).

All organisations must ensure the information submitted in this return is accurate and reflects the position for the organisation's audited accounted. You will be required to certify that the information is accurate and meets these governance requirements.

To submit a return, you must complete both RCGF blocks.

You can complete the blocks in any order, but it is recommended you start with the annual submission block.

You will only be able to submit a return if the system validation checks are satisfied and you have ticked the box to confirm the certification requirements have been met.

3. Completing the "Annual Submission" block

In this block you are required to provide details of the source of funds generated in 2023-24. You will need to know the amount generated and the category that the income relates to. Similarly, you will need to provide details of withdrawals (spent from the fund) in 2023-24 and specify the category that these withdrawals relate to.

To begin click on the 'Annual Submission' block and then click the 'Edit' button in the upper right corner of the screen below. The block will become editable and enable you to enter information.
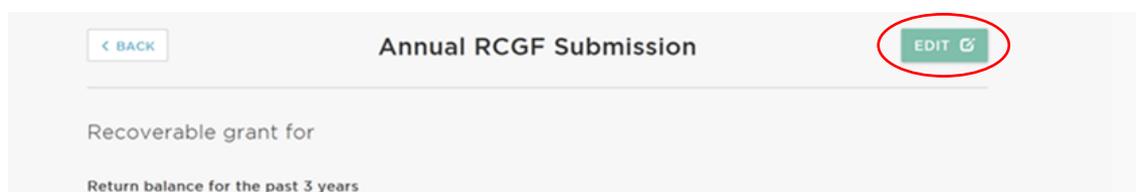
3.1. New opening balance

If you submitted a return in 2022-23 and that return was approved by the GLA, the closing balance for 2022-23 will automatically appear in the current return as an opening balance for 2023-24.

If no return was submitted for 2022-23 or was not approved by the GLA you will need to manually enter an opening balance for 2023-24. You must ensure that the opening balance is accurate and reflects your organisations audited accounts.

3.2.   Entering RCGF income details.

You will be required to enter details of how much RCGF was generated in the year. To add an entry, click 'Create New Entry' located above each table. A pop-up box will appear, and you will be asked to select a category, enter a value and add a supporting comment. If you have not generated any RCGF (income) in the year, tick the box that says 'No RCGF generated'. You will need to either click that no RCGF has been generated in year or add details of the income in to complete this block.

Enter RCGF income generated in 2023/24

☐ No RCGF generated

CREATE NEW ENTRY +

Not provided

On clicking 'Create New Entry', the following pop-up box will appear, and you will be asked to select a category, enter a value and add a supporting comment.

Generated recoverable grant income 2023/24

Year spend is expected
2023/24

Category

Select category ▾

Value

Enter value £

Supporting comments (Optional)

e.g. project name, unit numbers or Org

Remaining: 200

ADD
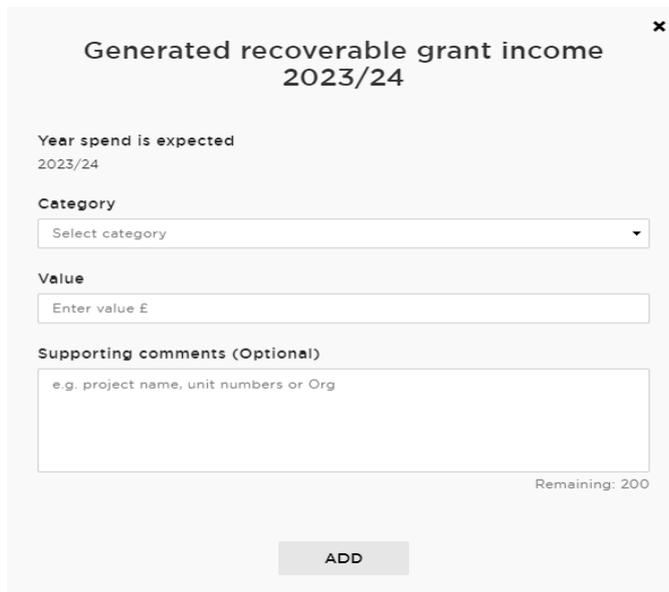
To delete an entry, click on the 'X' icon to the right of each row in the table. To amend an entry, click on the category line (other in the example below) and the edit box will re-appear. The edit will only allow you to amend the value. If you need to amend the category, you will need to delete the line and re-enter a new category.

Enter RCGF income generated in 2023/24

☐ Show comments

CREATE NEW ENTRY +

CATEGORY	VALUE £	
Other	10,000	✖
TOTAL	10,000	

If there is an adjustment you need to make to closing balance from the previous year return you can do this by entering the adjustment amount, using the 'past year adjustment' category in

either the income or withdrawal tables, depending on the type of adjustment you need to apply. If using this category please ensure you have sufficiently explained the reason for your adjustment in the comments field, otherwise your return may be rejected by GLA officers and lead to all remaining RCGF being withdrawn.

3.3. Entering RCGF spent (withdrawal) details

The process is the same as described for income but using withdrawal categories. If you have not spent (withdrawn) any funds in the year, tick the box that says 'No RCGF spent'. You will need to either click that no RCGF has been spent in year or add details of withdrawals in order to complete this block.

3.4. New closing balance

After you have completed both the income and withdrawal tables, the system will calculate the new closing balance to 31 March 2024. This is based on the closing balance from 2022-23, plus income generated in 2023-24 minus withdrawals made in 2023-24. The new closing balance for the fund to 31 March 2024 will appear on the screen. The system will not allow you to enter figures that result in a negative closing balance.

3.5. Expired balance

The section below the closing balance refers to expired balances. An expired balance relates to the amount that has been the fund for three years, e.g. for expiry by March 2024, the income would have been generated in 2020-21 or earlier. You will be required to enter the amount of grant and interest that has been in the fund for more than three years. Note, this will be carried

through to the 'expiration by year' fields shown in the "RCGF Commitments & Age Analysis" block.

In the expired balance part of the screen (see below), you will be asked to enter the amount of grant (excluding interest) that has been in the fund for three or more years and below that, the amount on cumulative generated interest on the expired balance. The expired balance at 31 March 2024, will relate to funds generated in 2019-20 or earlier if a previous roll over request was agreed by the GLA.

If none of the closing balance has been in the fund for three (or more years) you may enter zero in both the grant and interest fields. You must enter zero or a value in these fields to complete this block (it cannot be left blank). Please ensure you enter the grant and interest amounts separately (do not include interest in the grant figure).

The expired balance will be carried forward to the 'Commitments and Age Analysis' block.

3.6.   Roll – over requests

Once you have entered the expired balance, you will be prompted to enter how much of the three-year balance you are requesting the GLA to 'roll over' for another year. You will be prompted to enter the amount of grant and interest that you are requesting to roll over, in separate fields below on the screen (see below). A validation message will appear if you enter amounts that exceed the three-year expiration figures. Please use the comment box on the submission page to note the reasons why your organisation is requesting the funds to be rolled over. The GLA will consider roll over requests on a case-by-case basis.

Please enter zero in the fields below if you are not requesting any of the three-year expired funds to be rolled over (these cannot be left blank).

3.7. Finish or resume editing

When you have completed the annual submission block, click 'Done'. You will then be taken to the annual submission overview screen.

The overview screen will show as 'Section Complete' if all the required information has been input. If the block continues to appear as incomplete, it means that some of the information you have entered is not meeting the system validation checks and you should review and amend accordingly. You will not be able to submit a return if any of the blocks are incomplete.

To return to a block and continue editing you will need to select the 'edit' button at the top of the screen.

---
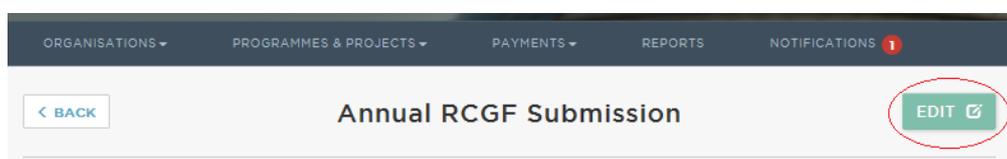
4. Completing the "Commitments and Age Analysis" block

In this block you will be required to provide details of
  (i)   commitments made against the total fund, setting out what you expect to spend the fund on and which year that expenditure is expected (see 'Forecast commitments section' on the screen). Commitments and the use of RCGF require approval / agreement from the GLA so please ensure you have discussed these with your GLA lead contact prior to completing this section.
  (ii) The age analysis of the closing balance, setting out a breakdown of the fund by expiration year (see 'RCGF expiration' section on the screen).

4.1. Forecast commitments

Click into the block then click the 'Edit' button in the upper right corner to begin inputting to this screen.
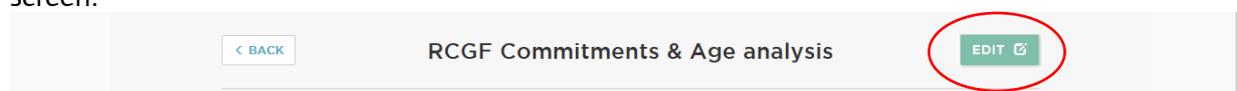
In the forecast commitments table, select 'create new entry' and begin entering details of what you expect to spend the funds on in the year listed.

In the pop-up box below, you will be required to enter details of how much RCGF you expect to spend each year. Please use the comments box to provide details of what this expenditure relates to, for example if it relates to GLA approved expenditure within projects or expenditure that you will be seeking approval for from the GLA for future projects.

There are five categories that can be selected as the forecast expenditure type. Please only use 'programme currently on OPS' or 'future programme not on OPS' when adding commitments. As it is expected that all committed spend will be under the 2021-26 Affordable Homes Programme, the organisation' or 'other' categories are no longer relevant to current GLA programmes.

This information will enable the GLA to make an informed view of any funds you are seeking to roll over and how you plan to spend this in future.

Please note, you require specific approval from the GLA to use the RCGF funds and the above entries do not constitute approval requests. These will need to be discussed with your lead GLA Area Manager. You should be clear that the RCGF returns are a note of your expected expenditure agreed with the GLA and will require GLA approval. Please refer to the RCGF policy guidance for details of what the funds may be spent on and the relevant approval process (see link at the start of this document).

Please use the 'Show All' button on the screen to list the entries you have made.

4.2.   RCGF by expiration year

In the lower part of the screen, entitled 'RCGF by expiration year' you will be required to enter details of the funds by expiration year. See RCGF policy guidance link at the start of this document for further information.

The screen will show the new closing balance generated from the 'Annual submission' block and the value of 'RCGF expiring in March 2024' based on the information you entered on 'Annual submission' block. This is calculated from the total grant and cumulative interest entered, see section 4.1 above.

In this part of the screen (see below) you should enter the amount of the fund by expiration year. The figures should include both grant and interest. The total of the expiration fund fields must equal the new closing balance. The total is calculated at the bottom of the screen.

The system will not allow you to submit the return unless the total of the figures from the expiry field equals the closing balance for 2023-24.

```
RCGF by expiration year
The amount of RCGF balance (grant and interest) due to expire in each year as at 31 March 2024

Closing balance for 2023/24          £16,640,769

RCGF expiring in March 2024
Balance of grant and interest remaining in the fund for 3 years and more
£0

RCGF expiring in March 2025
Balance of grant and interest remaining in the fund for 2 years but fewer than 3 years
£  13,600,769

RCGF expiring in March 2026
Balance of grant and interest remaining in the fund for 1 year but fewer than 2 years
£  3,040,000

RCGF expiring in March 2027
Balance of grant and interest remaining in the fund for less than 1 year
£  0

Total
£16,640,769
```

Please enter zero or a figure in fields, they cannot be left blank.

4.3.   Finish or resume editing

When you have completed this block click 'Done'. You will then be taken to the annual submission overview page.

The block will also show as 'Section Complete' if all the required information has been input. If the block continues to appear as incomplete, it means that some of the information you have entered is not meeting the system validation checks and you should review and amend accordingly. You will not be able to submit a return if any of the blocks are incomplete.

To return to a block and continue editing you will need to select the 'edit' button at the top of the screen.

5. Submitting a return

To submit a return, you must complete both blocks and they must indicate that they are 'complete.' If either block is incomplete, this may be because you have entered information that is not meeting the system validations, or you have not fully completed the required information.

Once the required information in each block has been input, the block will turn green and show as 'Complete.' When both blocks are complete a comments field will appear along with further details to certify your return meets the submission requirements.

5.1. Submission comments

On submitting the return, you will be able to enter commentary about your return. If you are requesting to roll-over any of your funds you must use the comments field to justify your request.

5.2.   2023-24 RCGF – Certification Requirements

The GLA requires that all housing providers who complete a RCGF annual return confirm that the information submitted is accurate and certified by an authorised signatory of the organisation.

The GLA's Open Project System requires the name and job title of the authorised signatory of an organisation to be entered, along with the date the information was authorised and a tick box to certify that the requirements below have been met. The system will not allow a return to be submitted to the GLA without the above information. Where the information is re-submitted or amended, the revisions must be agreed by the authorised signatory and a revised date entered in the field below.

Example of GLA-OPS certification section:

By ticking the certification box within the GLA-OPS system, you are confirming on behalf of your organisation that:

A. The authorised signatory certifies that the Registered provider has met the requirements set out by the GLA (in the Capital Funding Guide and Grant Recovery Determination).
    1) Complied with the GLA's guidance on calculating the amounts transferred to the Fund
    2) Complied with the GLA's requirements on permitted uses and received GLA's permission for those uses
    3) Provided information in this annual return which is a true and accurate account of income and expenditure and commitments related to this fund.

B. The authorised signatory undertakes to ask the organisation's external auditors to include the operation of the RCGF in their annual audit. The authorised signatory confirms that they did audit the previous year's RCGF return (where one was submitted) and found that the return did agree with the organisation's records, that credits to and debits from the Fund, and the administration of the Fund were in accordance with the rules and conditions specified in the GLA's procedures or otherwise laid down by the GLA.

C. The authorised signatory notes that if the information provided in the return is found to be incorrect the GLA reserves the right to withdraw the RCGF funds.

D. The authorised signatory certifies that the Registered provider has met the requirements set out by the GLA (in the Capital Funding Guide and Grant Recovery Determination).

6. External Auditors

Your auditors must have regard to the disclosure of fund balances and transactions within their sign-off of your organisation's accounts.

The GLA-OPS system administrator within your organisation can give your auditor read only access by asking the auditor to register on OPS using your OPS Org ID and then approving the request and assigning the 'Project Reader' role.

You must keep a record of external auditors' examinations of RCGF accounts and any observations by the external auditor should be communicated to your assigned GLA Area Manager.