

Good Growth Fund – Frequently Asked Questions

Q. Who is administering the Good Growth Fund?

A. The fund is administered by the Greater London Authority Regeneration Team, but works in collaboration with partners to deliver individual projects.

Q. Can I apply for funding if I haven't previously worked with the GLA?

A. Yes.

Q. How much funding is available?

A. Up to £70 million in total, although we are not likely to award more than £5 million for a single project application.

Q. I only need a small amount of funding, do I have to go through this process?

A. We would like to see a whole mix of large and small projects that respond to the themes of our prospectus. It is worth noting that there will be a new round of Crowdfund London for pledges of up to £50,000 launching in 2018.

Q. I'm an individual with a great idea, can I apply?

A. An application needs to be from a constituted local organisation- we can't fund individuals. If you are an individual, you would need to partner with an appropriate local organisation and develop your idea together to be able to enter legal contracts with the Greater London Authority. We would also ask you to demonstrate clear and representative governance arrangements (your mission statement, who you represent, how you conduct yourselves and your membership, key roles and responsibilities etc.) and provide details of an organisation bank account.

Q. Can I use funding for a time-limited project, which will be removed soon after it is complete?

A. We'd like to see long term lasting change achieved with this funding, although we recognise that there is a value in 'piloting change' if there is a strategy and commitment to continue with successful pilots.

Q. Can I apply for a project that is already underway or does the project have to be completely new?

A. An application can be for a project that is already in delivery, or part of a larger project, but we would need to be able to identify a distinct element that we can apply our funding to. We recommend referring to the wider project in the EOI form, but making a clear distinction between it and the aspect you are proposing to us.

Q. What are the match funding requirements?

A. We can fund up to 50% of the total project value. For example, on a project of £400,000, we will contribute £200,000 and match funding will account for the other £200,000. As a guide, we prefer that match funding component to be mostly made up of previously unallocated money (s106, council core funding, other private sector contributions etc.), rather than from existing funds (NHB, TfL LIP, Housing Zones etc.). We would review every application on a case by case basis, and are willing to accept many different types of match funding. However, if for example, we were reviewing two very similar projects, one where the match funding component was entirely secured, this would be viewed more favourably. Due to the fund being almost entirely capital we would expect applicants to fund revenue elements of their projects from their match wherever possible. Match funding needs to be genuinely associated with the project and be used towards securing the same outcome as that which you are seeking funding towards.

Q. If I need to borrow money to carry out the project, can this be counted as match funding?

A. Yes. Although this may be considered unsecured match, and may present a delivery risk to the project. If you can demonstrate that you have an existing facility from a bank/lender, this risk will be reduced in our assessment.

Q. What are the timescales for spending the money?

A. Any projects we award funding to this year should ideally enter grant and begin delivery this financial year, but we have designed the Good Growth Fund as a rolling programme to enable projects to move to their own timescales and not ours, so we will try to be as flexible as possible. Any project will need to have fully claimed our funding by March 31st 2021.

Q. What's the minimum amount of ESF funding that you will award?

Due to the administrative burden of meeting the ESF procurement, reporting and audit requirements and the associated CFO management and administration costs, we have set a minimum lifetime project value of £500k (i.e. minimum £250k ESF + £250k match). We anticipate that projects will be delivered over a period of 2-3 years, so the minimum annual project value per year would be between £167,000 and £250,000. We are happy to consider proposals submitted by partnerships or consortiums, including where delivery is anticipated across more than one location.

Q. My organisation would like to apply for ESF, but another organisation is the delivery agent, so we can't procure ourselves. Is there no way around this?

The ESF element embedded within the Good Growth Fund comes from the GLA's Co-Financing Memorandum of Understanding with the Managing Authority, and as such all funded provision must be competitively tendered.

We anticipate that a GGF bid will be submitted, and then the 'sponsor' will co-commission and competitively procure the ESF project with us. If the construction centre/bidding team were not party to the development stages of any specification (and we would need to put protocols in place), they could bid to deliver the co-commissioned ESF project, but if they do manage the centre directly –which by the look of the website, it appears they do - this approach probably wouldn't work. If there is an interest in this approach we would need to verify what protocols could be put in place and then verify with the GLA's European Programme Management Unit (EPMU) and DWP that this is acceptable.

However, there may be other parties that could bid to GGF and co-commission with us instead of the council - for example the developers who have a financial stake in the redevelopment. Regardless, in either scenario, the centre would need to bid alongside other applicants and there would be no guarantee that they would ultimately be successful and be selected as preferred supplier.

Q. I am a workspace provider looking to create a new workspace. Can I apply if I have not yet secured a site?

A. Yes. The inability to secure a site within the project timeframe would present a risk to the delivery of the project, and will be assessed accordingly in the deliverability of the project. So, you should present a convincing strategy of what you are already doing, and what you plan to do to secure a site, and your track record of having done so in the past. Outline the stage and nature of discussions about any sites, as well as any fall-back options that could be progressed.

Q: What is 'State Aid'?

A: State aid can occur whenever state resources are used to provide assistance that gives organisations an advantage over others. It can distort competition, which is harmful to consumers and companies in the EU. Where there is a genuine market failure, State aid might be necessary and justified. For more information please see the Basics Guide.

Q. Can I use funding as a deposit to secure a workspace?

A. Yes. Grant funding can be used as a deposit to borrow a mortgage secured against property; however there may be particular conditions imposed on the grant to ensure the property is not sold off or used for other purposes than intended, without approval.

Using grant funding as security to borrow against puts the ability of public funding to deliver the outputs it was intended for at risk, and this will be considered in assessment.

Q. Who determines the winning bids?

A. The process includes appraisal and moderation by a panel of GLA officers, scrutiny by the LEAP, and then a final decision taken by the Mayor.

Q. When will I find out if I've been successful?

A. The Good Growth Fund is a rolling funding programme. After the first round of EOI decisions are made in October 2017 a new timeline for the next tranche of applications will be released.

Q. What do the grant conditions look like?

A. Each grant award is composed of a series of standard grant conditions and sets out the objectives, milestones and funding schedule alongside a detailed description of the proposal to be agreed as part of project tailoring. Proposals from non-borough organisations may have specific conditions to ensure the funding achieves long term public benefits.

As part of grant, all successful applicants will be required to monitor progress on a regular basis and evaluate their project at the end of the programme to assess its impact and offer learning for future activity. You will receive further information and support for monitoring and evaluation as your project progresses.

Q. I am a workspace provider and I will be receiving a rental income from the completed project. Is this a problem?

A. You will have to demonstrate through, for example an outline business plan, how the grant funding will create public benefits or outcomes which would not be possible otherwise. For example by providing evidence of existing rents and the difference the funding will make that is passed onto users, or by guaranteeing the provision of business support or wider social engagement which would not have happened with the grant funding. The use of public funding which directly benefits a single organisation and distorts the market may be considered "State Aid", and would not be provided.

Q. What outputs and outcomes are available to choose from?

A. There are a number of preferred outputs and outcomes in the prospectus and application form. Detailed guidance on outputs and outcomes is available in the 'outputs and outcomes handbook' available to download back on the London Regeneration Fund page.

Q. What is meant by Town Centre Investment Management?

A. Town Centre Investment Management (TCIM) is an emerging concept to address the issue of fragmented ownership on high streets - when individual landlords seeking the highest rent in their individual units let them to tenants who may limit the offer of the high street, or keep their properties empty rather than reducing rent or accepting a small business as a tenant.

TCIM proposes bringing together a critical mass of units into a singular ownership vehicle to allow better management of these properties. Individual property owners can come together voluntarily, or be acquired and brought together by joint ventures (JV) between a borough and institutional investor. More information is available in the Accommodating Growth report.

Q. What is happening with the European Regional Development Fund (ERDF)?

A. A large amount of ERDF Funding for "SME competitiveness" projects has been allocated already. There are calls for "low carbon" and "research and innovation" projects at the moment. There is a chance that there may be future calls for "SME competitiveness" projects, although we do not know when or how much could be on offer. In the meantime, if you think your project is aligned with ERDF themes, and you are not progressing an ERDF application at the moment, you may note this in the LRF application form, and we will be in touch with further information when it is available.