

## **Growing Places Fund**

### **1. Introduction**

1.1 Board Members will be pleased to note that our LEP has been given an indicative award of just under £10.664m of un-ringfenced funding from the Government's recently announced Growing Places Fund. Up to 2% of this funding can be used for resource funding, with the rest reserved for capital.

1.2 This short paper describes the aims and objectives of the Fund, and begins to set out some of the issues the LEP will need to address in order to access the fund and allocate to projects. This builds on the discussion paper on the Board's role in allocating funds that was discussed at the October meeting. It is proposed to bring a further paper to the next Board meeting to consider these issues further, including a proposal to set up a LEP Infrastructure Fund, linked to a LEP Infrastructure Plan as part of the overall economic strategy for the LEP. The Growing Places Fund could kick start any such Infrastructure Fund.

### **2. Aims and Objectives of the Fund**

2.1 Prior to the announcement of the fund, we had been involved in discussions with colleagues in Whitehall, and sought to impart some of the learning from the way we had used previous funding mechanisms such as the Housing Growth Fund to create "rolling infrastructure funds" where the fund pays out to projects through loans or equity investments to support infrastructure, but is then replenished through the loans and interest, or equity principle and return, coming back at a later date. In addition to experience of such rolling funds within our LEP area, there are also successful examples elsewhere, such as Manchester's Evergreen Fund.

2.2 The Government states that they "expect our investment to enable the creation of local enterprise partnership led local infrastructure funds across England. These will provide the up-front funding needed to get development underway, and give local areas the flexibility to recycle funding for other projects as developments are completed.

2.3 So it is clear that this Fund is primarily modelled on these "rolling" or "revolving" funds. That is useful, given local knowledge of such methods.

2.4 It is also designed to be used quickly, to give a boost to growth prospects during a period of significant instability. The fund is £500m in total.

2.5 There are three overriding objectives stated by Government:

- to generate economic activity in the short term by addressing immediate infrastructure and site constraints and promote the delivery of jobs and housing;
- to allow local enterprise partnerships to prioritise the infrastructure they

need, empowering them to deliver their economic strategies;

- to establish sustainable revolving funds so that funding can be reinvested to unlock further development, and leverage private investment.

### **3. Next Steps**

3.1 DCLG are hosting a "Growing Places workshop" in London on Monday 21 November, and we will ensure that we have representation at that workshop.

3.2 In order to access the funding allocated to us, we need to fill in a short Pre Qualification Questionnaire, which requires us to set out projects we may wish to use the funding to support, which Local Authority will act as the lead and accountable body for the money, how our governance arrangements will work, and how we will arrange the management of the fund and track the use of the funds within the projects (including financial accounting procedures).

3.3 We will need to do further work on these issues, but can draw from the effective processes used in the past for management of Housing Growth Fund.

### **4. Recommendations**

4.1 This paper is primarily for information at this stage, as the announcement on this Fund were only made shortly before needing to put papers to the Board. However, the views of the Board are invited on any of the points herein.