

GROWING PLACES FUND – PRÉCIS

Objectives:

- To generate economic activity in the short term by addressing immediate infrastructure and site constraints and promote the delivery of jobs and housing
- To establish sustainable revolving funds so that funding can be reinvested to unlock further development, and leverage private investment.

DCLG reportable outputs:

Job creation	Site acquisition
Site preparation	Site access
Site protection	Transport infrastructure
Acquisition of buildings	New office buildings
New industrial buildings	New residential buildings
Refurbish buildings	Public realm
Broadband	Utilities
Environmental improvements	

As these are the only outputs that the Government records, they need to form the parameters for the aspects that the LEP can invest in.

Growing Places Fund – the basics

1. It's a loan.
2. Interest rate. Nil as long as the scheme complies with State Aid rules. If interest has to be charged, it will be at State Aid compliant, commercial rates with compound interest.
3. Repayment options:
 - i. Repayment after 2 years. Repayment of 100% of loan sum interest free (dependant on BP2) 2 years after practical completion of the element(s) funded;
 - ii. Repayment over 3 years. Repayment of $\frac{1}{3}$ rd of the loan sum per year, the first 2 years interest free (dependant on BP2) and the final year bearing interest at commercial rates;
 - iii. Repayment over 4 years. Repayment of $\frac{1}{4}$ of the loan sum per year, the first 2 years interest free (dependant on BP2) and the final two years bearing interest at commercial rates.
4. Maximum intervention level. Based on provable financial need, potentially whatever is available in the LEP's GPF at the time but this varies and individual investment depends on the other applications in any particular round.
5. Minimum intervention level. £100,000.
6. Maximum intervention rate. 50% of scheme cost excl. land value if the developer already owns it; i.e. the scheme would need to cost more than £200,000.

7. Security. 100% cover is needed, various forms of security are acceptable.
8. Retrospective payments. Claims on a quarterly basis.
9. Monitoring & evaluation. Required for a term to be agreed.
10. Publicity. Acknowledgement of LEP funding on any scheme publicity.
11. Applicant support. This is available but limited.
12. Current bidding round. 8th February – 22nd April 2016. Submission deadlines:
 - i. Stage 1. 17:00 on 22/04/16
 - ii. Stage 2. 17:00 on 17/06/16

Timescales

After the bidding window closes, the outline process is as follows:

- Within 2 weeks of the deadline, diaries permitting, a meeting of the LEP's Land & Housing Group will meet to review the submissions. Schemes will either be passed for more detailed analysis or rejected if not felt appropriate for further review at this time;
- Between the Stage 1 & 2 submissions, applicants whose projects have successfully passed the Stage 1 appraisal will be invited to interview by the Land & Housing Group;
- 8 weeks after the initial deadline (major holidays permitting), the applicants whose projects have successfully passed Stage 1 will need to submit the Stage 2 form complete with as much of the information detailed on the supporting documentation list as possible;
- In the 6 weeks after the Stage 2 deadline, the project will be subject to a detailed 'due diligence' appraisal;
- In parallel with the 'due diligence' process, the draft legal agreement and loan security documentation will be forwarded to the applicant for their consideration;
- Schemes that have successfully passed the due diligence process are then presented to the LEP Board for final acceptance for the agreed investment.

In general, the above process can take up to 16 weeks between initial deadline and LEP agreement to invest. The length of time taken to complete the legal agreement lies primarily with the applicant but any expenditure incurred before the legal agreement is signed is not eligible for funding.

Further information can be found on the LEP website:

<http://www.stokestaffslep.org.uk/tenders/growing-places-fund/>