

## GROWING PLACES FUND GUIDANCE NOTES



### Introduction

1. This is the fifth briefing document from TVB LEP about the Growing Places Fund. It will remain current until it is necessary to make changes, improvements or amendments to the scheme.
2. If there is anything in this briefing which is not clear, or raises further questions for you, or you think has not been properly thought through, or is likely to have unintended consequences, please get in touch with [Tim Smith](#) to discuss your concerns.

### Thames Valley Berkshire Growing Places Fund

3. The objective of the Fund is to stimulate economic activity by:
  - addressing infrastructure and site constraints, and promoting the delivery of housing or other developments
  - improving the communications infrastructure, in particular the availability of broadband services
  - responding to innovative and creative projects, that remove barriers to economic growth or promote jobs
4. TVB LEP invites proposals that meet these objectives. In issuing this invitation, TVB LEP is keen to spread the net as wide as possible, and to encourage new and innovative approaches to old problems, large or small, as long as they can be shown to support this definition of the Fund's objective.
5. Applicants will be asked to forecast the job creation effect of their scheme, both during construction or development as applicable, and subsequently during the operational life of the project. They will also be asked to describe the impact of the scheme on the local economy in Thames Valley Berkshire. In addition, in considering the job creation element, applicants will be asked to address the issue of apprenticeships.
6. The thrust of a good application will be the impact it has on the Thames Valley Berkshire economy, the number of jobs it will create, the soundness of the overall proposition, including the ability of the scheme to repay the advance of funds, and a clear statement of why only the Growing Places Fund can help unblock the scheme and remove the barrier to growth.

## **Process for Assessing Applications**

7. Any proposal must successfully pass through pre-application discussions with the Business Director before being considered as a Phase 1 outline application and then a Phase 2 full application. There is also an alternative route, which allows applicants in receipt of a conditional or part offer of a commercial bank loan to move straight to Phase 2 for a top-up advance for their project.
8. All final decisions about the Fund will be taken by the TVB LEP Forum, and the financial administration will be supplied by the Royal Borough of Windsor and Maidenhead.
9. Prior to this final decision making stage, the LEP Executive will consider Phase 1 and Phase 2 applications that come forward, and make recommendations to the Forum.

## **What Will the Fund Not Do?**

10. The Growing Places Fund will not provide gap funding, grant funding or subsidy. The Fund cannot be used to make unviable developments or business proposals viable (nor will it help applicants increase profit levels). This is because any advance from the Fund needs to be repaid. If a scheme is unviable and it receives forward funding, it is still unviable; it will never generate sufficient profit for it to repay its investors and the Fund. Unviable schemes that require gap funding, grant or subsidy to make them profitable should seek support from elsewhere.
11. The Growing Places Fund will not support schemes for which more appropriate sources of funds, loans or grants are readily available. The purpose of the pre-application discussion is to ensure that applicants are fully aware of the sources of help available.
12. The Growing Places Fund is not loan funding. It is forward funding, with Growing Places Fund investment drawn down against claims for eligible expenditure. Loan funding and borrowing also attract interest; Growing Places Fund does not charge interest.

## **State Aid**

13. Applicants will also need to address the issue of State Aid and provide some evidence that they have understood how the European State Aid rules impact on their sphere of operation in general and their application in particular. Advice on this issue will be signposted during pre-application discussions.

## **Get Britain Building**

14. DCLG has published the [Get Britain Building prospectus](#) which is a further capital fund, to be administered by the Homes and Communities Agency, and specifically available to house builders (commercial or registered providers) to bring forward stalled “spade-ready” developments.
15. There is potential for some schemes to be eligible for both Growing Places and Get Britain Building support. We will maintain close links with the relevant team at HCA to ensure we are appropriately coordinated with them.

### **Freedom of Information Act**

16. In the event that Thames Valley Berkshire Local Enterprise Partnership Limited or Royal Borough of Windsor and Maidenhead receive a Freedom of Information Act request to disclose anything contained in an application, we will normally comply. The reason for this is that we are administering public money on behalf of the Government, and therefore normal public sector standards of transparency and disclosure will be applied.
17. If an applicant considers there are good reasons why certain information (commercially sensitive or otherwise protected by confidentiality) ought not to be disclosed by this means, then this issue will need to be identified at the time of submitting a Phase 1 or Phase 2 application. The application forms make this clear.

### **Due Diligence**

18. All Phase 2 full detailed applications will be subjected to a third-party due diligence check. The choice of an appropriate independent reputable due diligence agent will depend on the nature and scope of each application. We have secured offers of help from the Homes and Communities Agency, and from a professional firm to conduct these checks. In making a Phase 2 full detailed application you and your partners consent to co-operating with these checks.

### **What is Capital Expenditure?**

19. The following gives some guidance on expenditure that can be regarded as Capital.
20. Expenditure can be capitalised where it relates to the:
  - Acquisition, reclamation, enhancement or laying out of land.
  - Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures.
  - Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles or vessels.
21. The above can be consolidated into two main areas of capital activity
  - The acquisition or creation of a new fixed asset.
  - The enhancement of an existing fixed asset.
22. In addition, intangible assets can be capitalised. Examples are software licences, quotas, patents, copyrights, franchises and trademarks. The common item that local authorities capitalise under intangible assets is software.
23. Recent examples from a Berkshire Local Authority of capitalised expenditure:
24. Vehicles; Machinery; Purchase of PCs; CCTV Cameras; Noise Monitoring Equipment; Expenditure on Roads; Expenditure to enhance buildings; Construction of new buildings; Emergency planning equipment; Trading standards equipment; Car park equipment; Urban

traffic control equipment; Photocopiers; Laminators; Telephone systems; Boilers; Lifts; Play equipment; Furniture; Fitness equipment; Software.

25. Any expenditure that relates to the day to day running of an entity is regarded as Revenue expenditure and cannot be capitalised. Examples are salaries, utility bills and general overheads. This is because the expenditure benefits only the current year. It is treated as an expense to be matched against revenue.
26. If you have any questions or queries about how the capital expenditure rule applies to your proposal, please contact [Tim Smith](#) for a further discussion.