

Regional Growth Fund

Background

- “ Fund originally announced in the budget on 22nd June 2010.
- “ Consultation launched 23rd July 2010.
- “ Fund officially launched 28 October with the Local Growth White Paper.
- “ The fund, which only applies to England, will operate for over 3 years from 2011 to 2014

Fund Objectives – it's all about growth!

The RGF is a £1.4bn challenge Fund, which has two objectives:

- (1) To encourage private sector enterprise by providing support for projects with significant potential for economic growth and create additional sustainable private sector employment; and
- (2) To support in particular those areas and communities that are currently dependent on the public sector make the transition to sustainable private sector led growth and prosperity.

The different types of bids

- “ **Projects** - individual projects that make a significant contribution to the objectives of the Fund
- “ **Project Packages** - bring together a number of small projects in a coherent way or which collectively present a more compelling proposal.
- “ **Programmes**
For the 2nd Round proposals were also invited from individual bodies or partnerships for strategic investment programmes.

What makes a Good Bid

- “ The RGF is a **challenge fund** which means that all bids are in competition with one another and that only the best bids will succeed.
- “ For a bid to be successful it should demonstrate how it fits the:
 - . **objectives of the fund,**
 - . **offers good value for money, and**
 - . **provides additionality - evidence of the extent to which the expected outcomes of the project would not happen without RGF support**

The Decision making process



Following the appraisal process the bids will be passed to Independent Advisory Panel, chaired by Lord Heseltine

This panel will make recommendations to a panel of ministers (chaired by the DPM Nick Clegg) on which projects should go ahead seeking to identify the bids which best satisfy the objectives of the Fund

The final decision will be made by a ministerial panel based on the advice they receive.

The Independent Advisory Panel

- Lord Heseltine, Chair
- Sir Ian Wrigglesworth, Deputy Chair
- Felicity Goodey (Businesswoman, former senior BBC journalist)
- Tony Greenham (Programme Head, New Economics Foundation)
- Sir Richard Lambert (Director General, CBI)
- Jon Moulton (Chairman, Better Capital equity group)
- Caroline Plumb (Entrepreneur, Freshminds)
- Sir David Rowlands (Chair of Gatwick Airport Ltd and Angel Trains Group Ltd)
- Mark Seligman (Chartered Accountant and Banker, Credit Suisse)
- Andrew Shilston (Finance Director, Rolls Royce)
- Lord John Monks (Vice-President of European Movement international)
- Sir Alan Cockshaw (Chairman, Shawbridge Management Ltd)
- Lord Mike Storey (Headteacher, Halewood Primary School)
- Prof Tony Venables (Academic Economist, Oxford University)

Supporting Small and Medium Business Enterprises

- “ Fund has proven in Round 1 and 2 to be able to support small companies and medium sized enterprises
- “ The Fund has made conditional allocations of around £200m providing targeted support to SMEs which are the lifeblood of our economy.
 - . £50m to support Business Angel investments;
 - . A number of high street banks are joining HMG in supporting microfinance through the Community Development Finance Association. £30m of RGF will be matched by a further £30m from two banks; and
 - . Additional discussions are ongoing with other high street banks about options for schemes to get additional finance to small businesses.

Round 1

- “Received 464 bids for a total of £2.7bn
- “50 projects approved by Ministers
- “£450m conditionally allocated - subject to due diligence
- “27,000 new or safeguarded jobs
- “Close to 100,000 jobs in supply chains for the successful firms
- “Will lever in more than £2.5bn of private sector investment.

Round 2

- “Received 492 bids for a total of £3.3bn
- “100 projects and 19 programme bids approved by Ministers
- “£950m conditionally allocated - subject to due diligence
- “37,000 new or safeguarded jobs
- “Close to 164,000 jobs in supply chains for the successful firms
- “Will lever in more than £6bn of private sector investment.

The Future?