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Report to: Business Investment Panel
Date: 21 September 2017
Subject: Growing Places Fund Loans Update

1 Purpose

- 1.1 To update members on progress in committing loans through the LEP Growing Places Fund (GPF).
- 1.2 To update members on the progress of two proposed loans previously considered by the panel and ask for feedback.
- 1.3 To update members on the progress of several live loans with changed circumstances or risk and ask for feedback.
- 1.4 To update members on the ongoing review of the GPF.

2 Growing Places Fund (GPF)

- 2.1 The Growing Places Fund (GPF) has operated since 2012 offering loans to support projects that require additional capital funding to deliver jobs and economic growth in a short timescale. Infrastructure projects can include a range of projects from expansion of business premises, site remediation, to the development of a new road junction as part of opening up a brownfield site for housing. For employers funds can be used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment. A loan often completes a package of agreed finance that is not quite sufficient for a project that is ready to go in other respects. The fund is open to all businesses and organisations of any size based in or looking to invest in the city region. This includes the Local Authority Districts of, Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York. Applications from small and medium-sized enterprises, employing up to 250 staff, are particularly welcome.
- 2.2 The loans made through the programme are summarised as follows:

Total GPF Fund	£35.5m
Allocated	£29.5m
Provisionally Allocated	£4m

Unallocated	£2m
Loans in Payment	12 (*)
Loans repaid in full	2
Outputs so far (as at 31.05.17)	
Jobs	141
Homes	396

** This includes one refundable investment made into a service for Small and Medium Enterprises that is available throughout Leeds City Region.*

- 2.3 Private sector leverage is currently exceeding 1:30 although it should be noted much of this is due to a large power plant that will be built at one project that is remediating brownfield land in Wakefield District. The Fund typically seeks private sector leverage on the basis of 1:3.

3 GPF Loan applications

- 3.1 There are no new applications for the panel to consider.

4 Updates on proposed loans

- 4.1 An update on two proposed loans, previously considered by the panel, will be reported on again at the current meeting. These are as follows and the updates are summarised at **Appendix 1**:

Project Ref	Company	Total Loan	Proposed Jobs/Homes	Recommendation
	FP Processing Ltd	£0.8m	70 + 24 apprenticeships	Discuss
	Gateway 45	£3.3m	75+	Discuss

5 Live loans with changed circumstances or risk

- 5.1 There are several live loans with changed circumstances to be noted by the Panel. These are as follows and the updates are summarised at **Appendix 2**:

Project Ref	District	Change	Recommendation
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109	Leeds	Release of Plot of Land and review of terms	Discuss
305	All Districts	Review of Value for Money	Discuss
102	Wakefield	Review of high risk status	Discuss
217	Leeds	Release of Charge	Discuss
104	Leeds	Review of project now loan has been repaid	Discuss

6 Review of Growing Places Fund

- 6.1 Now that the Growing Places Fund has reached its 5th year anniversary a review of the benefits of the fund and its effectiveness is proposed. Panel will be asked to discuss how the scope of the review might be drawn up.

7 Legal Implications

- 7.1 The information contained in **Appendices 1 and 2** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

8 Recommendations

- 8.1 That the update on progress in committing loans through the GPF be noted.
- 8.2 That the update on the progress of two proposed loans previously considered by the panel, as detailed at 4.1, be considered and feedback given.
- 8.3 That the update on the progress of several live loans with changed circumstances or risk, as detailed at 5.1, be considered and feedback given.
- 8.4 That the emerging scope of, and basis for a review of the GPF be considered.