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Report to: Business Investment Panel
Date: 14 November 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 of an application enquiry for GPF funding and seek feedback on how it is appraised.
- 1.3 To update members on the progress of a proposed loan previously considered by the panel.
- 1.4 To update members on the progress of four live loans with changed circumstances or risk and ask for feedback.
- 1.5 To update the position on the risks associated with each project within the GPF loan programme through the renewed six monthly report.

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 and unlock stalled developments post-recession, within a 5 year or shorter timescale. Infrastructure projects have included expansion of business premises, site remediation and developing a new road junction as part of opening up a brownfield site for housing. Funds can also 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
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Allocated	£29.9m
Provisionally Allocated	£3.25m
Unallocated	£2m
Loans in Payment	12 (*)
Loans repaid in full	2
Outputs so far (as at 30.10.17)	
Jobs	160
Homes	468

** There is in addition one refundable investment made into a service for Small and Medium Enterprises that is available throughout Leeds City Region. Unity Hall remains included within this number as at date of issue.*

- 2.3 Private sector leverage has the potential to exceed 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 Application

- 3.1 A GPF application enquiry was received on 24 October 2017, as detailed below. Feedback is sought on whether the application should be considered at the Expression of Interest or Full Business Case stage. The application is detailed in **Appendix 1** with supporting information from the applicant in **Appendix 5**.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
320	£0.25m	TBC	Discuss

4 Updates on Recommended Loans

- 4.1 An update on a previously recommended loan will be provided. This is as follows and the update is summarised at **Appendix 2**:

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation

315	£0.8m	70 + 24 apprenticeships	Discuss
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5 Live loans with changed circumstances or risk

- 5.1 There are several live loans with new circumstances or that are requesting a potential change to be noted by the Panel. These are as follows and the updates are summarised at **Appendix 3**:

Project Ref	District	Change	Recommendation
209	Bradford	Change to repayment terms	Discuss
308	Leeds	Change to repayment terms	Discuss
102	Wakefield	Review of high risk status	Discuss
104	Leeds	Timing of project opening	Discuss

6 Review of Project Risks for Growing Places Fund

- 6.1 In September Panel members requested that the six monthly update of the risks associated with each project be presented. This is attached at **Appendix 4**.

7 Legal Implications

- 7.1 The information contained in **Appendices 1, 2, 3, 4 & 5** 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 new application enquiry received, as detailed at 3.1 and in **Appendix 1**, be considered and a recommendation be made on the appropriate level for the Company's application and appraisal.
- 8.3 That the update on the progress of the proposed loan previously considered by the panel, as detailed at 4.1 and in **Appendix 2**, be noted.
- 8.4 That the updates on the progress of several live loans with changed circumstances or risk, as detailed at 5.1 and in **Appendix 3**, be noted and feedback given, and;

- 8.5 That the existing loan for Project 209 converts to maturity terms subject to confirmation of the review of the implications of re-profiling of the loan and as per the request detailed in **Appendix 5**.
- 8.6 That the updated position on the risks associated with each project within the GPF loan programme, as detailed at 6.1 and in **Appendix 4**, be considered.