
Report to: Business Investment Panel

Date: 12 June 2018

Subject: **Growing Places Fund Loans**

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1. Purpose of this report

- 1.1 To update the Panel on progress in committing loans through the LEP Growing Places Fund (GPF).
- 1.2 To update the Panel on the findings from one project which has received an interim review and ask for feedback.
- 1.3 To update the Panel on one project with changed circumstances and ask for feedback.

2. Information

Growing Places Fund update

- 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 timescale of 5 years or less. 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 partner councils 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 total GPF allocation was £35.5 million of which approximately £0.7 million remains unallocated.

- 2.3 Private sector leverage from the fund has the potential to exceed 1:30 although it should be noted much of this is due to a large gas powered energy plant that will be built at the site of a project that is remediating brownfield land in Wakefield Council's area. The Fund typically seeks private sector leverage on the basis of 1:3.

GPF Interim Project Review

- 2.4 A GPF project (project reference 305) as detailed below has been reviewed as previously agreed by the Panel. Feedback is sought on the findings of the review, which includes an external report, and whether continuation of the project for a further 6 months should be recommended. Information on the review is included, as it is confidential as **Appendix 1 and Appendix 2**.

Project Ref	Total Loan	Proposed Jobs	Recommendation
305	£250,000	N/A	Discuss

GPF Project with Changed Circumstances

- 2.5 A GPF project (project reference 315) has new funding circumstances on which feedback is sought. Information on the circumstances, as they are confidential, is included at **Appendix 3**. As the change in circumstances is current, a verbal update of the most recent developments will also be provided to Panel.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
315	£800,000	24	Discuss

3. Financial Implications

- 3.1 The changed circumstances of the loan at 2.5, increase the risks of related to the loan of £800,000.

4. Legal Implications

- 4.1 The information contained in **Appendices 1, 2 and 3** 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.

5. Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the update on progress in committing loans through the GPF be noted.

7.2 That the interim review of the project, as detailed at paragraph 2.4 and in **Appendix 1 and Appendix 2**, be noted, and that a further review is recommended in six months' time to re-evaluate performance and consider the options which could include project closure with a full return of funds.

7.3 That the project with changed circumstances, as detailed at paragraph 2.5, and in **Appendix 3**, be noted and feedback given.

8. Appendices

Appendix 1 – GPF 305 Interim Review Report (CONFIDENTIAL)

Appendix 2 – GPF 305 External Consultants Report (CONFIDENTIAL)

Appendix 3 – GPF 315 Changes Circumstances (CONFIDENTIAL)