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**Report to:** Business Investment Panel

**Date:** 31 August 2018

**Subject:** **Growing Places Fund Loans**

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**Director(s):** Melanie Corcoran, Director of Delivery

**Author(s):** Chris Brunold, Project Manager

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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 current capital repaid from GPF loans and the amount expected in the current and next financial year.

**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. The fund is open to all businesses and organisations of any size based in or looking to invest in the city region. Applications from small and medium-sized enterprises, employing up to 250 staff, are particularly welcome.
- 2.2 The total original GPF allocation from Government was £35.5 million of which approximately £0.7 million currently remains unallocated. Loan repayments are also held separately and can be reinvested in the future. An external review of the progress and future focus of GPF has been commissioned and an update will be provided at a future meeting of the Panel.
- 2.3 The Fund typically seeks private sector leverage on the basis of 1:3.

### GPF Capital Position

- 2.4 The capital repaid by GPF loans offered through the programme to 30 June 2018 is £7.007 million.
- 2.5 The capital anticipated in the remainder of the 2018/9 financial year is £3.284 million. (This excludes any financial implications associated with the changed circumstance of Project 109)-please see below.  
There is as always with GPF loans a risk that projects may not pay to the agreed final repayment date.
- 2.6 The capital anticipated in 2019/20 is a further £2.839 million.
- 2.7 The total capital expected to 31 March 2020 is therefore £13.130 million. A full position for all future years will be provided in October 2018.

### GPF Projects with Changed Circumstances

- 2.8 GPF Project 109 has changed circumstances. Detail is provided for information. As this is confidential, it is included in **Exempt Appendix 1**.

## **3. Financial Implications**

- 3.1 The financial implications associated with the changed circumstances of Project 109 are set out in **Appendix 1**.

## **4. Legal Implications**

- 4.1 The information contained in **Appendix 1** 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 current and anticipated capital repayment for this financial year and the next as detailed at paragraphs 2.4 to 2.7 be noted.

7.3 That the information provided in Appendix 1 be noted.

## **8. Appendices**

**Exempt Appendix 1 - Project 109 with changed circumstances**