

BUSINESS INVESTMENT PANEL

**MEETING TO BE HELD AT 2.00 PM ON FRIDAY, 5 OCTOBER 2018
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**
 1. To highlight 2, 3, 4, 5 and 6 of Agenda item 7 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemptions outweighs the public interest in disclosing the information, for the reasons outlined in the report.
 2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out at paragraph 4.1
 3. If the recommendations are accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendices 2, 3,4, 5 and 6 of Agenda item 7 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 4. MINUTES OF THE MEETING OF THE BUSINESS INVESTMENT PANEL HELD ON 31 AUGUST 2018**

(Pages 1 - 4)

5. BUSINESS GRANTS PROGRAMME

Led by: Neill Fishman
(Pages 5 - 8)

6. STRATEGIC INWARD INVESTMENT FUND

Led by: David Shepherd
(Pages 9 - 12)

7. GROWING PLACES FUND LOANS

Led by: Chris Brunold
(Pages 13 - 40)

8. DATE OF NEXT MEETING

Signed:

A handwritten signature in black ink, consisting of the letters 'BSM' in a stylized, cursive font, with a horizontal line underneath.

**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON FRIDAY, 31 AUGUST 2018 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Judith Blake CBE (Chair)
Councillor Graham Swift
Michael Allen
Simon Wright

Leeds City Council
Harrogate Borough Council
NatWest Bank
Yorkshire Bank

In attendance:

Khaled Berroum
Neill Fishman
Lorna Holroyd
Samuel Lewis
Lauren Thomas
Kate Thompson
Janette Woodcock

West Yorkshire Combined Authority
West Yorkshire Combined Authority
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West Yorkshire Combined Authority

18. Apologies for absence

Apologies for absence were received from Cllr Darren Byford, Cllr Shabir Pandor, Cllr Tim Swift, Jonathan King, Marcus Mills and Gareth Yates

19. Declarations of disclosable pecuniary interests

Simon Wright declared an interest, not comprising a disclosable pecuniary interest, in Agenda item 6, Appendix 3.

20. Exempt information - Exclusion of the press and public

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 2 of Agenda item 5, Appendix 3 of Agenda item 6 and Appendix 1 of Agenda item 7 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the

report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

21. Minutes of the meeting of the Business Investment Panel held on 9 August 2018

At the meeting held on 9 August, members had requested that further consideration be given to the governance arrangements of the Panel including membership and the quorum for meetings.

The Panel suggested that the membership should be equally distributed between local authority and private sector members as in the previous municipal year and that should also be reflected in the quorum requirements.

Resolved:

- (i) That the minutes of the Business Investment Panel held on 9 August be approved subject to adding Councillor Tim Swift to the list of attendees.
- (ii) That at its next meeting, the Investment Committee be asked to consider the Panel's suggested governance changes.

22. Strategic Inward Investment Fund

The Panel considered a report which outlined the current position regarding committing grants through the Leeds City Region Enterprise Partnership (the LEP) Strategic Inward Investment Fund (SIF) and SIIF Governance Arrangements.

At the Panel Meeting on 9 August 2018 members asked for further information on pipeline projects to the fund and this was provided in exempt Appendix 2.

Resolved:

- (i) That the progress on the SIIF be noted.
- (ii) That the information on pipeline projects be noted.

23. Business Grants Programme

The Panel considered a report which outlined the current position regarding progress in committing grants through the LEP Business Grants Programme (BGP) and BGP governance arrangements. The Panel also noted the development of a new Productivity Pilot which will launch in September 2018 and the revised inclusive growth criteria for the Programme.

In private session the Panel discussed the update on projects previously recommended for approval.

Resolved:

- (i) That the contents of the BGP report be noted.
- (ii) That the views of the Panel on proposed developments to the Programme be noted.

24. Growing Places Fund loans

The Panel considered a report which provided an update on progress in committing loans through the LEP Growing Places Fund and was also asked to note exempt Appendix 1 GPF 109, a project with changed circumstances.

Resolved: That the contents of the report and exempt Agenda item 1 be noted.

25. Date of next meeting

5 October 2018 at 2:00 pm in Committee Room A, Wellington House, Leeds.

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Report to: Business Investment Panel

Date: 5 October 2018

Subject: **Business Grants Programme**

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): Neill Fishman, Lorna Holroyd

1. Purpose of this report

- 1.1 To outline the current position regarding progress in committing grants through the Leeds City Region Enterprise Partnership (the LEP) Business Grants Programme (BGP).

2. Information

- 2.1 Spend and outputs for the grant schemes funded through the Local Growth Fund (LGF) are detailed below. Achievements against these targets can be made through the three capital grants schemes which make up the BGP; the big scheme, the small scheme and the Business Flood Recovery Fund. The big scheme is for grants over £100,000, the small scheme grants of between £10,000 and £100,000 and the Business Flood Recovery Fund grants of £10,000 to £100,000 for businesses affected by the Boxing Day Floods of 2015 (note that this programme is now closed to new applications).

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (17/09/18)
Direct jobs	4,100	2,848	2,182	n/a	5,030	3,229
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	37	540	63	640	545
Total investment	£168,500,000	£144,759,164	£154,834,549	£12,793,515	£312,387,228	£242,106,670
Programme Spend	£38,963,000	£8,791,174	£18,453,498	£2,860,375	£30,105,047	£25,072,857
Cost per job	n/a	£3,087	£8,459	n/a	£5,986	£7,766

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (17/09/18)
Cost per job (including safeguarded jobs)	n/a	£2,930	n/a	£1,856	£4,478	£5,106

*It should be noted that 1,400 of committed jobs under the Big Programme relate to one major project within the Wakefield District. Initial monitoring of the project has now been completed and a total of 290 new jobs have been created to date.

- 2.2 To date commitments of £27.24 million have been made through a combination of the big and small schemes.
- 2.3 As outlined in previous Business Investment Panel papers, grants are now funded through a combination of the Business Growth Programme and Access to Capital Grants, both of which are funded through the LGF.
- 2.4 Commitments through the Business Flood Recovery Fund currently stand at £2.86 million. Of a total of 66 projects approved, three have been withdrawn, 52 are complete and £185,000 is left to pay to 11 businesses whose projects are still live.
- 2.5 All grant awards are listed in summary form on the LEP website and updated quarterly.¹

3. New large programme applications

- 3.1 There are no new applications for consideration on today's agenda.

4. Update on previously approved applications

- 4.1 A grant of £125,000 recommended for approval at Business Investment Panel on 9 August 2018 to Project Ref: 1098371, a Bradford based business, has now been formally approved by the Combined Authority's Managing Director and a funding agreement issued.

5. Multiple applications

- 5.1 Proposals to limit the number of applications a business can submit were considered at Business Investment Panel on 31 August 2018.
- 5.2 These proposals were agreed by the Business, Innovation and Growth Panel on 13 October 2018, and will be adopted from 1 October 2018.
- 5.3 The maximum level of grant support a business can receive within a three year period has been reduced from £500,000 to £250,000. Additionally, businesses

¹ <http://www.the-lep.com/about/governance-and-funding/grants-for-business/>

will only be able to submit a maximum of three successful applications within a three year period.

- 5.4 At Business Investment Panel on 31 August 2018, Members asked for information on how the programme is marketed to raise awareness and widen take-up across the City Region. A paper will be provided at the next meeting on 6 November 2018.

6. Financial implications

- 6.1 There are no financial implications directly arising from this report.

7. Legal implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing implications

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

9. External consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Panel notes the progress report.

11. Background documents

None.

12. Appendices

None.

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Report to: Business Investment Panel

Date: 5 October 2018

Subject: **Strategic Inward Investment Fund**

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): Lorna Holroyd, Sam Lewis

1. Purpose of this report

- 1.1 To outline the current position regarding progress in committing grants through the Leeds City Region Enterprise Partnership (the LEP) Strategic Inward Investment Fund (SIIF).

2. Information

- 2.1 Spend and outputs for SIIF are detailed below.

Performance indicator	Target	Total commitments	Actual outputs (18/09/18)
Direct jobs	1,245	552	319
Number of enterprises	10	3	1
Total investment	£120,450,000	£17,151,961	£4,175,522
Programme Spend	£12,450,000	£1,853,386	£758,457

- 2.2 At the last meeting on 31 August 2018, Members asked for further information on the approaches of other UK regions to promoting inward investment grant funds. This is provided in **Appendix 1**.

3. Financial implications

- 3.1 There are no financial implications directly arising from this report.

4. Legal implications

- 4.1 There are no financial implications directly arising from this report.

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 Panel notes the progress report on the SIIF.

8. Background documents

None.

9. Appendices

Appendix 1 – The approaches of UK regions to promoting grant schemes

Appendix 1

Further information on the approaches of UK regions to promoting grant schemes

The Business Investment Panel requested further detail on the promotion of grant funding to inward investor businesses in other UK regions.

Other UK regions do not appear to market the availability of grant funding to inward investor businesses specifically, however many regions do promote funds available to indigenous businesses, examples are given below.

Manchester

Manchester's inward investment office ('MIDAS') advertises loans and financial advice to inward investor businesses. The Greater Manchester Combined Authority has a 'Core Business Fund' that provides loan and equity of between £0.5m and £5m at commercial rates to businesses in core sectors. This sits alongside the Greater Manchester Loan Fund that provides SME loan finance of between £100,000 and £500,000 to smaller businesses.

Birmingham

In Birmingham, neither Business Birmingham nor West Midlands Combined Authority advertise any financial support to inward investor businesses.

Scotland

Scotland Development International advertises Regional Selective Assistance (RSA) grants, which provide funding of up to 10% of eligible costs to large businesses creating jobs in Scotland.

Wales

The Welsh government does not specifically advertise grants to inward investor businesses, although the Economy Futures Fund provides grant funding to support business investment. The Welsh Government also operates the Development Bank of Wales, which provides a range of loan and equity finance options.

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Report to: Business Investment Panel

Date: 5 October 2018

Subject: **Growing Places Fund Loans**

Director(s): Melanie Corcoran, Director of Delivery

Author(s): Chris Brunold, Project Manager

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 a report for the LEP Board on the future of the GPF and ask for feedback.
- 1.3 To update the Panel on three projects 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. 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 £4.000 million currently remains unallocated. The Fund typically seeks private sector leverage on the basis of 1:3.
- 2.3 Loan repayments are also held separately and can be reinvested in the future. A report has been submitted in this regard to the September LEP Board details of which are attached in Appendix 1 for information and a verbal update will be provided at the meeting.

- 2.4 An external review of the progress and future focus of GPF has been commissioned and the final draft report is expected by the end of September. A verbal update on progress will be provided at the meeting and a report included to the next meeting of the Panel.

GPF Capital Position

- 2.5 The capital repaid by GPF loans offered through the programme to 31 August 2018 is £7.080 million.
- 2.6 The capital anticipated in the remainder of the 2018/19 financial year is £3.227 million. (This excludes the potential repayment of the loan for Project 109 discussed at the previous meeting)
There is as always with GPF loans a risk that projects may not pay to the agreed final repayment date.
- 2.7 The capital anticipated in 2019/20 is a further £2.896 million.
- 2.8 The total capital expected to 31 March 2020 is therefore £13.203 million.

GPF Projects with Changed Circumstances

- 2.9 Three GPF Projects as shown below have changed circumstances. Detail is provided for information, as this is confidential, it is included in **Exempt Appendices 2, 3, 4 & 5**.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
113	£2,450,000	200/312	Managing Director approval
201	£2,400,000	237/408	To note
315	£800,000	24	Discuss

3. Financial Implications

- 3.1 The financial implications associated with the future of the Growing Places Fund are set out in **Appendix 1**.
- 3.2 The financial implications associated with the changed circumstances of the respective projects detailed in para 2.9 are set out in **Appendices 2, 3, 4, 5 and 6**.

4. Legal Implications

- 4.1 The information contained in **Appendices 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.

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 report to the LEP Board be noted and any comments provided.

7.3 That the recommendations in **Appendix 2 and 3** be forwarded to the Managing Director for approval.

7.4 That the information provided in **Appendices 4, 5 and 6** be noted and feedback given.

8. Appendices

Appendix 1 - LEP Board Report on GPF

Exempt Appendix 2 - Project 113 with changed circumstances

Exempt Appendix 3 - Project 113 with changed circumstances

Exempt Appendix 4 - Project 201 with changed circumstances

Exempt Appendix 5 - Project 315 with changed circumstances

Exempt Appendix 6 – Project 315 with changed circumstances image

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 20 September 2018

Subject: **Growing Places Fund reinvestment**

Director: Liz Hunter, Interim Director, Policy and Strategy

Author(s): Jonathan Skinner

1. Purpose of this report

- 1.1 To seek agreement to the future use of receipts from the Growing Places Fund in order to drive improved productivity and inclusive growth in the City Region.

2. Information

Role and purpose of the Growing Places Fund

- 2.1 The Growing Places Fund (GPF) was one of the first funding streams for LEPs, with the Leeds City Region LEP receiving £35.5 million of capital funding in 2011/12 to use for loans and grants to unlock stalled developments that had been particularly affected by credit tightening.
- 2.2 These stalled projects are not able to source full funding on the open market. This often reflects that the type of project is more complex/has greater risk than is able to be secured at viable rates. The rationale for public intervention, therefore, is that providing finance on softer terms than the market is able to offer accelerates delivery of projects, and their outputs of new business premises, jobs and homes. The implication, however, is that the programme of investments are riskier than would be seen on a commercial loan book.
- 2.3 Typical 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. The GPF loan often completes a package of agreed finance that is not quite sufficient for a project that is otherwise deliverable.
- 2.4 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.

Performance of the Growing Places Fund

- 2.5 The LEP, latterly through the Business Investment Panel, has made 15 investments using GPF capital, with the Fund typically seeking to leverage private sector investment by a ratio of 3:1. Loans offered for capital projects are on a 'no fee' basis at interest rates that comply with state aid regulations.
- 2.6 The Fund has been subject to an internal review which has identified learning points about:
- Improving clarity for businesses and intermediaries about the funding options that exist, particularly in respect of the Revolving Investment Fund, operated by local authorities.
 - Organisational capacity and expertise to operate a returnable investment fund.

Additionally, an expert external view has also been commissioned on market demand for a facility like the Growing Places Fund.

- 2.7 Of the 15 investments:
- 2 projects have been completed successfully, returning a combined capital investment of £2.95 million.
 - 2 investments will not complete, meaning £6.41 million will not return.
 - 11 projects are still underway, accounting for £20.93 million of GPF investment.
- 2.8 Loan repayments mean there is now a significant and growing balance held on account. The accountable body's section 73 officer (Angela Taylor, Combined Authority Director of Resources), has confirmed that repaid capital receipts are unencumbered. Monies that have not yet been drawn down or allocated to projects (£5.2 million as at end of June 2018) still have to be used in line with the terms of the original Government grant.
- 2.9 The table below provides a high-level projection of the profile of capital receipts at 30 June 2018 (NB. this is subject to significant change as some repayment schedules depend on asset disposals):

Capital already repaid	£7.007 million
Capital subject to original terms	£5.200 million
Capital forecast to be repaid in remainder of 2018/19	£4.000 million
Capital forecast to be repaid in 2019/20	£4.000 million
Capital forecast to be repaid in 2020/21	£2.000 million
Capital forecast to be repaid in 2021/22	£1.000 million
Capital forecast to be repaid in 2022/23	£1.000 million
Capital forecast to be repaid in 2023/24	£1.000 million
Capital forecast to be repaid at other points	£4.000 million
<u>TOTAL</u>	<u>£29.2 million</u>

- 2.10 In addition to capital receipts, £1.843 million of interest has been paid to the LEP since 2011/12 via the organisations that administer the fund – initially Leeds City Council and latterly the West Yorkshire Combined Authority. These sums have been used for general fund expenditure.
- 2.11 Together, these projects have delivered developments that would either have been unviable or not realised as quickly as they have been:
- 97 hectares of regenerated or remediated land
 - 34,621 sq. m of commercial space
 - 671 new homes built (plus a further 47 affordable homes)
 - 177 jobs and 31 apprenticeships created or safeguarded
- 2.12 In addition to the Business Investment Panel’s role in approving GPF funding, the Combined Authority’s Overview and Scrutiny Committee has also been active to learn lessons about GPF processes. This culminated in recommendations to the Combined Authority, which were agreed on 1 February 2018. Most of these changes had already been reflected in improvements to the Assurance Framework.

Context and principles

- 2.13 Since the GPF was launched in 2011/12, the policy context has evolved:
- Economic and social conditions and priorities have changed, with the City Region refreshing its strategic priorities (see para 2.14)
 - Other public grant and loan funding streams have become available, including the Revolving Investment Fund, European Structural and Regeneration Funds and Growth Deal. **Appendix 1** provides a fuller account of public loans and grants for businesses.
- 2.14 The City Region has put in place a broader policy framework to deliver inclusive growth by addressing four ‘inconvenient truths’ identified at the LEP Board’s September 2017 awayday:
- Productivity is too low and the gap with peers is growing
 - Investment in R&D is too low
 - Living standards have stalled
 - Stubborn deprivation persists
- 2.15 With significant capital receipts returned and more forecast to arrive by 2019/20, there is now the opportunity to consider future use of the funds.
- 2.16 The City Region is facing severe funding pressures as local authorities see their central funding continue to be cut whilst demands for services increase. While these unencumbered funds could be used to address these gaps, it is instead proposed that the LEP Board decides to remain true to the original purpose of the funds, because only through bold leadership to address the City Region’s structural issues will a more productive economy ensure that everyone can contribute to, and benefit from, growth.

- 2.17 In developing proposals, the following guiding principles have been used:
1. The future use of funds should fit coherently with the City Region’s wider funding landscape, minimising fragmentation and bureaucracy.
 2. These unencumbered funds should be used only when there is no other appropriate funding stream.
 3. Use of the funds should:
 - a) Maximise private and public investment in the City Region, including using as match revenue to leverage investment
 - b) Improve productivity in the City Region
 - c) Deliver inclusive growth ambitions by either:
 - generating a financial ‘return on investment’ to fund further inclusive growth activities
 - directly funding activities that improve outcomes for the most disadvantaged.

Proposed future uses

- 2.18 Based on the principles above, it is proposed that capital receipts are used as follows:
- a) To continue providing investment capital on a returnable basis. It is suggested that this should comprise the significant majority of funds (e.g. 80%) in order that it continues to generate the scale of returns to provide longevity.
 - b) To allocate funding to directly (grant) fund projects that improve outcomes for the most disadvantaged. It is suggested this should constitute a smaller proportion of GPF capital receipts (e.g. 20%).
- 2.19 The table below illustrates indicative investment amounts taking account of the projected profile of receipts and proportions above:

Year	Funds for returnable investment	Non-returnable funds to deliver inclusive growth aims
2018/19	£8.8 million	£2.2 million
2019/20	£3.2 million	£0.8 million
2020/21	£1.6 million	£0.4 million
* the remaining £7 million either doesn’t have a clear date when it is due to be repaid, or will be repaid in 2021/22 or later.		

- 2.20 Given the principle to fit coherently to the wider funding landscape, if the LEP Board supports the direction of the proposal, there needs to be consideration whether this funding enhances existing processes or is delivered via separate channels. For example, the Revolving Investment Fund (RIF) is undertaking a similar review.
- 2.21 If the LEP Board agrees to pursue returnable investment, a further report will be brought to the LEP Board setting out how this will be delivered, taking

account of a number of factors. Some of the design questions are posed below, should the LEP Board want to give initial guidance:

- What balance should be struck between generating a financial return on investment and addressing market failure to deliver outcomes like remediated land, new housing, growing and more productive businesses, etc.?
- Previously, the provision of secured loans on soft terms reflects a certain level of risk. What’s an appropriate risk appetite in future?
- The fund has historically provided secured loans. What prospect is there for different types of investment, including equity?¹
- The target market for returnable investments – including whether, for example, to extend reach to Higher Education institutions.
- This approach depends on market demand. The Combined Authority has commissioned PwC to review demand and this is due to report in October 2018 and will shape the operational design of the new approach.

Other options

2.22 The table below outlines other strategic approaches considered:

Option	Potential advantages	Potential disadvantages
Use all receipts for revolving funding (subject to market demand)	<ul style="list-style-type: none"> • Invests more in supporting growth and improving productivity. 	<ul style="list-style-type: none"> • May not improve outcomes for the most disadvantaged as far or as fast.
Use all of the receipts (or a higher proportion) for inclusive growth grants	<ul style="list-style-type: none"> • Able to improve outcomes for the most disadvantaged faster and to a greater degree. 	<ul style="list-style-type: none"> • May miss opportunities to improve productivity and growth in the business base that could address the City Region’s ‘inconvenient truths’.

3. Financial Implications

3.1 The LEP Board’s decision about the strategic direction of the Fund will have financial implications. The high-level picture is outlined in the report, with a commitment that a further report will describe the detailed financial implications based on the operationalisation of the LEP Board’s decision. A number of design questions are raised in para 2.21 that will help shape that work.

4. Legal Implications

4.1 There are no direct legal implications as a result of this report.

¹ This was considered briefly by the Business Investment Panel on 9 August 2018. The emerging consensus among members was that, in general, the LEP/fund should be cautious in its approach to equity investments.

4.2 The report describes that the Accountable Body's section 73 officer is satisfied about the use of unencumbered funds once they have been repaid after being used for their original purpose.

5. Staffing Implications

5.1 There are no direction staffing implications arising from this report.

6. External Consultees

6.1 The Business Investment Panel has provided initial views on the potential of using equity investments.

7. Recommendations

7.1 That the LEP Board note the performance and position of the Growing Places Fund.

7.2 That the LEP Board agrees to use the receipts from the Growing Places Fund to support significant ongoing returnable investment and grant funding for inclusive growth projects, as described in para 2.17 of the report.

7.3 That a further report be prepared on how this direction might be operationalised, based on any advice provided in respect of the design questions in para 2.21 of the submitted report.

8. Background Documents

8.1 Report of the Scrutiny Committee to the Combined Authority (1 February 2018).

9. Appendices

Appendix 1 – Overview of the funding context

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