
Report to: Business Investment Panel

Date: 10 January 2019

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 Leeds City Region Enterprise Partnership (the LEP) Growing Places Fund (GPF).
- 1.2 To update the Panel on two projects with changed circumstances and one project that has completed its repayments.
- 1.3 To bring a project closure proposal to the Panel and seek 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 five years or less. The fund is open to all businesses and organisations of any size based in or looking to invest in the Leeds 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 £4.0 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.
- 2.4 The programme has currently enabled the sustainment or creation of 824 jobs and the building of 693 homes of which 106 (15%) are affordable.

GPF Capital Position

- 2.5 The capital repaid by GPF loans offered through the programme to 30 November 2018 is £10.113 million.
- 2.6 The capital anticipated in the remainder of the 2018/19 financial year is £1.296 million. There is, as always, with GPF loans a risk that projects may not pay to the agreed repayment schedule.
- 2.7 The capital anticipated in 2019/20 is a further £2,063 million.
- 2.8 The total capital expected beyond 31 March 2020 is £10.717 million.

GPF Projects with Changed Circumstances

- 2.9 Two GPF projects have changed circumstances, including a partial repayment (Loan 113), and one has achieved full repayment in early December (Loan 107), so not yet showing in figures in para 2.5 above. Detail is provided for information and as this is confidential it is included in **Exempt Appendices 1, 2 and 3**.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
315 - changed	£800,000	24	Discuss
113 - changed	£2.45 million	40	Discuss
107 - repaid	£1.95 million	900	To Note

GPF Project with Closure Proposal

- 2.10 Closure of one GPF project is proposed (Loan 305). Background information is provided because it is confidential in **Exempt Appendices 4 and 5**. This project affects £250,000 of the GPF which could be repaid in the near future.

3. Financial Implications

- 3.1 The financial implications associated with the projects with changed circumstances and a proposed project closure as detailed in paras 2.9 and 2.10 are set out in **Appendices 1, 2, 3, 4 and 5**.

4. Legal Implications

- 4.1 The information contained in **Appendices 1, 2, 3, 4 and 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 loan 315 continues to be managed in line with the broad principles recommended in **Exempt Appendix 1** and any further feedback given.

7.3 That the information provided in **Exempt Appendices 2 and 3** be noted and feedback given.

7.4 That the information in **Exempt Appendices 4 and 5** be noted and a Project Closure Form be initiated through the Combined Authority's Assurance Framework and investment returned to the GPF programme for future reinvestment.

8. Background Documents

None.

9. Appendices

Exempt Appendix 1 – Project 315 - changed circumstances

Exempt Appendix 2 – Project 113 – changed circumstances

Exempt Appendix 3 – Project 107 – project repayment details

Exempt Appendix 4 – Project 305 – project closure proposal

Exempt Appendix 5 – Project 305 – background information