
Report to: Business Investment Panel

Date: 30 April 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 progress towards a future investment fund.
- 1.3 To update the Panel on one project with changed circumstances.

2. Information

Growing Places Fund update

- 2.1 The Growing Places Fund (GPF) began in 2012 offering loans to support projects that required additional capital funding to deliver jobs and economic growth and to unlock stalled developments post-recession, within a timescale of five years or less. The fund was open to all businesses and organisations of any size based in or looking to invest in the Leeds City Region. Any future loans are currently on hold pending the launch of a renewed fund aimed at the needs of the current lending environment and SMEs.
- 2.2 The total original GPF allocation from Government was £35.5 million of which £3.505 million remains unallocated. The Fund typically sought private sector leverage on the basis of 1:3.
- 2.3 Loan repayments are held separately and can be reinvested in the future fund.
- 2.4 The programme has currently enabled the sustainment or creation of 835 jobs and the building of 785 homes of which 106 (13.8%) are affordable.

GPF Capital Position

- 2.5 The capital repaid by GPF loans offered through the programme to 31 March 2019 is £16.258 million.
- 2.6 The capital anticipated in the 2019/20 financial year is £638,775. 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 2020/21 is a further £2.656 million.
- 2.8 The total capital expected beyond 31 March 2021 is £4,928,775.

Update on Future Investment Fund

- 2.9 Work on developing options for a new loan fund that responds to current market needs has progressed. Further information on this is included in **Exempt Appendix 1**. A report which was considered by the LEP Board in March 2019 is attached at **Appendix 2** for information.

GPF Projects with Changed Circumstances

- 2.10 One GPF project has changed circumstances. Detail is provided for information in **Exempt Appendix 3**.

Project Ref	Total Loan	Recommendation
113	£2.450 million	Discuss

3. Financial Implications

- 3.1 The financial implications associated with the report at 2.9 and the project with changed circumstances in para 2.10 are set out in **Exempt Appendices 1 and 3**.

4. Legal Implications

- 4.1 The information contained in **Appendices 1 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 report provided in **Exempt Appendix 1** on a future investment fund be discussed and feedback given.

7.3 That the information provided in **Exempt Appendix 3** on projects with changed circumstances be noted and feedback given.

8. Background Documents

None.

9. Appendices

Exempt Appendix 1 – Update on a future investment fund.

Public Appendix 2 - LEP Board report - Reinvestment of Grants and Loans

Exempt Appendix 3 – Project 113 – changed circumstances.