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**Report to:** Business Investment Panel

**Date:** 7 November 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 Growing Places Fund (GPF).
- 1.2 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 new investment strategy – please refer to agenda item 8.
- 2.2 The total original GPF allocation from Government was £35.5 million of which £4.007 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 into any future fund. The LEP Board has approved the principal of a proportion of the returned capital being reinvested in the future (see agenda item 8).
- 2.4 The programme has currently enabled the sustainment or creation of 847 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 18 October 2019 is £17.232 million.
- 2.6 The capital anticipated in the remaining 2019/20 financial year is £76,419.
- 2.7 To summarise, the anticipated GPF balance as at 31<sup>st</sup> March 2020 is expected to be £21.315m from remaining allocation (para 2.2) and returned capital (paras 2.5 and 2.6), although there is a risk that projects with GPF loan funding may not pay to the agreed repayment schedule.
- 2.8 The capital anticipated in 2020/21 is a further £2.490 million.
- 2.9 The total capital expected beyond 31 March 2021 is £4.983 million.

### GPF Projects with Changed Circumstances

- 2.10 One project GPF 315 has changed circumstances, and detail is provided for information in **Exempt Appendix 1**.

## **3. Financial Implications**

- 3.1 The financial implications associated with the project at para 2.10 are set out in **Exempt 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 information provided in **Exempt Appendix 1** be noted.

**8. Background Documents**

None.

**9. Appendices**

**Exempt Appendix 1** – Project 315 – changed circumstances.