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**Report to:** Business Investment Panel

**Date:** 2 September 2020

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

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**Director:** Melanie Corcoran, Director of Delivery

**Author:** Kate Thompson

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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).

## **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. The Fund typically sought private sector leverage on the basis of 1:3. Any future loans are currently on hold pending the launch of a new investment strategy which is expected later in 2020.
- 2.2 The total original GPF capital allocation from Government was £33.5 million with a revenue element of £2.7 million. Leeds City Council (who were initially accountable for the fund on behalf of the Leeds City Region Enterprise Partnership [the LEP]) made a decision to revise the figures to £35.5 million capital and £0.7 million revenue. In March 2020 senior officers of the Combined Authority approved reverting back to the original split of funding due to increased revenue demands on the Fund. The revised capital funding allocation for investment into future loan activity has therefore been revised to £1.988 million.
- 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 and options for a new loan fund are being led by the Economic Services directorate.

### **GPF Capital Position**

- 2.4 The capital repaid by GPF loans offered through the programme to 07 August 2020 is £17.960 million.
- 2.5 The capital anticipated in the remaining 2020/21 financial year is £0.41m.
- 2.6 To summarise, the anticipated GPF balance as at 31st March 2021 is £20.356 million from remaining allocation (para 2.2) and returned capital (paras 2.5 and 2.6).
- 2.7 The capital anticipated in 2021/22 is a further £2.38 million.
- 2.8 The total capital expected beyond 31 March 2022 is £4.06 million.

### **GPF Projects with Changed Circumstances**

- 2.9 One GPF project has changed circumstances and detail is provided in **Exempt Appendix 1**.

<b>Project Ref</b>	<b>Total Loan</b>	<b>Recommendation</b>
210	£1.5 million	To Note

### **GPF Programme Risks**

- 2.10 During the prevailing economic conditions and as a result of the Coronavirus pandemic it can be reasonably predicted that businesses in receipt of a Combined Authority loan may seek to vary the conditions of their repayments, e.g. request a repayment holiday and reprofiling of repayments, or payment of interest only for a period with deferral of capital payments until next or final repayment date.

As part of the Combined Authority's continuing economic response and to ensure timely decision making and appropriate support to businesses, the approval has been sought from the Investment Committee to delegate authority to the Section 73 officer, upon receipt of a written request from a loan holder and giving consideration to all relevant matters, to approve and vary any terms of repayment of individual Growing Places Fund loans, with any variations to be subsequently reported to the Business Investment Panel for information.

## **3. Clean Growth Implications**

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

## **4. Financial Implications**

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

## **5. Legal Implications**

- 5.1 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.

## **6. Staffing Implications**

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

## **7. External Consultees**

- 7.1 No external consultations have been undertaken.

## **8. Recommendations**

- 8.1 That the update on progress in committing loans through the GPF be noted.
- 8.2 That the information provided in **Exempt Appendix 1** be noted.

## **9. Background Documents**

None.

## **10. Appendices**

- 10.1 **Exempt Appendix 1 – Loan 201, Changed Circumstances**