
Report to: Business Investment Panel

Date: 09 August 2018

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 LEP Growing Places Fund (GPF).
- 1.2 To update the Panel on a project with changed circumstances and ask for feedback.
- 1.3 To consult the Panel on the potential use of GPF to support future investment projects.

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 £0.7 million currently remains unallocated. Loan repayments are also held separately and can be reinvested in the future. An external review of the progress and future focus of GPF has been commissioned and an update will be provided at a future meeting of the Panel.
- 2.3 The Fund typically seeks private sector leverage on the basis of 1:3.

GPF Projects with Changed Circumstances

- 2.4 One GPF project has changed circumstances on which feedback is sought as below. Information on the circumstances of the project, as it is confidential, is included in **Appendix 1**. As the changes in circumstances continue to evolve, a supplementary verbal update will also be provided to Panel.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
315	£800,000	24	Discuss

- 2.5 An outline of the type of support which may be considered for future investment projects is provided in **Appendix 2**, subject to LEP board consideration of the future scope of GPF investments.

3. Financial Implications

- 3.1 The changed circumstances of the loan for project 315, potentially delay the repayment of £800,000.

4. Legal Implications

- 4.1 The information contained in **Appendices 1 and 2** 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 project with changed circumstances as detailed at paragraph 2.4 and in **Appendix 1** be noted, and feedback given.
- 7.3 That the Panel gives its views on the potential funding route detailed in paragraph 2.5 and in **Appendix 2**.

8. Appendices

Appendix 1 – GPF 315 Changed Circumstances (CONFIDENTIAL)

Appendix 2 – Further support for projects (CONFIDENTIAL)