
Report to: Business Investment Panel

Date: 5 October 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 report for the LEP Board on the future of the GPF and ask for feedback.
- 1.3 To update the Panel on three projects with changed circumstances and ask for 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 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 £4.000 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. A report has been submitted in this regard to the September LEP Board details of which are attached in Appendix 1 for information and a verbal update will be provided at the meeting.

- 2.4 An external review of the progress and future focus of GPF has been commissioned and the final draft report is expected by the end of September. A verbal update on progress will be provided at the meeting and a report included to the next meeting of the Panel.

GPF Capital Position

- 2.5 The capital repaid by GPF loans offered through the programme to 31 August 2018 is £7.080 million.
- 2.6 The capital anticipated in the remainder of the 2018/19 financial year is £3.227 million. (This excludes the potential repayment of the loan for Project 109 discussed at the previous meeting)
There is as always with GPF loans a risk that projects may not pay to the agreed final repayment date.
- 2.7 The capital anticipated in 2019/20 is a further £2.896 million.
- 2.8 The total capital expected to 31 March 2020 is therefore £13.203 million.

GPF Projects with Changed Circumstances

- 2.9 Three GPF Projects as shown below have changed circumstances. Detail is provided for information, as this is confidential, it is included in **Exempt Appendices 2, 3, 4 & 5**.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
113	£2,450,000	200/312	Managing Director approval
201	£2,400,000	237/408	To note
315	£800,000	24	Discuss

3. Financial Implications

- 3.1 The financial implications associated with the future of the Growing Places Fund are set out in **Appendix 1**.
- 3.2 The financial implications associated with the changed circumstances of the respective projects detailed in para 2.9 are set out in **Appendices 2, 3, 4, 5 and 6**.

4. Legal Implications

- 4.1 The information contained in **Appendices 2, 3, 4 & 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 the report to the LEP Board be noted and any comments provided.

7.3 That the recommendations in **Appendix 2 and 3** be forwarded to the Managing Director for approval.

7.4 That the information provided in **Appendices 4, 5 and 6** be noted and feedback given.

8. Appendices

Appendix 1 - LEP Board Report on GPF

Exempt Appendix 2 - Project 113 with changed circumstances

Exempt Appendix 3 - Project 113 with changed circumstances

Exempt Appendix 4 - Project 201 with changed circumstances

Exempt Appendix 5 - Project 315 with changed circumstances

Exempt Appendix 6 – Project 315 with changed circumstances image