

Report to: West Yorkshire and York Investment Committee

Date: 7 November 2018

Subject: **Future of Growing Places Fund**

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1. Purpose of this report

- 1.1 To update the Investment Committee on a report considered by the Leeds City Region Enterprise Partnership Board (LEP Board) on the future of the Growing Places Fund.

2. Information

- 2.1 The Growing Places Fund was one of the first funding streams for LEPs, with the Leeds City Region LEP receiving £35.5 million of capital funding in 2011/12 to use for loans and grants to unlock stalled developments that had been particularly affected by credit tightening. To date over £30 million of investment has been made with loan repayments starting to be received back into the Combined Authority.
- 2.2 The Combined Authority has commissioned an external review of the progress and future focus of the Growing Places Fund and the early findings were reported to the Business Investment Panel in October 2018, with a more detailed update being provided at the November meeting. The final draft report is expected by the end of November.
- 2.3 At its meeting on 20 September 2018 the LEP Board considered a report on the principles for the future use of returned funds from the Growing Places Fund, in order to drive improved productivity and inclusive growth in the City Region. A copy of the report can be found at **Appendix 1**.
- 2.4 The LEP Board agreed to use the returned funds from the Growing Places Fund to support significant ongoing returnable investment and grant funding for inclusive growth projects. It was also agreed in principle that capital returned funds generated through the Growing Places Fund are used as follows:

- a) To continue providing investment capital on a returnable basis. It was agreed that this should comprise the significant majority of funds (e.g. 80%) in order that it continues to generate the scale of returns to provide longevity.
- b) To allocate funding to directly (grant) fund projects that improve outcomes for the most disadvantaged. It was agreed this should constitute a smaller proportion of GPF capital returned funds (e.g. 20%).

2.5 The LEP Board report was noted by the Business Investment Panel at the October Meeting with a request for further updates to a future meeting.

3. Financial Implications

3.1 The financial implications associated with the future of the Growing Places Fund are set out in **Appendix 1**. The details will be worked through as part of the next steps for the fund.

4. Legal Implications

4.1 There are no legal implications directly arising from the report at this time.

5. Staffing Implications

5.1 There are no staffing implications directly arising from this report at this time. Resource implications will be considered as part of the next steps for the fund.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the LEP Board report at Appendix 1 concerning the future of the Growing Places Fund is noted.

8. Background Documents

None.

9. Appendices

Appendix 1 - Growing Places Fund Reinvestment, report to LEP Board 20 September 2018