



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

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Establishment of a 'Fund of Funds' including Attracting Capital Investment

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Executive Summary

This report requests the Board's approval to review the LEP's current approach to managing and deploying its Growing Places Investment Fund, including giving consideration to the establishment of a 'Fund of Funds'.

The report also seeks approval to promote funds available in Lancashire in a cohesive manner, as part of Lancashire's wider investment offer, and to help develop new approaches to attracting and leveraging further private investment.

Recommendation

The LEP Board is asked to:

- (i) Note the contents of this report;
- (ii) Authorise officers, with the support of external consultants, to review the Growing Places Investment Fund approach and consider the establishment of a 'Fund of Funds' including reviewing the provisional £10M provisional allocation within Lancashire's ESIF programme towards development finance;
- (iii) Agree to appoint external consultants to work with officers and representatives from the Department for International Trade (DIT), to establish an approach to securing external investment to support the delivery of existing and emerging LEP economic priorities where there are funding and investment gaps available;
- (iv) Receive a report at a future meeting which sets out options on the above proposals; and
- (v) Approve officers to promote the variety of funds available in Lancashire in a cohesive manner alongside Lancashire's investment offer, primarily via the LEP's website and the new Invest in Lancashire website.



Background and Advice

As previously reported to the Board, the LEP has successfully recycled its £20M Growing Places Investment Fund on a commercial basis, investing in 8 schemes across Lancashire to create jobs and housing growth and using interest generated to support staffing capacity.

It is now timely to review the Growing Places investment approach, which was originally determined by the Board in 2012, including considering the establishment of a 'Fund of Funds'. This would allow the LEP to use an existing portfolio of funds to assist public and private sector partners to identify and secure capital investment support to deliver commercial development and housing sites, whilst also providing revenue finance to support growing companies in Lancashire's key sectors.

A 'Fund of Funds' would consider bringing together a portfolio of funds, creating the opportunity to align Growing Places alongside other local funding initiatives such as Lancashire County Developments Limited's Rosebud finance, the £440M Northern Powerhouse Investment Fund (NPIF) into which the LEP has committed £12.5M of European funding, and the recycled investments available to Lancashire, Manchester and Cheshire from the Evergreen 1 fund.

In addition to the above funds, £10M is also currently provisionally allocated in Lancashire's European Structural Investment Fund (ESIF) programme under Joint European Support for Sustainable Investment in City Areas (JESSICA) activity.

It is also important that the variety of funds available to businesses in Lancashire and investors inside and outside of the county, are promoted in a cohesive manner alongside Lancashire's investment offer.

Finally, whilst the LEP has been hugely successful in securing national funding and economic growth programmes for Lancashire there are some economic priorities, both existing and emerging, which could potentially benefit from external investment by way private sector investors or individuals, family and sovereign funds. To date, this has not been an area of focus for Lancashire partners. However, it is proposed that LEP officers commence work in this area to scope out any opportunities, working alongside representatives from the Department for International Trade (DIT).