

LEP Growing Places – Lead Sue Roberts

BACKGROUND

The government provided £19.3m in 2012 for a Growing Places Fund. The fund is for capital developments to unlock stalled sites in Lancashire with an ambition that the fund should become evergreen (a recycling loan fund). The fund has achieved this and since July 2020 it has the ability to be used for revenue schemes. The capital continues to be re-invested in new schemes with the interest becoming part of the income for the LEP.

There are currently eleven schemes in receipt of growing places funds, eight have been delivered and repaid. There are three live schemes, two schemes have been delivered and one is still in development on three sites. Two sites have sold a number of housing units in the quarter repaying a significant portion of their loan. However, it has been re-drawn as per the terms of their Facility Agreement, which allows for a repetitive draw on repayment to continue with the next development phase; therefore their facility remains fully drawn.

One scheme that was agreed in principle at the Board Meeting of 8 December 2020 is awaiting approval of the Heads of Terms, which will come to the board in due course.

There are currently two schemes in the pipeline that are being actively progressed. One is the development of a factory in Pendle to house a growing manufacturing business (£1.4m) and the other is a revenue scheme to support the establishment of a PPE manufacturing company in Pendle (£2.6m). There are two further enquiries in the pipeline, which are progressing.

The inward investment proposition has been released from the pipeline as the company has decided not to locate in the UK.

PERFORMANCE

As this is a loan fund, there are no specific targets, as such no RAG rating has been applied to the KPIs. However included in the KPI table below, are the economic outputs reported by the recipients of the loans.

Development is progressing well on one scheme that is split into three sites. Housing units are being built and demand is strong on all three sites. Sales have been completing on all sites, which has enabled the sites to revolve the funds and continue developing.

Key Performance Indicators

KPI	Actuals as at 31/12/20
Private sector investment	£103,136,991
Jobs Created	2,130
Space developed	210,769 sqm.
Housing Units	686
Original Fund Amount	£19,378,944
Capital Loaned	£32,884,039
Capital Repaid	£25,946,976
Interest Received from loans	£1,784,584
Capital to Invest*	£10,166,328

*This figure is the difference between capital loaned and repaid, minus the original fund amount and loans committed.

RISKS

The Single Portfolio Risk Register for the combined programmes is attached to the main report.