

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 eleven schemes which are / have been in receipt of growing places funds:

- Eight schemes have been delivered and repaid
- Two schemes have been delivered, but not yet repaid in full (see note *)
- One scheme is in development

*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.

Heads of Terms were agreed at the Board Meeting of 23 March 2021 for a new scheme, which is now in due diligence; the legal document are being drawn up and agreed with the client prior to signing as per the Board's instructions.

A further potential new scheme was approved to move to Heads of Term at the Board Meeting of 22 June 2021 which will come to a future Board meeting for approval.

There are currently four potential new schemes in the pipeline which are currently being evaluated.

The establishment of a PPE manufacturing company in Pendle has been released from the pipeline as the company did not pursue the funding.

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 31/03/21
Private sector investment	£103,136,991
Jobs Created	2,130
Space developed	213,394 sqm.
Housing Units	717
Original Fund Amount	£19,378,944
Capital Loaned	£35,615,998
Capital Repaid	£26,147,768
Interest Received from loans	£1,784,584
Capital to Invest*	£11,967,219

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

Programme Review

The programme review of this programme has now been completed by the LEP Investment Programme Manager, in consultation with both the Growing Places programme lead and the LEP CEO. A summary of the findings, including improvements recommendations are included in the covering paper to this report. The full report is available upon request.

RISKS

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