



LEP – Sub Committee

LEP - Joint Scrutiny Committee

Private and Confidential: NO

Date: Wednesday, 8 March 2023

Growing Places Fund Private Sector Leverage

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Executive Summary

At the meeting of Scrutiny committee on 18 November 2022 a presentation and report was presented on the Growing Places Fund. Further detail on private sector leverage was requested and this report provides further information on the Fund.

Recommendation

The LEP Joint Scrutiny Committee is asked to noted and comment on the report.

Background and Advice

1. Background

- 1.1 Growing Places Fund (GPF) operates as a commercial loan to bring forward development on marginal schemes which would not have come forward if left to market forces.
- 1.2 As part of the reporting regime private sector leverage is recorded. Private sector leverage includes any funds that are used by the developer to complete the scheme. Any grant that has been awarded as part of the scheme is included in the private sector leverage figure.
- 1.3 The LEP board received a Programme report twice a year which includes the following outputs along with a programme risk register,
 - Capital Loaned
 - Capital Repaid
 - Private Sector Investment
 - Interest Received
 - Capital Available to Invest



- Jobs Created
- Space Developed
- Housing Units delivered

2.Private Sector Leverage

2.1 Private Sector Leverage for the purposes of Growing Places has been defined as any funds that are used to make up the shortfall between the total project cost and the loan amount.

2.2 Growing Places prefers to lend a maximum of 70% of the build costs but can lend more in certain circumstances. Private sector leverage is required to complete the financing of the scheme.

2.2 In some instances grant funding has been available and this is shown in the table below.

Scheme	Loan Amount	Grant	Private Sector Leverage	Total
1	£2,000,000	£550,000	£1,030,000	£3,580,000
2	£2,272,424	£3,853,651	£41,873,349	£47,999,424
3	£2,750,000	£0	£6,000,000	£8,750,000
4	£3,414,188	£7,400,000	£7,100,000	£17,914,188
5	£3,786,204	£0	£12,000,000	£15,786,204
6	£1,169,090	£1,900,000	£900,000	£3,969,090
7	£2,474,184	£0	£6,000,000	£8,474,184
8	£3,127,368	£473,336	£5,626,664	£9,227,368
9	£2,086,700	£0	£497,000	£2,583,700
10	£2,600,000	£0	£2,705,152	£5,305,152
11	£14,213,213	£1,750,000	£7,798,293	£23,761,506
Totals	£39,893,371	£15,926,987	£91,530,458	£147,350,816

List of Background Papers

Paper

Date

Contact/Tel

N/A



Lancashire
Enterprise Partnership

Reason for inclusion in Part II, if appropriate

N/A