



Department for  
Communities and  
Local Government

# The Growing Places Fund

Investing in Infrastructure

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Department for Communities and Local Government  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF  
Telephone: 030 3444 0000

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# Ministerial Foreword



I am delighted to report further progress on how the Growing Places Fund continues to support investment in much needed infrastructure across the country.

Local Enterprise Partnerships are continuing to make excellent progress in delivering the economic growth, jobs and homes that communities need. As of June 2014, 323 projects are being supported across the country, leveraging £2.8 billion of extra investment including £1.8 billion from private sector organisations.

There are many great examples of how the Fund has enabled projects to start, supported existing development and acted as the catalyst to wider investment.

At Farnborough Airport in the Enterprise M3 LEP area, the Growing Places Fund is supporting an ambitious site development plan that will not only maintain the reputation of the biennial Farnborough International Airshow but will also allow Farnborough International Ltd to open up its 3000sqm FIVE venue for other events. This will both support tourism across the area and provide a launch pad for a larger development project, safeguarding 37 jobs and providing 20 new jobs for local people by March 2016.

In Thames Valley Berkshire, the Growing Places loan funding of £128k has generated seven times as much investment from the private sector to develop Slough Aspire – a business-led dedicated skills, training and recruitment project. The project is directly improving job prospects for the residents of Slough and will enable 200 young people to engage with local businesses, support 20 new company start-ups and improve the provision of learning and development for the local community and business employees.

Local Enterprise Partnerships reported that £30 million of the funds spent on projects on a loan basis has been repaid allowing continued reinvestment of these funds to unlock further development thereby providing a longer term solution to infrastructure provision.

To ensure the continued success of the Fund, it is important that Local Enterprise Partnerships maintain momentum in delivering projects including allocating their full portion of the Growing Places Fund.

Looking ahead, the Government has agreed a Growth Deal with each Local Enterprise Partnership – an exciting and challenging endeavour that will shape the future local growth landscape. I look forward to working with Local Enterprise Partnerships to support delivery of their ambitious plans and to build on the success that has been achieved so far.

A handwritten signature in blue ink that reads "PM Mordaunt".

Penny Mordaunt MP  
Minister for Local Growth

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# Key Headlines

Local Enterprise Partnerships in England received £730 million from the Growing Places Fund of which £673 million was awarded as capital and £57 million as revenue.

Based on the progress updates received in June 2014, Local Enterprise Partnerships are supporting 323 specific projects with the Growing Places Fund.

## Progress to date

- 92 per cent of the Growing Places Fund capital has been earmarked or allocated to projects which will help create jobs, homes, commercial floorspace and businesses.
- £167 million (27%) of the Growing Places Fund earmarked or allocated to projects has been spent and Local Enterprise Partnerships reported a projected spend of £220 million by March 2015.
- Even where the Growing Places Fund has not yet been spent, the allocation of the Fund to projects has enabled projects to start. This suggests that allocations from the Fund have given confidence to developers and housebuilders to start investing in projects even before public sector funds are drawn down.
- Some Local Enterprise Partnerships volunteered information on other outcomes they expect to see as a result of their investment. This included the safeguarding of 13,000 jobs and the creation of 640 apprenticeship places.
- 84% of the Growing Places Fund earmarked or allocated to projects was awarded on a loan only basis, ensuring the funding is recyclable for other projects when development is completed and the loan repaid.
- Local Enterprise Partnerships reported that £30 million (18%) of the £167 million spent has been repaid. This will ensure that Local Enterprise Partnerships establish sustainable revolving funds that can be reinvested to unlock further development.

## The Department for Communities and Local Government

- continues to work with Local Enterprise Partnerships to support and encourage them in delivering the Growing Places Fund; and
- expects recycled Growing Places Fund to be deployed to support Strategic Economic Plans alongside the Local Growth Fund.

## Executive Summary

The Growing Places Fund is supporting key infrastructure projects designed to unlock wider economic growth, create jobs and build houses in England. The Fund provides an opportunity for Local Enterprise Partnerships and Local Authorities to identify, prioritise and deliver the infrastructure they need for growth.

Allocating the Fund to Local Enterprise Partnerships as an unringfenced grant means that local areas have the maximum flexibility in how to use the grant, gives control to Local Enterprise Partnerships and Local Authorities and reduces central bureaucracy.

Local Enterprise Partnerships are making good progress in allocating the Fund. As of June 2014, £657 million of Growing Places Fund had been earmarked or allocated to 323 specific projects. These projects have gone through a prioritisation and selection process and have either successfully gone through due diligence or are still being assessed.

Some Local Enterprise Partnerships have allocated more Growing Places Fund than they have been awarded. This over-programming reflects their judgement that some projects may not go ahead, for example dropping out at the due diligence stage. If all of these projects go ahead, the local authorities in the Local Enterprise Partnership will have the responsibility for finding the additional funds required. Not taking into account the £37 million over-programmed, then the total Growing Places Fund capital earmarked or allocated is £620 million (92%).

Within the overall 323 projects that are currently being supported by the Fund, 61 projects have been withdrawn since June 2013 and money has been allocated to 52 new projects. Reasons for withdrawal (either by the Local Enterprise Partnership or the Fund recipient), include projects failing due diligence, fund recipients unwilling to pay the interest rates stipulated by the Local Enterprise Partnership and cheaper funding arrangements being available elsewhere.

Due to the level of project churn (withdrawal of projects and new projects added), progress reported by Local Enterprise Partnerships in this document is a snapshot as at June 2014 and is not always directly comparable with information reported in the published June 2013 report.

The information in this report is based on the £657 million Growing Places Fund which includes the over-programming by some Local Enterprise Partnerships.

Local Enterprise Partnerships were given the responsibility to decide which projects to support locally, and for securing funding from other sources where possible to maximise returns. The £657 million Growing Places Fund earmarked or allocated by Local Enterprise Partnerships is supporting infrastructure projects with an estimated total cost of £3.4 billion and accounts for an average of just 20% of the total project cost. This means that Local Enterprise Partnerships have been able to use £657 million of Growing Places Fund to unlock £2.8 billion of extra investment, of which £1.8 billion is from private sector partners and £944 million from public sector partners.

Most Local Enterprise Partnerships have already started contracting with Fund recipients and 194 projects (60% of all projects) worth an estimated total value of £2 billion are already underway.

Many of these projects are being funded through private sector investment before any funding from the Growing Places Fund is required. Projects funded in this way significantly reduce the risk to the Growing Places Fund. Of the 194 projects currently underway, 59 of these have proceeded without yet having received the public sector funds.

Using detailed knowledge of their local areas, Local Enterprise Partnerships have been flexible and innovative in the way they have selected, prioritised and funded projects. They have awarded most of the Fund on a loan-only basis (84%). This means that funds can be recycled for other projects when development is completed and the loan repaid.

*Greater Manchester Local Enterprise Partnership is awarding a loan of £3.4 million to the Chapel Street project, also known as Vimto Gardens. This residential led scheme will provide 83 apartments and 14 town houses, which feature an internal private courtyard on the first floor, as well as retail and commercial units. Additional funding for the project has come from the Homes and Communities Agency in addition to private sector investment from the developer. The project started in September 2013, and the first homes and apartments will be ready to be moved into in December 2014.*

The Growing Places Fund is being used for projects Local Enterprise Partnerships believe would not happen without support or would not have started as quickly, or at the same scale.

*Enterprise M3 Local Enterprise Partnership awarded a loan of £1.6 million to support the Brightwells, Farnham Phase 1 project. The total project cost is £57.7 million with the developer providing the rest of the fund. Brightwells is a major mixed-use regeneration scheme in Farnham, Surrey delivering homes and jobs. Investment from the Growing Places Fund will help this project to get on site and aims to accelerate development by between 9-11 months. This will be achieved by Enterprise M3 investing in enabling works at an early stage and ensuring that the critical path for delivery is met. Enabling development started on site in 2013, with economic outcomes being brought forward by the funding. Investment in this project is split into two phases to assist in managing risk, with Phase 1 being allocated to Waverley Borough Council and Phase 2 being made available should conditions relating to timely progress be achieved. Gross outputs and outcomes as a result of the investment include site preparation (4 hectares to be developed), 10,508 square metres of industrial/retail floorspace, 239 houses and 477 jobs. The Phase 1 enabling works is expected to be completed by December 2014.*

Some Local Enterprise Partnerships also joined up with a neighbouring area to agree priorities, provide funding and deliver projects which they believe will be of benefit to both Local Enterprise Partnership areas. Two projects were funded in this way (Worcestershire and Greater Birmingham & Solihull and New Anglia and Greater Cambridgeshire & Greater Peterborough).

£167 million (27%) of the capital element of the Growing Places Fund allocated to projects has been spent. It is important to note that, even where the Fund has not yet been spent,

the allocation of the Growing Places Fund to projects by Local Enterprise Partnerships has enabled projects to start by giving developers and housebuilders confidence.

*Greater Lincolnshire Local Enterprise Partnership allocated £3 million Growing Places Fund on a loan basis to the Golf Road Mablethorpe project. The total cost of this project is £32 million with the developer/housebuilder providing the remainder of the funding. The Mablethorpe development will include the delivery of 180 homes (of which 120 are affordable), a new supermarket, a sports field and improved access to the local junior school. The project had stalled because of the extremely high costs of land profiling to meet the Environment Agency's requirement and the expensive infrastructure which must be delivered at the start of the development. Other gross outputs and outcomes expected as a result of the investment include 3.9 hectares of site purchase, 15.22 hectares of land to be developed, 5 kilometres of flood defence, 3 businesses and 263 jobs. The project started in May 2013 and is expected to be completed in December 2014.*

Local Enterprise Partnerships are taking a flexible approach based on local circumstances and in some instances have awarded the Fund as a grant or used a combination of loan and grant.

*The London Local Enterprise Partnership awarded a grant of £25 million to support the West Anglia Route project. The proposal is for railway infrastructure which will provide a regular four trains per hour train service from the Upper Lee Valley (Angel Road and Northumberland Park stations) via the strategic transport hub at Tottenham Hale and a re-opened Lea Bridge station to Stratford. This investment will be in addition to funding of up to £44m from Network Rail and up to £3m from Transport for London. Together this will deliver a £72m scheme which supports the delivery of over 15,700 jobs, 15,000 homes and by 2031 cumulative additional GVA of £10.7 billion within the core opportunity area. The project is underway and is expected to be completed in April 2017.*

Local Enterprise Partnerships have also combined capital and revenue to support projects. For example, providing loans to small and medium enterprises and improving road links to facilitate the development of land.

*Thames Valley Berkshire Local Enterprise Partnership allocated £7.3 million of its Growing Places Fund (£7.25 million capital and £0.05m revenue) to the Thames Valley Berkshire Funding Escalator project. The Funding Escalator is a series of linked equity and loan funds that offer finance for innovative, early stage, small and medium enterprises that cannot access traditional bank finance but have the potential to deliver significant growth and employment in the Thames Valley Berkshire area. The equity funding is provided on a matched basis primarily alongside angel investors. The loan schemes often provide a valuable, final element of a larger funding package for the small and medium enterprises supported. There is a strong combination of private and public finance, which aims to reach 90 companies with some of the highest growth potential in the Local Enterprise Partnership area. The Growing Places Fund loan was awarded to a Financial Conduct Authority-regulated Fund Manager and is expected to be repaid by March 2020.*



Some Local Enterprise Partnerships aligned different government funding streams worth £146 million (Regional Growth Fund, European Regional Development Fund and the Coastal Communities Fund) with the Growing Places Fund to get projects off the ground.

*North East Local Enterprise Partnership is using £2 million of their Growing Places Fund allocation on a loan basis and aligned a further £8 million from the Regional Growth Fund to support the Centre for Innovation and Growth Project. The total project cost is £31 million with the remainder of the funding being provided by the education sector. The aim of the project is to fund the establishment of a high performance computing datacentre and supporting information and communications technology infrastructure. The project is expected to create 78 gross jobs and safeguard an additional 193 jobs as a result of the investment. The project started in March 2013 and is expected to be completed in December 2016.*

# Section A: Allocations, Leverage and Selection Process

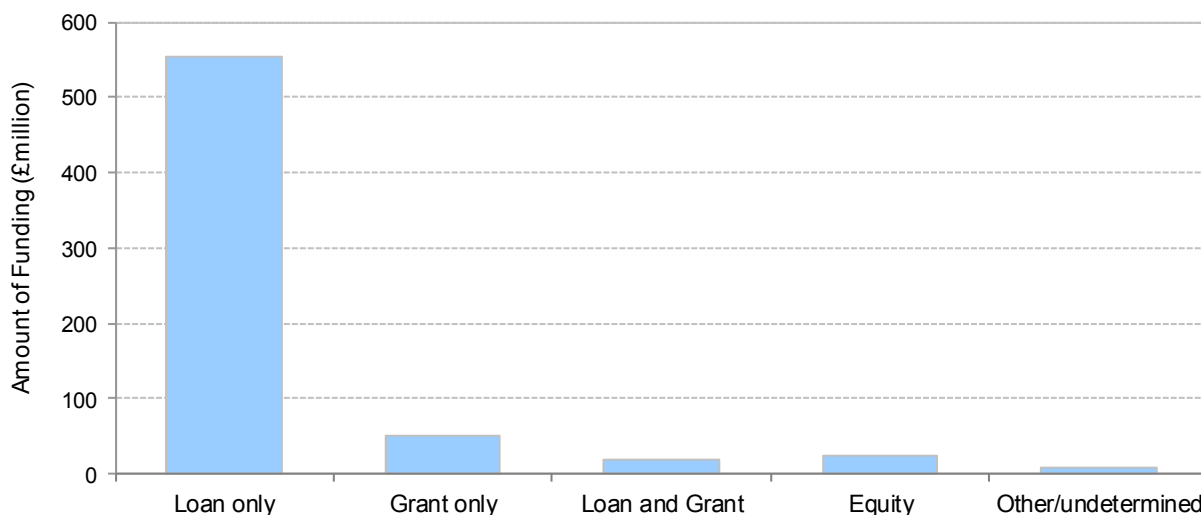
## Allocations

Local Enterprise Partnerships are making good progress in allocating the Growing Places Fund. To date, £657 million of Growing Places Fund has been earmarked or allocated to 323 specific projects. These projects have gone through a prioritisation and selection process and have either successfully gone through due diligence or are still being assessed.

Local Enterprise Partnerships awarded £554 million (84%) of the Fund on a loan only basis with the expectation of a level of return (interest rates ranged from 0% to 14%). £51 million (8%) of the Fund was given as grant. Local Enterprise Partnerships also used a combination of loan and grant totalling £20 million to support nine projects and funded one project totalling £25 million on an equity only basis. Other funding and where funding terms are yet to be confirmed totalled £7 million.

With the majority of the Fund being earmarked or allocated on a loan-only basis, Local Enterprise Partnerships have established revolving funds that can be reinvested to unlock further development. Establishing a revolving fund increases the impact the fund can have in each area and improves value for money.

Figure 1: Funding mode employed by Local Enterprise Partnerships



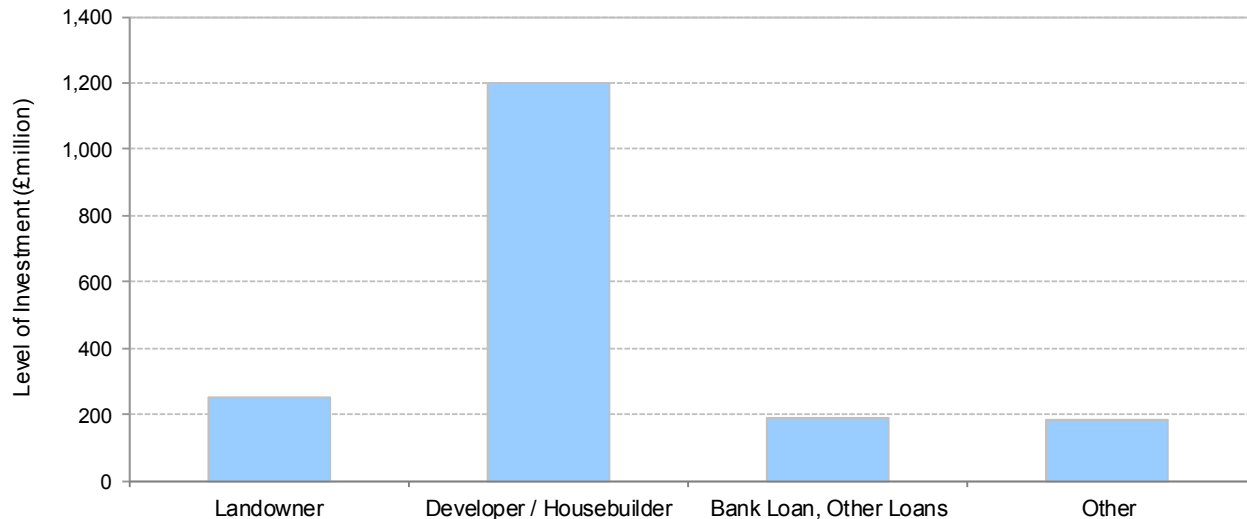
## Private and public sector leverage

Local Enterprise Partnerships were given the responsibility to decide which projects to support locally, and for securing funding from other sources where possible to maximise returns. From the analysis, £657 million of Growing Places Fund is supporting

infrastructure projects with an estimated total cost of £3.4 billion. The Fund accounts for just 20% of the total project cost and shows that Local Enterprise Partnerships have been able to use the Fund to unlock £2.8 billion of extra investment of which £1.8 billion is from private sector partners and £944 million from public sector partners.

## Private sector investment

Figure 2: Funding from Private Sector Organisations



Local Enterprise Partnerships were able to secure £1.8 billion investment from private sector organisations with the largest contributor being developers/housebuilders providing £1.2 billion (65%) of investment; the second largest were landowners, investing £252 million (14%). Broadband and utilities providers invested £6.2 million and £5.8 million respectively while the 'other' category (£186 million) includes private donations and fundraising and investment from applicants.

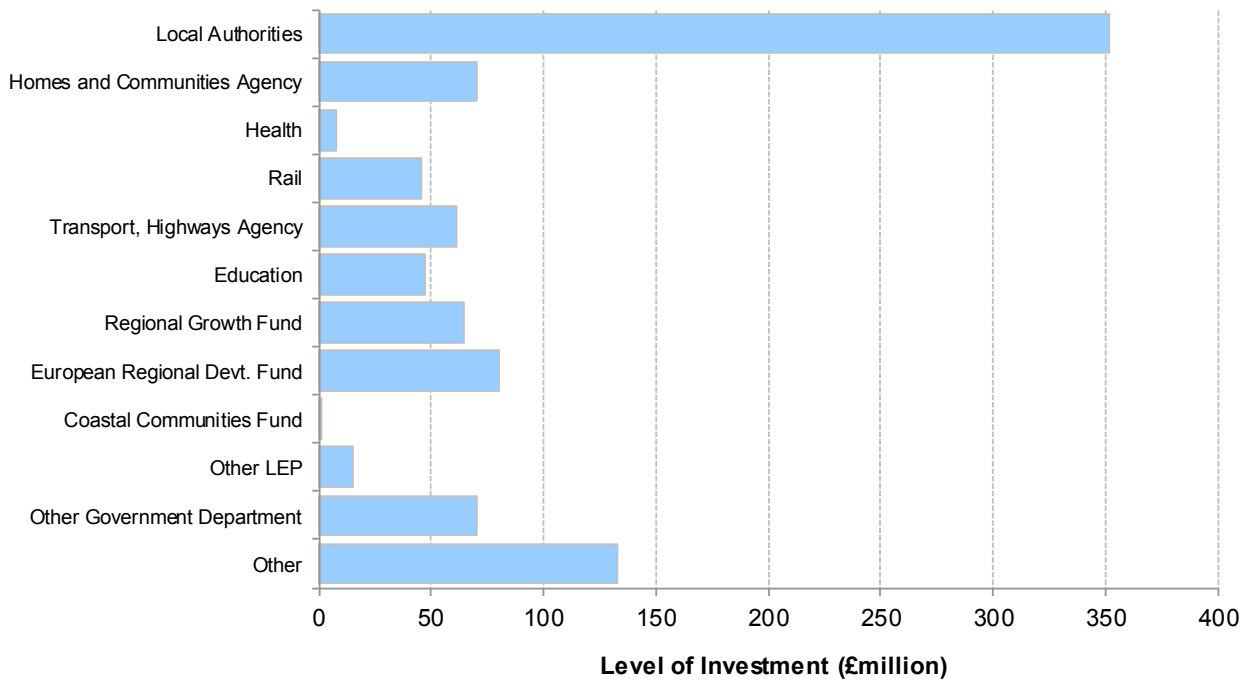
## Public sector investment

Local Enterprise Partnerships secured £944 million of investment from public sector organisations. Local Authorities were the largest contributor investing £352 million (37%) of the finance. Network Rail and the Department for Transport (including the Highways Agency) invested £106 million (11%) whilst Broadband UK and other government departments invested a total of £70 million (7%).

Local Enterprise Partnerships have also been able to align different government funding streams (the Regional Growth Fund, European Regional Development Fund and the Coastal Communities Fund), worth £146 million (15%) with the Growing Places Fund to get projects off the ground.

In addition, some Local Enterprise Partnerships worked across boundaries to maximise the fund to deliver projects which were mutually beneficial. £12 million of capital Fund was used to support two cross-boundary projects with each Local Enterprise Partnership contributing a proportion of their award.

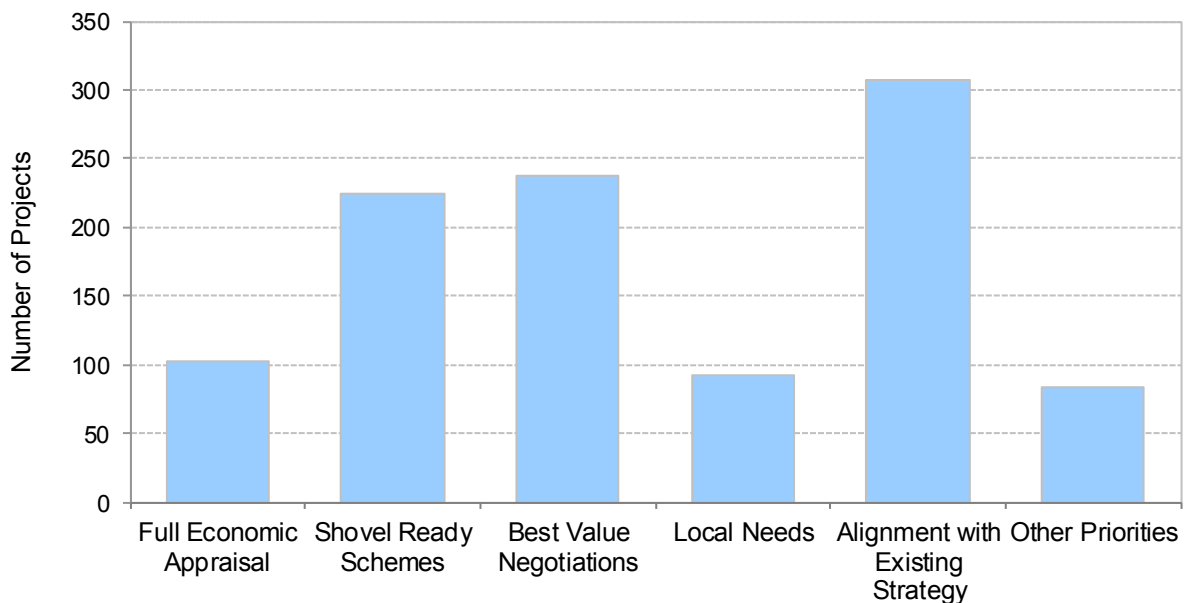
Figure 3: Funding from public sector organisations



## Project selection and prioritisation methodology

Local Enterprise Partnerships were asked to prioritise projects to enable them to tailor investment to their local places and circumstances to deliver their economic strategies and promote the delivery of jobs and housing. *Figure 4* shows the methodologies used by Local Enterprise Partnerships when prioritising and selecting projects to fund.

Figure 4: Methods used by Local Enterprise Partnerships to prioritise and select projects



In most cases, more than one criterion was used, for example, a project could have been selected because it was both 'shovel ready' and aligned with their existing strategy.

A large number of the projects (94%) were selected to align with existing strategies while 73% were due to best value negotiations with their local partners. 69% of the projects were "shovel ready" thereby addressing immediate infrastructure and site constraints. Approximately 31% of the projects were subject to a full economic appraisal and 28% were as a result of public consultations on local needs. Other priorities (26%) included match funding with other growth initiatives and the assessment of projects using other econometric models.

# Section B: Rationale for Supporting Projects

Local Enterprise Partnerships were asked to outline their reasons for using the Fund to support local projects. The HM Treasury Green Book advises that intervention should be explained in terms of ‘market failure’. *Figure 5* summarises information on the rationale for intervention in terms of land, capital or labour market failures. Most projects had a number of rationales.

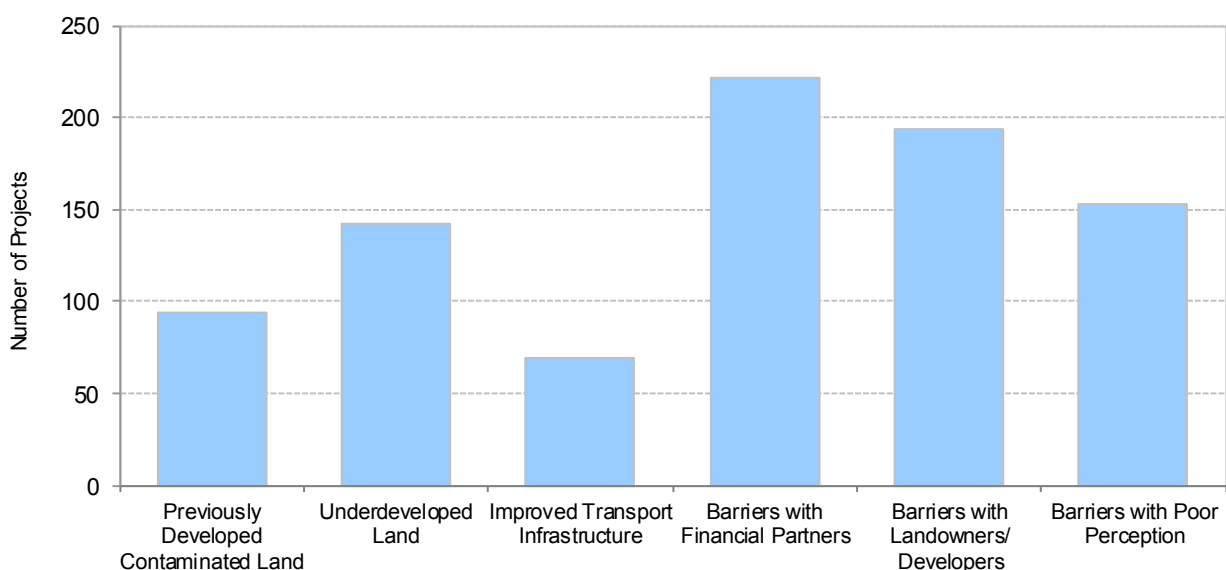
The two main rationales for intervention by Local Enterprise Partnerships to correct market failure were to overcome barriers of:

(1) **Banks and financial partners unwilling to invest.** 222 (68%) projects were supported because of difficulty obtaining funding from interested partners and commercial loans being unavailable on acceptable terms. The financial climate and some projects being too high risk were cited as the main reasons for banks and other lenders being unwilling to invest.

(2) **Landowners and developers unwilling to progress with development.** Local Enterprise Partnerships reported supporting 194 (60%) projects because of problems kick starting land development. A significant number of projects have stalled at the inception stage due to the up-front costs required. However, Local Enterprise Partnerships note that supporting projects with the fund in this way will bring forward development by at least 12 months and will provide the initial improvements to key infrastructures required to create confidence amongst investors and developers.

Other rationales cited by Local Enterprise Partnerships include benefits of generating economic use for undeveloped land (142 projects), benefits of faster travel times through improved infrastructure (69 projects) and overcoming barriers of poor perception and making development more attractive to private sector investors (153 projects).

Figure 5: Rationale for supporting project with the Growing Places Fund



## Likelihood of projects progressing without the Growing Places Fund

Local Enterprise Partnerships were asked whether they believe the projects would have progressed in the absence of the Fund. Responses were provided for 309 projects.

Table 1: Likelihood of projects progressing

	<b>Number</b>	<b>Percentage</b>
Would have gone ahead but at a reduced scale	34	11%
Would have gone ahead but at a slower pace	128	41%
Would not have progressed	147	48%
<b>Total</b>	<b>309</b>	<b>100%</b>

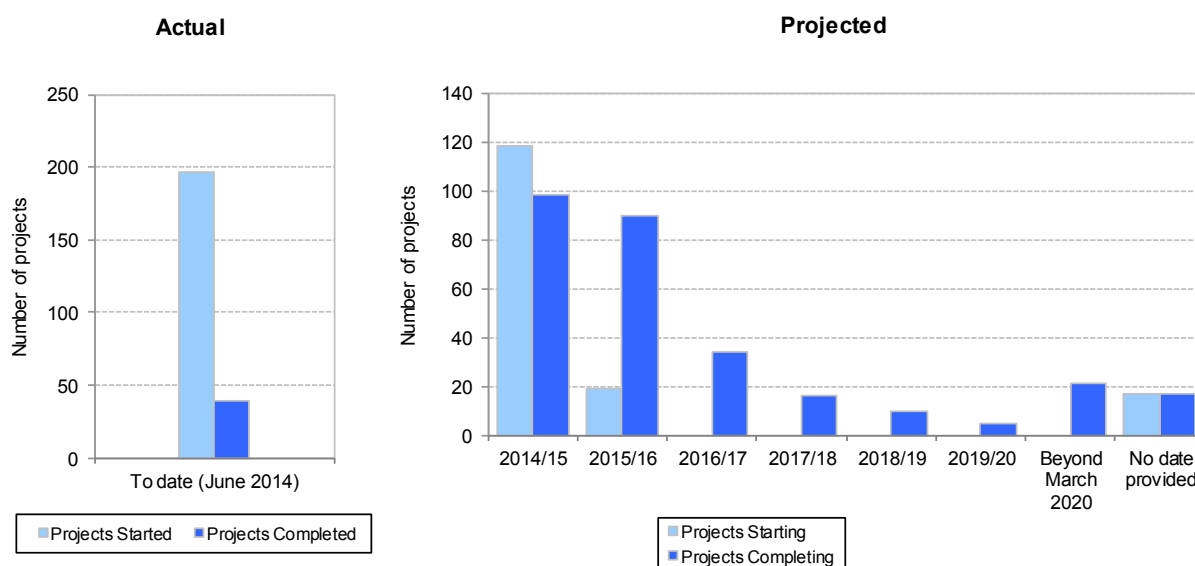
# Section C: Project Starts, Completions, Spend and Repayment

## Project starts and completions

194 projects (60% of all projects) with an estimated total value of £2 billion are already underway. Local Enterprise Partnerships expect these projects to create or support 960 businesses, 78,650 jobs and 24,500 housing units.

Some of these projects are being funded with private sector investment before any funding from the Growing Places Fund is required. Projects funded in this way (i.e. using private funds first) reduce the risk to the Growing Places Fund. Of the 194 projects currently underway, 59 of these have proceeded without yet having received the Fund.

Figure 6: Project starts and completions by financial year



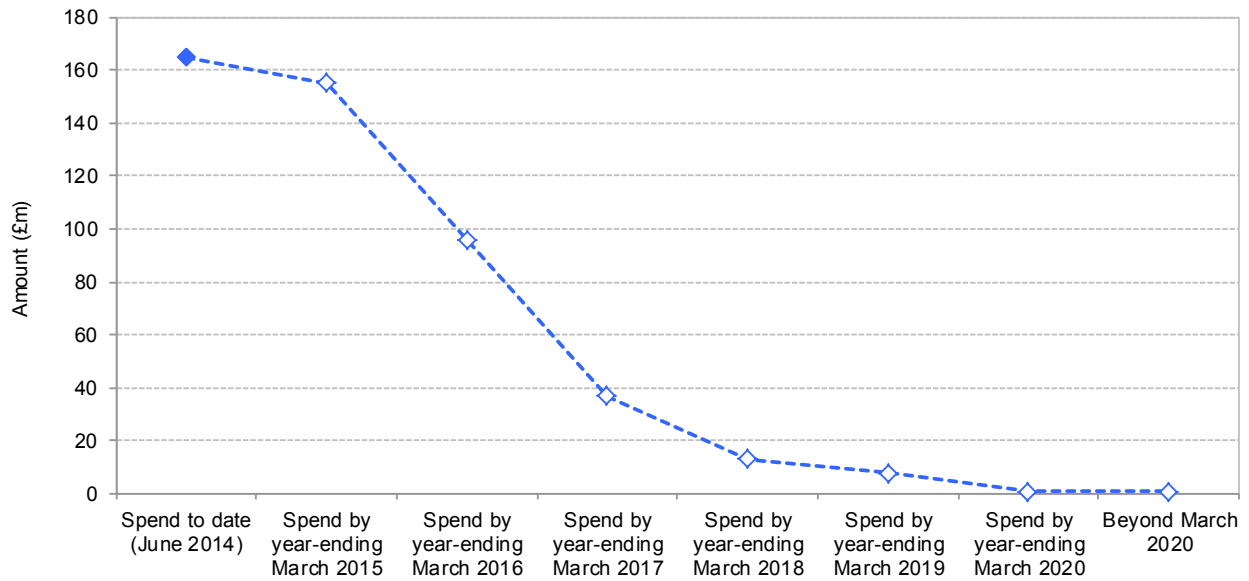
## Actual and projected spend on projects

Local Enterprise Partnerships report that £167 million (27%) of the capital Fund awarded to projects to date has been spent (i.e. gone to developers). It is important to note that the allocation of the Growing Places Fund to projects has enabled projects to start. Developers and housebuilders have been confident following the allocation that the funding required to complete projects will be available.

Not all Local Enterprise Partnerships provided information on spend to date or a projected profile of when funds allocated to projects would be spent. Those who did reported that £220m (about 33%) of the Fund would be spent by March 2015.



Figure 7: Actual and projected spend by financial year



## Repayment of the Growing Places Fund

Local Enterprise Partnerships reported that as of June 2014, £30 million (18%) of the £167 million which had gone to developers has been repaid thus ensuring that Local Enterprise Partnerships establish sustainable revolving funds that can be reinvested to unlock further development.

# Section D: Infrastructure Funded and Expected Economic Outcomes

Local Enterprise Partnerships were asked to provide information on the type of infrastructure the Fund was supporting. These were reported in terms of the development of sites (acquisition, preparation and protection); construction of buildings (residential, industrial, office and mixed development); accessibility of sites (transport, utilities and broadband) and other development, for example, public realm. Local Enterprise Partnerships reported that most projects consisted of more than one type of infrastructure.

Table 2: Infrastructure supported with the Growing Places Fund.

Infrastructure Funded (Outputs)	Number of Projects	Description of measurement	Measurement
Site Acquisition	37	<i>Hectares purchased</i>	11,505
Site Preparation	103	<i>Hectares to be developed</i>	18,525
Site Protection	3	<i>Kilometres of site protected</i>	6
Site Access	44	<i>Kilometres of road improvement</i>	44
		<i>Square metres of floorspace</i>	
Buildings Acquisition	13	<i>purchased</i>	37,013
New Office Buildings	48	<i>Square metres of floorspace</i>	977,386
New Industrial Buildings	91	<i>Square metres of floorspace</i>	2,908,116
New Residential Buildings	92	<i>Number of housing units</i>	69,466
		<i>Square metres of floorspace</i>	
Refurbished Buildings	37	<i>refurbished</i>	362,712
Transport Infrastructure	48	<i>Various (number)</i>	-
Broadband	17	<i>Number of properties connected</i>	96,995
Environmental Improvement/ Public Realm	45	<i>Various (number)</i>	-
		<i>Kilometres of water and gas pipes</i>	
Utilities	44	<i>or electric cabling</i>	65
Mixed development	40	<i>Square metres of floorspace</i>	899,452

Local Enterprise Partnerships were asked to provide information on the expected economic outcomes to be delivered as a result of the infrastructure they funded. Specifically, in terms of Capital – business enterprises expected to be located in the area; and Labour – jobs that are expected to be generated in the area. They were also asked to provide an estimated delivery date for the outcomes. As projects are still in the relatively early stages of roll-out delivery of outcomes will be further down the track.

As not all Local Enterprise Partnerships provided the information, the outcomes quoted below are based on partial data. In addition, the figures are as reported by Local Enterprise Partnerships and have not been audited or verified independently.

## Jobs

Local Enterprise Partnerships estimated that **151,300 gross jobs** are anticipated as a result of the infrastructure funded. The estimate is drawn from 232 (out of 323) projects that identified the creation of jobs as an economic outcome.

Local Enterprise Partnerships provided an estimated delivery date for £54,400 of the jobs anticipated. Dates ranged from 2014 to 2030 with the majority of these jobs (£30,600) expected to be created in the next five years. As of June 2014, 31 projects had delivered 976 of the jobs they anticipated.

## Housing units

Local Enterprise Partnerships estimated that **69,500 gross housing units** are anticipated as a result of the Growing Places Fund investment. This is drawn from 92 projects that identified the building of housing units as an economic outcome.

Delivery dates were provided for 24,150 housing units expected to be built. Dates ranged from 2014 to 2030 with the majority of housing units (14,320) expected to be built by December 2024. As of June 2014, 11 projects had delivered 342 housing units.

## Businesses

Local Enterprise Partnerships estimated that **2,500 gross businesses/enterprises** are anticipated to be supported or created as a result of the investment. The estimate is drawn from the 68 projects that identified the support or creation of businesses as an outcome.

Local Enterprise Partnerships provided expected delivery dates for 32 businesses/enterprises expected to be supported or created. Delivery dates for these varied widely between 2013 and 2026 with 510 businesses projected to be delivered by December 2018; the remainder are estimated to be delivered by 2026. As of June 2014, 18 projects had supported or created 81 of the businesses they anticipated.

It is important to note that the outcomes reported by Local Enterprise Partnerships are 'gross' estimates. They do not consider, for example, what developments may happen without the addition of the Fund (deadweight effects) or how the addition of the Fund could reduce or affect investment and development elsewhere (displacement effects).

## Other outcomes reported by some Local Enterprise Partnerships

In addition to the information provided by Local Enterprise Partnerships on outputs and outcomes, some Local Enterprise Partnerships volunteered information on other outcomes they expect to see as a result of their investment.

These include **safeguarding an additional 13,000 jobs** (33 projects), **creating 640 apprenticeships** (16 projects) and **a further private investment of £829 million in unlocked development** (6 projects). This investment is in addition to the leverage reported in *Section A* on particular projects.

## Section E: Revenue Funding

Local Enterprise Partnerships were awarded £57 million of the £730 million Growing Places Fund as revenue. The revenue funding was set aside as resource to help Local Enterprise Partnerships manage the Growing Places Fund.

The revenue fund is unringfenced, giving flexibility around how it can be allocated. However, once the allocation is fully used, Local Enterprise Partnerships will need to make arrangements to fund ongoing revenue expenditure locally.

Local Enterprise Partnerships provided information on how they have managed their revenue funding which included supporting revenue funded projects as well as non-projects, for example, to support administrative expenditure and feasibility and research studies.

### Revenue funded projects

As of June 2014, Local Enterprise Partnerships reported that £14.8 million has been earmarked or allocated to 33 revenue only projects. The total value of all 33 projects is £45.6 million so Local Enterprise Partnerships have been able to use the Fund to unlock £30.8 million of extra investment of which £29.2 million is from other public sector partners and £1.6 million is from private sector partners. Of the £14.8 million allocated to revenue only funded projects, £6.2 million (42%) has been spent to date.

*London Local Enterprise Partnership allocated £1 million of their revenue award to support the Apprenticeships Marketing project. The project directly supports the Mayor's commitment to support the creation of 250,000 apprenticeship starts by 2016. London has a low number of apprenticeships per proportion of the workforce, demonstrating that there is considerable scope for apprenticeship growth. The marketing campaign will increase the number of employers becoming a 'qualified lead' with the National Apprenticeships Service or accessing information about apprenticeships; increase awareness of the diversity of apprenticeships available; increase awareness of the business benefit of apprenticeships and increase awareness of the channels through which employers can access support. The project is expected to be completed in March 2016.*

### Joint capital and revenue funded projects

- One Local Enterprise Partnership, Thames Valley Berkshire, used £50,000 of their revenue award to support the £7.3 million Thames Valley Berkshire Funding Escalator capital project. The revenue award accounted for just 1% of the fund allocated to this project.

### Administrative and other revenue expenditure

Local Enterprise Partnerships reported that as of June 2014, £12.7 million was allocated to administrative and other revenue expenditure (£7.1 million) and feasibility and research studies (£5.6 million). Of this, £8.4 million has been spent.

- The £7.1 million allocated to **administrative and other revenue expenditure** has all been spent and includes staff costs, funding for professional advice; and other administrative costs, for example, procurement of office stationery and accountable body function.
- Of the £5.6 million allocated to 38 **feasibility and research studies**, £1.4 million has been spent.

## Annex A

# Background to the Growing Places Fund

In September 2011, the Chief Secretary to the Treasury announced £500 million for a Growing Places Fund, with £40 million of this fund allocated to the devolved administrations. Additional funding of £270 million was announced at Budget 2012, bringing the total amount of funding to Local Enterprise Partnerships in England to £730 million of which £673 million was awarded as capital and £57 million awarded as revenue (headline figures on how Local Enterprise Partnerships have used their revenue award can be found in *Section E*).

Funding was allocated to Local Enterprise Partnership areas based on a formula consisting of population and employed earning data. This relatively simple formula took into account the size of the local enterprise partnership, and provided a good proxy for local economic activity. Payments were made in February and March 2012.

Local Enterprise Partnerships were asked to nominate a lead Local Authority to act as the accountable body in each case and the Fund was provided as an unringfenced section 31 grant. The lead Local Authority manages the fund, leaving Local Enterprise Partnerships able to take a strategic role in deciding how to best direct funds.

The Fund is aimed at providing the up-front capital to help Local Authorities and developers to take projects forward where relatively small amounts of funding for infrastructure can help to unlock further development. It also provides the opportunity to establish recyclable investment funds and provide a longer term solution to infrastructure provision.

The range of projects being supported by the Fund includes site access/ site clearance, broadband and transport infrastructure, utilities, refurbishment of buildings and flood defence barriers.

This publication provides information on the progress being made by Local Enterprise Partnerships in delivering the Growing Places Fund. The information is self-reported by all 39 Local Enterprise Partnerships in England and has not been independently verified or audited. It is based on information submitted to the Department for Communities and Local Government as of June 2014.