



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

Growing Places Infrastructure Fund Investment Prospectus

1 April 2019





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1. What is the Swindon and Wiltshire Local Enterprise Partnership?

The Swindon and Wiltshire Local Enterprise Partnership (SWLEP) was established in 2011 with the aim of stimulating growth in the economy across the Swindon and Wiltshire area. In part it aims to do this by playing a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs. It is a partnership between the business community and the two local authorities; Swindon Borough Council and Wiltshire Council, the Military and the education sector.

2. Delivering our Strategic Economic Plan and achieving our vision

Our vision: We want to use our pivotal location in Southern England to create wealth, jobs and new business opportunities which are set within a spectacular landscape that provides an exceptional quality of life. We will focus on our existing strengths and our base of established business sectors to build an outstanding sustainable business environment in which our economy will thrive. By 2026, we want to be world-renowned for innovation, entrepreneurialism and our great quality of life. Our population will have increased from 699,000 in 2014 to 764,000, matched

by employment providing higher skilled jobs and high value economic growth.

To achieve this vision we have identified five strategic objectives and a number of priority actions in our Strategic Economic Plan 2016¹ against which we will invest our resources in clear and well thought out targeted investment.

Strategic objectives

Skills and talent: we need an appropriately skilled and competitive workforce to achieve our growth ambitions;

Transport infrastructure improvement: we need a well-connected, reliable and resilient transport system to support economic and planned development growth at key locations;

Digital capability: we need to deliver excellence in digital connectivity and cyber transformation to achieve business growth, innovative public services and influence societal change;

Place-shaping: we need to deliver the infrastructure required to deliver our planned growth and regenerate our city and town centres, and improve our visitor and cultural offer;

Business development: we need to strengthen the competitiveness of small and medium sized businesses and attract a greater share of foreign and domestic investment into the area.

It is important that our investments support the continued development of Swindon and Wiltshire as a productive and innovative area through supporting our priority sectors and achieving the growth potential of our three Growth Zones in a sensitive and sustainable way in order to maintain our high quality and attractive environment.



3. What is the Swindon & Wiltshire Growing Places Infrastructure Fund?

The SWLEP launched its £8.67m Growing Places Infrastructure Fund (GPIF) in March 2012 and this is the fifth call for applications. GPIF is a fund used to invest in capital projects that deliver sustainable economic growth within the Swindon and Wiltshire area. It does so by investing in projects that are vital to unlocking opportunities to support innovation, enterprise, growth and productivity gains.

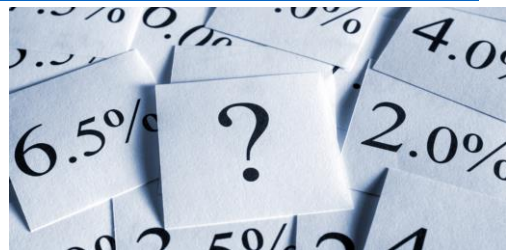
In particular, investments will focus on projects that currently cannot be developed due to infrastructure or commercial constraints, but with

investment from the fund can proceed immediately.

The SWLEP manages the fund with compliance support from Wiltshire Council, which acts as the Accountable Body for the SWLEP, ensuring financial and legal requirements are met. GPIF is a revolving loan fund with the repayment profile defined in a contractual agreement between Wiltshire Council on behalf of the SWLEP and the developer of the project. Depending on the nature of the project, a security package may be required to release any approved loan.

The features of the loan fund include a commercially attractive interest rate and negotiable terms for the start of the repayment schedule.

The SWLEP secured GPIF from the Government's 'Growing Places' initiative². The national prospectus, which has further details of how revolving funds can be used to deliver economic growth and the types of projects that have been funded previously, can be found at: <https://www.gov.uk/government/publications/growing-places-fund-prospectus>.



4. The April 2019 call

This call for applications to the Growing Places Infrastructure Fund is being made by the SWLEP Board to businesses,

² _____

² The Growing Places Infrastructure Fund was launched by the Department for Transport and the

Department for Communities and Local Government in November 2011.

developers and other applicants which have projects which are currently stalled or have development proposals which can be accelerated with an injection of loan capital in Swindon and Wiltshire. A high level eligibility checklist can be found in Appendix I to help you decide whether it is the right source of funding for you.

We aim to recycle the GPIF fund as often as possible, so applicants need to have well-developed capital investment projects, the loan for which should be repaid by 31 December 2023. We are seeking applications for loans with a minimum value of £150,000 up to £1m.

In determining which investments to make, the SWLEP will have regard to a number of key criteria which will be explored through the application process.

Key criteria for successful applications

- Will the investment result in immediate economic activity that helps support job growth?
- Is the economic activity enabled by the GPIF investment in line with the priorities established by the SWLEP for long term sustainable economic growth of the area?
- Would the economic activity not proceed without this investment?
- Does the investment represent 'value for money' for the public sector?
- How and when will the investment be repaid?
- Would a GPIF loan unlock economic growth that can be brought forward more quickly?
- Is the scheme capable of repaying the investment and if so how?
- What is the level of private sector match?
- Does the proposal have planning permission and any other necessary consents?

5. How to apply

The application and selection process is designed to be a straightforward two-stage process which enables the SWLEP to undertake a robust appraisal and due diligence checks to safeguard its interests. Stage 1 is the initial application and stage 2 is the submission of detailed business information.

Details regarding security on offer and existing lending arrangements from applicants will avoid delays in the assessment.

Stage 1

Stage one applications will be assessed, resulting in recommendations on the suitability of each GPIF application for investment and a proposed prioritisation of the projects. The recommendations will be considered by the SWLEP Board which will determine the projects that proceed to the next stage. Stage 1 is expected to take three weeks from the day the call closes (Figure 1).

Stage 2

Stage 2 will commence immediately after Stage 1 and will require the submission of detailed business information.

Final approval will be sought at a meeting of the SWLEP Board on 26th September. Loan agreements will then be drawn up and initial payments made by the end of 2019.

The application form and supporting material can be downloaded from the SWLEP website:

<https://swlep.co.uk/programmes-swlep/growing-places-infrastructure-fund>.

Applicants are encouraged to discuss their potential project with Phil Clement, Head of Investment & Export, at the earliest opportunity. (Tel: 07423 623374 / Email: phil.clement@swlep.co.uk).

Recycling Technologies

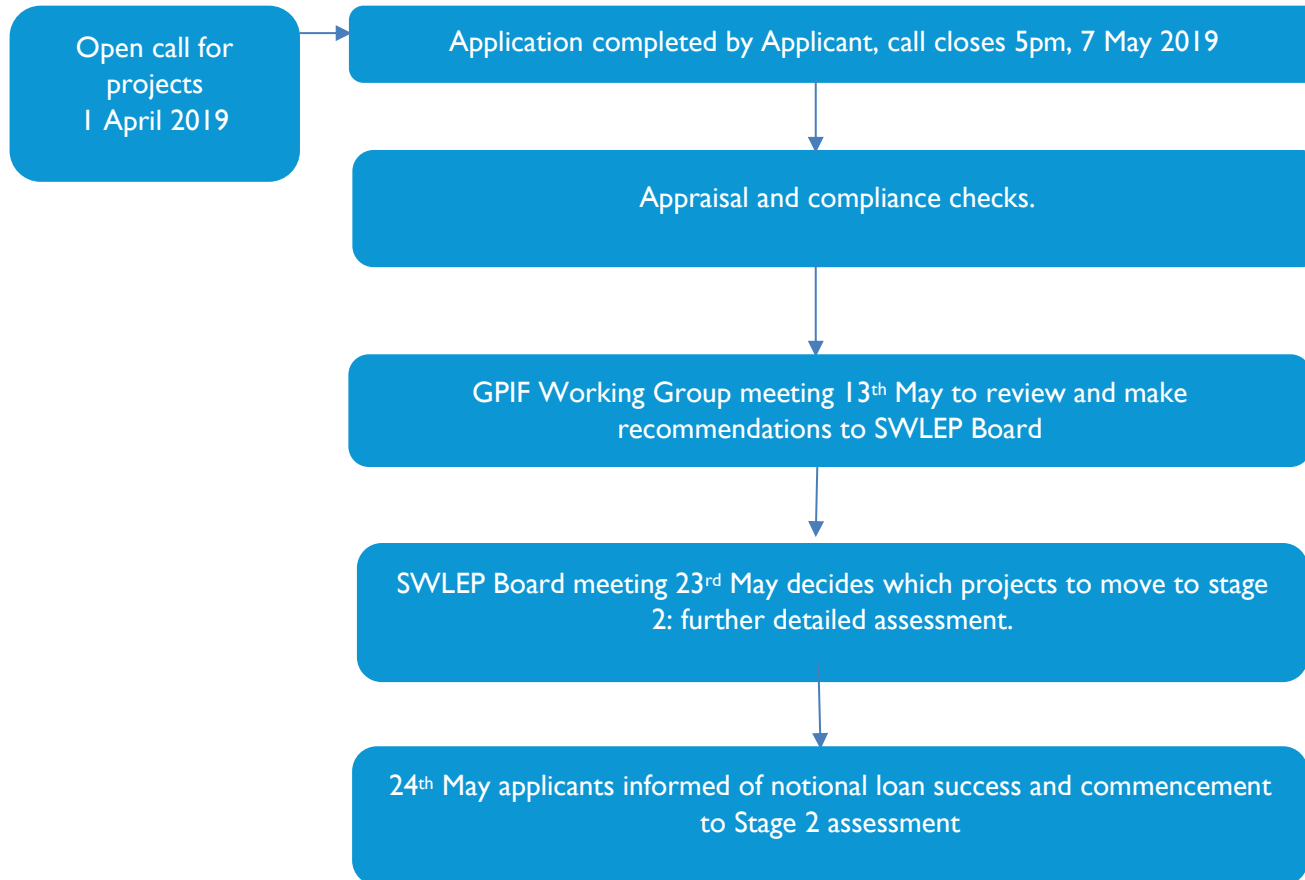
In February 2019, Recycling Technologies were awarded a £1m Growing Places Infrastructure Fund (GPIF) loan to help speed up the production of its RT7000 machines as well as stimulate innovation, growth and productivity gains.

Recycling Technologies has developed and patented a plastics recycling machine, the RT7000, that converts plastic waste back into oil called Plaxx® from which new plastics can be made.

Adrian Griffiths, CEO, commented “We have a goal to triple Europe’s current plastic recycling capability by 2027 through the provision of 10 million tonnes of urgently needed new waste plastic recycling capacity. We believe our manufacturing facility here in Stirling Court, Swindon will be capable of manufacturing 200 RT7000 machines a year to meet the growing demand for plastic recycling capacity in the UK, Europe and the rest of the world.”



Figure 1: Stage 1 Initial project assessment, sifting and prioritisation



6. State Aid

The Growing Places Infrastructure Fund is subject to State Aid rules regarding subsidies to business. Applications to the GPIF will need to be checked so that they are compatible with the State Aid regulations. The SWLEP will make checks and the application form has been designed to capture the information required; however applicants should be prepared to form their own legal opinion on whether their project is compatible with State Aid regulations.

With your stage 2 application submission, you should set out a formal opinion on the project's compatibility with State Aid regulations. All issues must be identified and resolved before a loan is offered.

Failure of projects to be compatible with State Aid regulations can put the whole investment at risk of clawback by public authorities.

The SWLEP will arrange for projects to be checked for compatibility with State Aid regulations.

7. Due diligence

Due diligence checks form part of the appraisal process for projects which have been prioritised. These checks will include reviewing the following:

- the value of funding requested as a percentage of turnover
- liquidity
- profitability
- the return on capital employed

- gearing
- the debtors and creditors cycle
- Companies House report check
- Charity Commission check
- insurance level (including parent guarantee/performance bond checks where appropriate)

Three years of annual reports need to be submitted as part of the stage 1 application in order for these checks to be made. Additional requests for information may also be forthcoming.

8. Value for money

The SWLEP Board will ultimately decide which applications will receive GPIF investment. As well as the criteria listed above, the SWLEP will pay regard to the 'value for money' the investment represents and will take into account the following:

- The level of investment per new job;
- The level of private sector investment leveraged;
- The pace of delivery of the 'outputs';
- The certainty and timing of repayments;
- The timing of repayments; the SWLEP will favour projects where the investment is repaid in full by 31 December 2023.

Our focus will be on the extent to which the benefits to the economy outweigh the cost of the project. Account will also be

taken of a project's wider economic, environmental and social impacts.

9. Consultation and meetings in public

The SWLEP does not anticipate that applications to this round of GPIF will be subject to public consultation by statute. If applications are received where the SWLEP considers that the views of the public should be considered, the SWLEP reserves the right to take longer to make a funding decision to accommodate any consultation requirement.

The details (excluding commercially confidential material) of projects awarded GPIF funding will be made public following SWLEP Board approval and details will be posted on the SWLEP website and may be used in marketing and promotional materials. GPIF funding agreements will set out the arrangements for sharing information for publicity purposes.



10. Applicants

The SWLEP welcomes applications for GPIF loans from a range of private sector businesses and public sector organisations operating in Swindon and Wiltshire.

Applicants

Private sector, business-led organisations or investment organisations including companies which are registered abroad but which operate in Swindon and Wiltshire;

SMEs or local business groups, either coming together to submit a joint bid or bidding to deliver a package of projects;

Higher education and research institutions, alone or in collaboration with private sector partners; and

Public sector applicants which are working with private sector delivery partners.

11. Timetable

We are inviting Stage 1 applications to be submitted electronically by 5pm, **7 May 2019** by completing the [online application form](#).

The milestones for stage 1 are:

Stage 1	Date 2019
Call opens	1 April
Call closes for stage 1 applications	7 May
Appraisal and compliance checks	8 May
GPIF Working Group recommendations	13 May
SWLEP Board meeting, funding notionally allocated	23 May
Projects advised of outcome	24 May

Closing Date

Stage 1 applications

5pm, 7 May 2019

For Projects Awarded Funding

Monitoring and evaluation will be undertaken, including site visits and inspections, until the project ends. Project reporting, claim details and scheduling will be set out in full as part of the loan funding agreement.

12. Contact Details

Phil Clement
Head of Investment & Export
E: phil.clement@swlep.co.uk
Tel: 07423 623374

Appendix I: Eligibility - things to consider before applying for Growing Places Infrastructure Funding (GPIF)

It is recommended that you go through the following checklist before completing the stage 1 application form. If you can answer 'yes' to the following statements, then the Growing Places Infrastructure Fund might be right for your project. Please note that being able to say tick 'yes' is not a guarantee that your application for funding will be successful.

Project status	Yes ✓
I need capital funding to deliver my project	
I have an agreed design and detailed cost breakdown for my project	
I have not started to spend against my cost breakdown which is shown in this application	
I have the relevant legal and planning consents in place or expect to in the next 6 months	
I am clear how much I need to borrow from GPIF	
I have all the remaining funding identified to deliver my project	
I have assets to secure against the GPIF loan	
I have experienced project managers in place to deliver my project	
I understand that my project needs to be compliant with European State Aid regulations	
I can deliver my project and pay the loan back by 31 December 2023 at the latest	
Project outputs	Yes ✓
My project will lead to one or more desirable outputs	
<ul style="list-style-type: none"> • New jobs created • Delivery of apprenticeships • New employment land unlocked • Low carbon energy generation • Business-led innovation including the registration of new patents • New local employment opportunities for example construction jobs • Local procurement contracts within Swindon and Wiltshire 	
My project has a good fit with the SWLEP's strategic objectives	

If you are not sure whether your project fits with the GPIF scheme or for more information on it, please email: phil.clement@swlep.co.uk. Please note that there are some restrictions regarding the use of GPIF loan funding by businesses operating in the financial services and agriculture sectors.