

An introduction to Lancashire's

# GROWING PLACES FUND



For the last ten years, Lancashire's Growing Places Fund (GPF) has helped investors, developers, and entrepreneurs turn their business ideas into reality.

By supporting projects and schemes which add value to the regional economy, and local communities, the GPF also helps to drive regional growth and boost prosperity across the county.

The GPF was initiated by the government, and is managed by the Lancashire Enterprise Partnership (LEP).

## What is the Growing Place Fund?

Put simply, the GPF lends money to companies who require funding for local property schemes, infrastructure projects, and other inward investment activities, which have the potential to boost the Lancashire economy.

Typically, these are developments where there is a funding gap in the

project's overall finance package which mainstream funders (such as banks) are reluctant or unable to fill. When that happens, companies can apply to the GPF for a loan (usually between £750k - £5m) which is subject to an interest rate of 3%-6% above the Bank of England's base rate.

## What type of projects are eligible?

GPF is most often used to help stalled or blocked property schemes (both residential and commercial) move forward. But it can also be used to support other types of inward investment activity such as R&D facilities, enabling transport/infrastructure interventions, and high-value, mixed use projects. However, to be successful, applicants need to demonstrate how their development will bring wider economic and community benefits to the area.

This can be through creating new jobs, attracting new investment, bringing new, innovative products to market, or utilising low carbon technologies: generating social value and boosting the prosperity of local people in the process.

The scheme must also be based in Lancashire.

## How can I ensure my project generates local benefits?

Applicants unsure about how/if their proposal will offer wider social and economic benefits could explore how their scheme might complement other current inward investment programmes which are similarly backed by government. These include Town Deals, the UK Shared Prosperity Fund, and the Levelling Up Fund.

Opportunities linked to major countywide investments - such as Eden Project Morecambe, Lancashire Central, the National Cyber Force HQ at Samlesbury, and the county's four Enterprise Zone sites - could also fit well with the GPF criteria.

How proposals align with Lancashire's overarching social, environmental and economic priorities - such as the county's commitment to net zero and inclusive growth (as outlined in the Lancashire 2050 plan) - are also key considerations when GPF applications are assessed.

Seeing how your project integrates with local authority property masterplans, and/or more localised inward investment strategies, might also be useful.

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# WHO HAS IT ALREADY HELPED?

Since starting in 2013, the GPF has already invested over £40m in developments of all types and sizes across the county, which in turn has generated £100m of private investment and supported over two thousand new jobs. Just some of the schemes the fund has supported include:

“The Growing Places Fund was instrumental in our success and, by backing us, the fund also directly helped sow the seeds for today’s city centre residential market in Preston. We are looking forward to working with the fund again to help deliver new and exciting regeneration projects in Lancashire.”

Neil Thornton, director, Etc Urban

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## UNION CARRIAGEWORKS

PRESTON

A former Victorian carriage manufacturing works in Preston city centre was successfully transformed into an apartment and office mixed-use scheme with help from the Growing Places Fund.

The company behind the project, Etc Urban, was a new entrant in the property market.

Further, when their plans were first put forward, Preston’s city centre wasn’t considered to be a viable residential location.

These factors, combined with it being a potentially complex conversion, meant mainstream funders we’re reluctant to support the project.

However, the LEP saw the potential of the proposal, and offered Etc Urban a £2.1m GPF loan.

As a result, 1,800 sqm of derelict city centre real estate was transformed into 18 New York style apartments over three floors, together with 345 sqm of new Grade A ground floor office space, and 10 underground parking spaces.



## LANGROYD PLACE

COLNE

The Growing Places Fund recently enabled the completion of 32 new homes in Colne.

Developed on a brownfield site by Barnfield Construction, in partnership with Pendle Borough Council, the housing stock includes two and three bedroom houses, together with several bungalows.

Even though there was high demand for new homes in the area, the developers struggled to find a mainstream lender prepared to back some elements of the Langroyd scheme.

At this point, the developers applied for £1.5m GPF funding, which was agreed.

This finance was used to cover not only 70% of the building costs, but also to pay for the planning, surveyor, architects, legal and agent fees, without which the project would never have got off the ground.



## CATHEDRAL QUARTER

BLACKBURN

Prior to 2015, Blackburn Cathedral Quarter was a 25,000 sqm rundown and dysfunctional urban district on the edge of the town centre. Now it’s a vibrant and mixed-used neighbourhood featuring a six storey Grade A office building, a 60-bed Premier Inn, and popular retail/hospitality units where operators like Starbucks and Turtle Bay have opened.

When looking at success of the project today, its hard to contemplate how much of a challenge getting all the finance in place was for developers, Maple Grove Developments.

With mainstream banks not prepared to lend on such schemes at the time, Maple Grove found they had a significant funding shortfall which had to be filled for the scheme to progress.

They then turned to the Growing Places Fund, which agreed to loan £4m to bridge the vital financial gap.

As a result, the Cathedral Quarter now not only boasts Blackburn’s first BREEAM Excellent rated office accommodation, it has helped to revitalise the town centre, and boost the wider Blackburn economy.



## BURNLEY BRIDGE

BURNLEY

Burnley Bridge today is a fully occupied 1m sq. ft industrial park on the M65 Corridor.

But before 2015, the site was inaccessible from the motorway, and both a new bridge and a new road was required to make it a viable commercial location.

Despite having over £40m of funding secured, developers Shawbrook faced a funding gap to cover the cost of the bridge, and the adjacent road works.

The Growing Places Fund intervened, providing the £2.4m needed to cover the costs of the bridge and road, which in turn allowed the whole £50m project to move forward.

Burney Bridge is now a highly investible destination which currently supports around 800 jobs and has helped add millions to the local economy.

The success of the initial scheme has now seen plans for a phase two development being brought forward.



## ORMSKIRK COURT HOTEL

ORMSKIRK

The planned conversion of a historic magistrates’ court in Ormskirk, from a dilapidated Victorian public building to a five-star ‘Aparthotel’, marks a major milestone for the West Lancashire town.

The Grade II listed building is being reimaged by Lancashire - based developers Walker Williams as the Ormskirk Court Hotel. Once complete, it will feature 23 premium apartments, a new fine dining restaurant, new car-parking spaces, and new extensive landscaping.

But despite the transformational nature of the scheme, the backing of the local council, and the outstanding track record of the developers, raising all the finance proved to be challenging.

Covering the cost of vital enabling works, the restoration of external stonework, the installation of new bathrooms and windows, and landscaping, was something mainstream lenders were not prepared to support.

This is when the LEP’s Growing Places Fund stepped in. Now, thanks to a £1.6m GPF loan, the project is progressing, with completion due next summer.



# HOW DO I APPLY?

If having read through this guide you believe you have a property development (or other investment opportunity) which could potentially qualify for an GPF loan, you can submit an expression of interest via a form hosted on the LEP's website.

From the information you provide, the LEP will review your proposal's commercial viability, and assess how it aligns to the wider social and economic objectives of the Growing Places Fund (as outlined above).

If your project successfully passes this initial stage, the LEP will then get in touch to discuss how you can progress your application.

For more information on the Growing Places Fund, or to submit an expression of interest, visit [www.lancashirelep.co.uk/key-initiatives/growing-places](http://www.lancashirelep.co.uk/key-initiatives/growing-places)

Alternatively, you can contact the Fund Manager, Sue Roberts, via email: [Sue.Roberts@lancashirelep.co.uk](mailto:Sue.Roberts@lancashirelep.co.uk)

“We found that mainstream lenders were reluctant to fund some of the key enabling works required to get the Ormskirk Court Hotel project started. That’s when we turned to the LEP’s Growing Places Fund, and their response to our plan was incredibly positive. Without their help, the development may have struggled to get off the ground.”

Max Walker-Williams, co-founder,  
Walker & Williams Ltd

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