

APPENDIX B

BUILDING FOR JOBS - PLYMOUTH INVESTMENT FUND



CABINET MINUTE 141 OF 12 FEBRUARY 2013

BUILDING FOR JOBS - PLYMOUTH INVESTMENT FUND

The Director for Place submitted a written report seeking approval to set up Building for Jobs: an Investment Fund for Plymouth. The fund's key objective would be to help the city create the right conditions for growth, supporting projects which specifically create jobs during a time of global economic uncertainty.

A sum of £20 million was being sought to enable the fund to make investments across a range of schemes that would create much needed jobs in Plymouth. In addition, £500,000 revenue was required to support specific projects in the Plan for Jobs, and the proposals had been included in the 2013/14 Revenue and Capital Budget.

Alternative options considered and reasons for the decision –

As set out in the report.

Cabinet noted the inclusion of the revenue and capital implications within the 2013/14 Revenue and Capital Budget.

The City Council is Recommended to include in the 2013/14 – 2015/16 Capital Programme an Investment Fund for Plymouth (Building for Jobs) of £20 million, based upon the key objectives of creating jobs and supporting the economy, and the four criteria of impact, value for money, long term sustainability, and deliverability.

Note:

The full report in connection with this minute is available on the website

www.plymouth.gov.uk/democracy

or by contacting Democratic Support on 01752 304867

PLYMOUTH CITY COUNCIL

Subject: Building for Jobs - Plymouth Investment Fund

Committee: Cabinet

Date: 12 February 2013

Cabinet Member: Councillor Evans

CMT Member: Anthony Payne (Director for Place)

Author: Gareth Simmons, Acting Head of Capital Strategy

Contact details: gareth.simmons@plymouth.gov.uk

Ref:

Key Decision: No

Part: I

Purpose of report:

This report seeks approval to set up Building for Jobs: an Investment Fund for Plymouth. The Fund's key objective will be to help the city create the right conditions for growth, supporting projects which specifically create jobs during a time of global economic uncertainty.

The Fund is a key focus of the Working Plymouth theme of the Corporate Plan, one of the Pledges, and a major component of the city's Plan for Jobs – a pro-active plan to create 2,000 jobs in the next two years.

A sum of £20 million is being made available to enable the fund to make investments across a range of schemes that will create much needed jobs in Plymouth. In addition, £500,000 revenue is available to support specific projects in the Plan for Jobs, and this is included in the 2013/14 Revenue and Capital Budget.

Corporate Plan 2012 - 2015:

The Corporate Plan prioritises the growth of the local economy by seeking to “develop Plymouth as a thriving growth centre by creating the conditions for investment in quality homes, jobs and infrastructure”. The development of an Investment Fund is a key focus of the Working Plymouth theme of the Corporate Plan and supports the aims of creating a Co-operative Council.

Implications for Medium Term Financial Plan and Resource Implications:

Including finance, human, IT and land:

The resources of the Investment Fund are derived, initially, from Council sources. These funds are public funding and will be a part of the Council's Capital programme. In total £20 million has been identified for the Fund (of which £19.5 million is capital funding for infrastructure investment). In addition, £500,000 revenue is being made available to support the Plan for Jobs projects. The alterations to the Capital programme have been outlined in the 2nd and 3rd quarter monitoring

reports, and the revenue implications of commitments to additional unsupported borrowing are contained in the budget setting for 2013/14.

There are minor revenue implications in obtaining specific legal and investment specialist advice that may be necessary on specific proposals. Initially, these will be contained in the Capital Strategy revenue budget in Place.

The development of the Fund in the future, including any revised management proposals, would need to be resourced from the revenue proportion of the Investment Fund. The development of the Fund would be subject to future Cabinet and Council decisions and the detailed implications would be outlined at that point.

The funding is derived from the following sources: capital receipts of £9.52 million, grants and contributions of £5.74 million, revenue reserves of £0.5 million, funds of £0.5 million and unsupported borrowing of £3.75 million. In addition £0.5 million of revenue reserves is made available for the Plan for Jobs. Details of the reserves from which some of the funds have been taken are outlined in the budget setting Cabinet papers.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The Investment Fund provides the financial resources that enable us to improve the economy of the city. Improving the economy is central to the desire to improve quality of life for everyone, including reductions in child poverty and improvements in community safety.

The assessment of risk, in particular, financial risk, will feature as a key consideration when determining proposals for funding.

Equality and Diversity:

An Equality Impact Assessment (EIA) for the setting up of the Investment Fund has been considered but the conclusion is that it is unnecessary at this stage, as there is no decision on where funding will be allocated. However, an EIA will be undertaken to ensure that the criteria to be used to distribute the Fund does not disadvantage any sector of the community, and to make suggestions as to how the Fund could be used to support those who are often economically marginalised.

Recommendations and Reasons for recommended action:

Cabinet:

1. Recommends to Full Council to include in the 2013/14 – 2015/16 Capital Programme an Investment Fund for Plymouth (Building for Jobs) of £20 million, based upon the key objectives of creating jobs and supporting the economy, and the four criteria of impact, value for money, long term sustainability, and deliverability.
2. Notes the inclusion of the revenue and capital implications within the 2013/14 Revenue and Capital Budget.

The reasons for these recommendations are to proactively seek to assist the city to create jobs and strengthen the economy in a strategic and substantial way.

Alternative options considered and rejected:

The alternative is to not set up a dedicated Fund and take a more passive approach to financing economic development and job creation. In the current economic climate, and given Plymouth's specific challenges, this option has been rejected in favour of a more proactive approach. Doing nothing, as set out in section 3.2, is not an option; as the results of recession could combine with the effects of austerity to hold back the city's growth aspirations.

Published work/information:

- [Plan for Jobs](#) report to Cabinet 15 January 2013
- The Budget Report Paper (published with this agenda)

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

Fin	CDR/Place F TC1213001 /250113	Leg	TH2 5-1- 13	Mon Off	TH 25- 1-13	HR	NA	Assets	CJT/ 114/ 2401 13	IT	NA	Strat Proc	NA
Originating SMT Member Clive Perkin													
Has the Cabinet Member(s) agreed the content of the report? Yes													

THE PLYMOUTH INVESTMENT FUND

I. Executive Summary

1.1. Plymouth has an ambitious growth agenda. As the fifteenth largest city in the country, it has made growth one of its top four priorities and has set plans to attract 50,000 more people to live here, create 42,500 new jobs and build 30,000 new homes by 2026.

1.2. There have been some recent notable economic development successes, including: Plessey Semiconductors Ltd, Princess Yachts International, Kawasaki Precision Machinery; as well as inward investment such as the Money Group, and planned investments such as the Bickleigh Down eco-development.

1.3. However, the city faces some significant economic challenges: low productivity, low rates of new business start-ups, pockets of significant unemployment, poor viability within development proposals, and an over reliance on the public sector. To address these challenges new measures have recently been put in place to help Plymouth unlock its full economic potential, including: the Plan for Jobs, Growth Acceleration Investment Network (GAIN), the South West Marine Energy Park, the City Deal, the 1000 Club and the Urban Enterprise programme. These will have a significant impact on the city's economy, benefitting local people through direct job creation, now and into the future.

1.4. Supporting the city's economy is the council's number one priority and it has been identified that there is a need for capital investment that will complement the job creation initiatives already put in place. It is clear that even in the time of significant revenue cuts to local government it is the right thing to do, to dig deep and release capital funding. Such funding is designed to direct public resources initially, and ultimately attract private resources, to tackle our economic challenges and create the climate within which new solutions can be developed and delivered.

1.5. Analysis of the city's needs indicates that a Plymouth Investment Fund should be able to:

- Invest in property that will stimulate businesses to start-up or expand; directly creating jobs and growth.
- Be used as 'match' funding in bidding opportunities to unlock more substantial funds that will support bigger growth and job creation projects.
- Invest in 'gap' funding, sometimes considered as the 'funder of last resort', where infrastructure projects are stalled or hindered by a viability gap.

1.6. The proposal is to create an Investment Fund using capital resources within the Council's control. It will be used to stimulate the economy of the city, support business growth and the creation of jobs; prioritising investment into projects that need support through 'gap', 'recyclable funding', or 'match' funding from other Government funding streams. It will also support the development of key infrastructure that unlocks economic growth such as housing, education and transport. Investment decisions will be linked clearly to the strategic framework established by the Corporate Plan and the emerging Plymouth Plan.

1.7. The Government's City Deal also has the potential to align funds. However, the outcome of the deal and its impact are not yet known. It is envisaged that the Investment Fund will mature and adapt to form the most effective alignment of these opportunities. To achieve this, it is expected that there would need to be greater private sector involvement in the decision making process, and the ability for the private sector to apply directly to the Investment Fund. This would mean that the Fund would need to adapt into a second phase, which will be subject to further exploration and a further report.

1.8. To ensure that potential job creation opportunities are given the necessary support as soon as possible and to ensure that they can be implemented without delay, the Investment Fund will be set up using the Council's existing governance arrangements and will use detailed criteria to select projects that will achieve the best job creation benefits for the city. This gives the Council the ability to provide funding for key sectors of the business community, including social enterprises, alongside its strategic investment in infrastructure to achieve growth and employment.

2. How the Fund will benefit the economy and create jobs

2.1. The Fund is being created to directly respond to the city's economic challenges. The Fund's strapline is "Building for Jobs", and most of the Fund is made up of capital finance, which enables it to invest in project-led development.

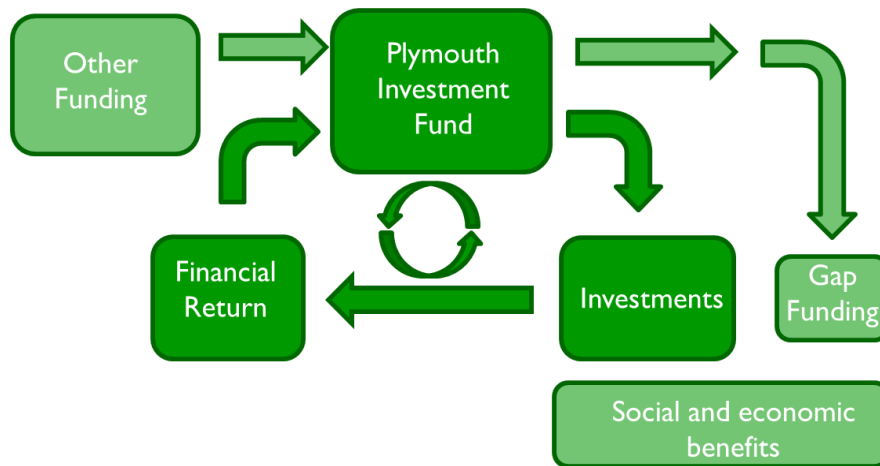
2.2. Examples of the types of projects that might benefit from the Fund include:

- Building quality business premises to fill a current gap in the market. This could follow the example set by the planned developments at North Prospect, Millfields Trust and Ocean Studios, where capital investment, including finance from European Regional Development Fund (ERDF), Plymouth Community Homes and Growing Places Fund is creating managed workspaces and enterprise hubs for start-up businesses.
- Physical infrastructure, which opens up new areas for development, such as at Seaton, or enables marine sector companies to gain access to waterfront regenerating dockyard land that is underutilised.
- Cultural infrastructure, such as Telling Plymouth's historical story, which is part of the Visitor Plan, aims to create 4,000 new jobs by driving the city's visitor economy; or projects that support the creative economy underpinning the city's application to become a City of Culture.
- Stalled housing schemes that create construction jobs and local supply chain jobs as well as generating an income stream through New Homes Bonus and Community Infrastructure Levy.

2.3. The additional revenue for the Plan for Jobs will include support for some of the listed projects, including:

- 'Match' funding, which levers in ERDF for the business support elements of the Urban Enterprise programme delivered through the managed workspaces at North Prospect, Millfields Trust and Ocean Studios.
- Creating the city's first multi-sector Apprenticeship Training Agency.
- The Fredericks Foundation - a Community Development Finance Initiative that lends money to businesses, social enterprises and individuals who struggle to get finance from high street banks and loan companies.

2.4. The Fund will seek to achieve a balance between investments and grants. Investments are important to ensure the longevity of the Fund, to ensure it is able to continue to invest in jobs and the economy over the long term. Grants are important because low asset values and reduced margins mean a number of projects need kick-starting with 'gap' funding. In addition, 'match' funding is often required to secure external investment. As well as achieving direct economic outcomes, all proposals for use of the Fund should aim to achieve other social, community and indirect economic outcomes. This balance is depicted in the diagram below.



3. Why Plymouth needs an Investment Fund

3.1. The Corporate Plan prioritises the growth of the local economy by seeking to “develop Plymouth as a thriving growth centre by creating the conditions for investment in quality homes, jobs and infrastructure”. As well as a key focus of the Working Plymouth theme of the Corporate Plan, investment funding and the way the process is managed, supports the aims of creating a Co-operative Council.

3.2. The impact of the recession has been to reverse the recovery that Plymouth was starting to show up to 2007 and the city seems to have suffered relatively badly compared to other cities during the downturn. This has been particularly evident when comparing our GVA with the county, regional and national levels. Doing nothing is therefore not an option as the results of recession could combine with the effects of austerity to hold back the city’s growth aspirations.

3.3. The city faces the twin challenge of accelerating a slow economic recovery and tackling high unemployment. The construction sector has been hit hard since the initial downturn and recent data suggests that weak construction activity was the cause of dragging the economy back into negative growth. The construction industry has the potential to deliver private sector led recovery and create new jobs, as a result of its long supply chain, which is labour intensive and has strong regional presence.

3.4. Both the Local Development Framework (LDF) Core Strategy and the Plymouth Local Economic Strategy continue the theme of economic regeneration; identifying areas of the city, sectors of the economy, and the economic challenges to be tackled. The emerging Plymouth Plan will update the city’s economic objectives over the coming months and the recently announced Plan for Jobs sets out a practical and real response to kick start economic growth in the city. Critically, the objectives contained in these strategic documents have been converted into more detailed criteria against which funding proposals can be appraised.

3.5. The public sector has a key role to play in creating the conditions within which the private sector can develop, expand and invest. Therefore, it is clear that the limited investment available to the city can be used creatively to continue to develop the economy, along with the infrastructure that supports the growth of business and the creation of jobs.

4. How the Fund will operate

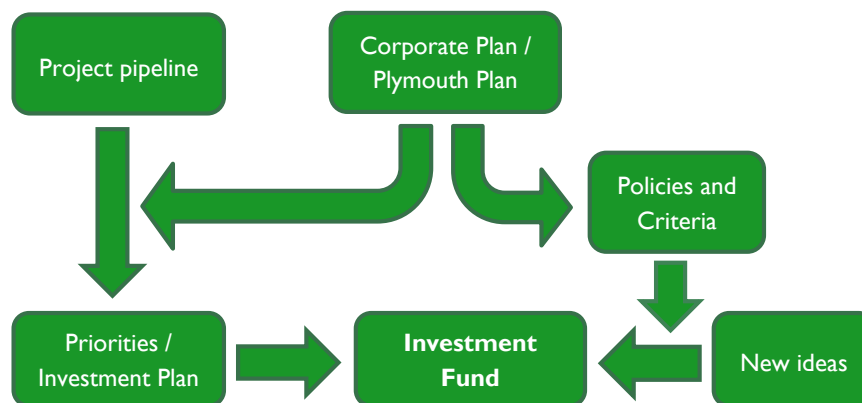
4.1. As a given, the key objective of the Fund must be to support economic growth and create jobs. The Fund will be allocated against defined/identified city priorities and also reflect projects identified in the city’s Infrastructure Needs Assessment, which is the published list of the key infrastructure needs of the city, and strategic priorities as defined in the Core Strategy and emerging strategies such

as the Plymouth Plan. The investment needs to benefit the city and also needs to comply with relevant rules and regulations such as Equalities and State Aid.

4.2. The process for accessing funds should be as quick as possible and the decision making process needs to avoid bureaucracy whilst ensuring appropriate levels of due diligence of public money.

4.3. There should be a wide range of opportunities, for individuals and organisations, which the Council would be interested in investing in to deliver growth and employment. There would need to be a forward plan of the investment proposals that the city needs to make, linked closely to the strategic policy framework, but the Council also recognises that there needs to be room for creativity. Therefore, the Fund should be able to respond to new ideas and opportunities, for example, it may be appropriate to allocate a proportion of the Fund to support the priority economic sectors or to develop the social enterprise sector, or it might wish to make certain funds available by competition for those proposals that have the highest job creation potential.

4.4. The Fund will need to remain relatively flexible, but maintain a broad balance across sectors and funding types according to the city's needs. This dual approach is illustrated in the following diagram:



4.5. The Fund should also be flexible enough to enable investments to be made in land and property, which whilst not immediately creating jobs, can be used as an asset base and income stream that ensures the continuation of the Fund and its ability to continue investing in the economy of the city over the long term.

4.6. The Council will proactively seek potential applications from suitable business and city wide projects. Applications will be initially restricted to proposals invited by the Council's senior managers. It will be the responsibility of senior management to work with partners to see if there are proposals that should be considered and developed for the initial period of the Investment Fund. This would allow only genuine and clear proposals where public and private sector resources can be brought together to make maximum early use of the Fund.

4.7. A two stage process of project development is proposed, where an initial expression of interest is given a quick response to its potential likelihood of success. A second more detailed assessment would be undertaken and provided as a report for decision by the Capital Delivery Board, or its successor. There are some good models that can be used as the basis for an assessment process and it is proposed that four key criteria are employed to enable a full assessment of each proposal:

- **Impact** – quantifying the outputs from the investment, for example, jobs created or safeguarded, homes delivered, increases in GVA or reductions in overall CO₂ emissions, against an agreed baseline. We would also look at the quality of the output so that proper comparisons can be made between proposals, for example, what type of job: short term/long term, knowledge based

or industry/construction. This would also include an assessment of how the proposal adds value by meeting other key objectives such as raising aspirations, reducing inequalities and improving quality of life.

- **Value for money** – looking at measures such as cost per job would enable a proper comparison between proposals. This would include assessing the likely benefits to the wider city community, (by using Net Present Value (NPV) calculations), and the value of the jobs created. In the case of investments rather than grants, this would also include the projected Return on Investment (RoI), i.e. how much money is being returned to the Fund to enable it to be used again and into the long term; projects that achieve RoI will get higher priority than grant applications. It would also involve considering the extent the proposal would be able to lever in further funds from other sources.
- **Long term sustainability** – this enables us to understand how sustainable the jobs are or other output from the investment, for example, we would need to look at financial forecasts, recent balance sheets etc.
- **Deliverability** – assessing how deliverable the project is over the timescales specified. We would need to look at issues such as planning permission, other funding liabilities, legal issues etc.

4.8. A more detailed expansion of these criteria has been developed and this will be worked up into a guidance document.

5. How the Fund will be managed

5.1. Throughout the country, there are different models of how similar funds are being managed. Certain investment funds require the procurement and appointment of specialised fund managers, especially where return on investment is a critical issue. These fund managers are usually private sector organisations working in the investment market.

5.2. Initially, where the source of the money is purely public sector, the Council will be the Accountable Body. The Council's Capital Delivery Board would assess proposals and make a recommendation to Cabinet for use of the investment resources, allowing early investments to be made if necessary. This can be managed from within the Council's Capital Strategy Team, which at this first phase would perform the function of the Fund Manager.

5.3. It is acknowledged that there is a need to review the constitutional arrangements of the Capital Delivery Board to ensure that it is not too bureaucratic to meet the functions of an Investment Fund as well as the Capital programme. The current Capital Delivery Board arrangements have been in force for 12 months and there is a proposal to review the effectiveness of these and if necessary make recommended changes in April 2013.

5.4. Investment expertise from outside the Council will be utilised to ensure that the right evaluation is being made of investment proposals. This function will be performed through an Advisory Group. Such groups already advise the Council on economic strategy, for example, the Growth Board and the Plan for Jobs Task Force. It is proposed to use elements of these groups as a 'sounding board' on the use of the Investment Fund.

5.5. If the Investment Fund is to become a wider and larger pool of funding opportunities, including private funds, there may be a need for wider governance arrangements that are at arms-length from the Council. If this were agreed, the Council would have to legally sign over resources, based on a set of deliverable outcomes. The funding could be transferred to a separate legally-constituted organisation that would have governance arrangements to ensure the expert use of the funds. At this stage the Fund Manager is more likely to be an external appointment.

5.6. The external Advisory Group, referred to above, could be the beginnings of the future organisation that could take on wider investment. This is a further reason why careful consideration needs to be given to setting up a suitable a group, with the right representation and expertise to guide investments for the future prosperity of the city.

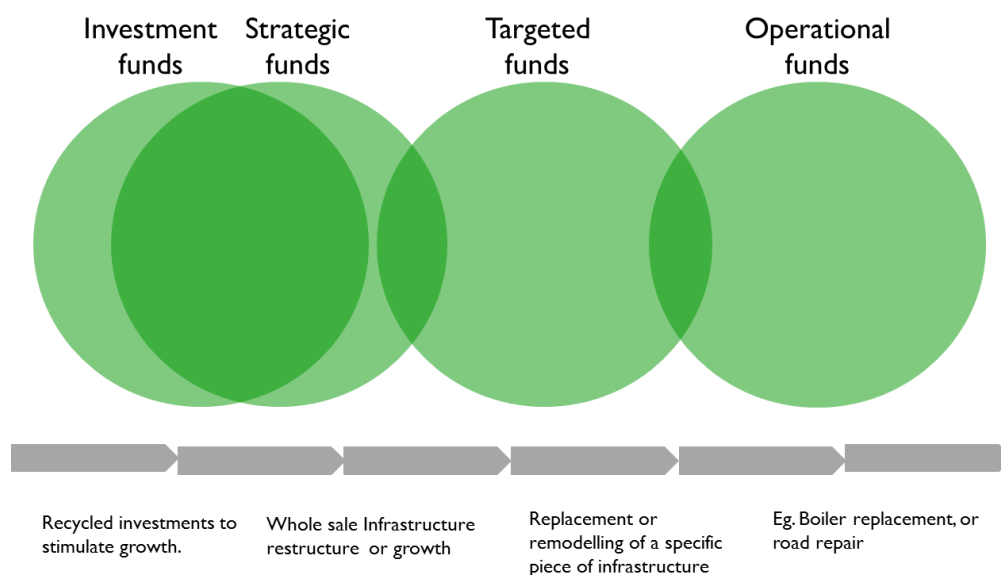
5.7. In conclusion, the Council should start with a simple system, to enable initial investments, and work up proposals for a more sophisticated process for the future.

6. How the Fund is being resourced

6.1. The resources for this Fund are derived, initially, from Council sources. These funds are public funding and need to remain in the Council’s Capital programme. In total £20 million has been identified for the Fund, of which £500,000 is revenue and the remainder capital. An additional £500,000 is being made available from revenue reserves to support the Plan for Jobs.

6.2. The Council’s Capital programme is categorised into three basic areas: Operational Funding, which is capitalised maintenance replacement/repair; Targeted Funding, for projects that meet a specific issue, often health and safety or reputational driven projects; and finally, Strategic Investments, these are the bulk of the value of the programme and include projects that align to the Corporate Plan.

5.3. Clearly, the Investment Fund will overlap with strategic investments as the fund will invest in high priority proposals that meet the Corporate Plan. The overlap is significant for major blocks of funding, particularly transport and education as these need strategic funds to reshape infrastructure to meet the growing city’s needs. The overlaps are shown in the following diagram.



5.4. The Capital programme, as reported in the 3rd quarter monitoring report stands at £154.37 million. Over the 2012/13 financial year there has been a growing gap in resourcing this programme caused by a reduction in capital receipt values which, in turn, have been driven by the recession and increasing pressures on expenditure. A process of capital redirection was undertaken in summer 2012, which has been reported in the 2nd and 3rd quarter monitoring reports. This position contained the approximate balance of the programme up to December 2012 with a reported gap in capital receipts of £3.3 million.

5.5. The Government gives capital grants to support local authorities on the basis of a ‘single capital pot’. This means that these grants are not ring fenced and are available for local authorities to spend

on public sector infrastructure. It is proposed that a top-slice is taken from un-ring fenced capital income grants to deliver strategic infrastructure through the Investment Fund. The level of the top-slice is proposed to be set at 10 per cent, a figure that is not too disruptive to the existing programme of future investments and is common to the top-slice set by many other local authorities.

5.6. Within the Capital programme, up to the 2nd quarter monitoring report, the Materials Recovery Facility (MRF) project was financed from an allocation of £4 million of capital receipts. However, the project has recently received funding from the Department for Communities and Local Government (DCLG) Weekly Collection Support Fund. A further grant supporting two year old nursery places was also received in autumn 2012. These projects are now financed through a Government grant, which has reduced the pressure on the affordability of the programme and the draw on capital receipts.

5.7. In addition to the above, proposals received on Council owned housing sites have been moved forward and a more healthy position of sale of land attributed to these proposals has been received. This has also made available more capital receipt resources.

5.8. Whilst interest rates remain low there is an economic advantage in using the Council's capacity to borrow finance at low rates and use this finance to invest in projects that yield economic leverage. An assessment has been made of the Council's capacity to borrow and provision made in the Council's budget setting to meet the borrowing costs.

5.9. The Council has a number of earmarked and general reserves set aside to fund a variety of risk issues. A review of these funds and the risks to the Council has concluded that a proportion of such funds, including the capital receipts reserve for Plymouth Community Homes stock transfer risks and revenue reserve for short term borrowing risks, will be made available for other uses.

5.10. The resources of the Investment Fund are derived, initially, from Council sources. These funds are public funding and will be a part of the Council's Capital programme. In total £20 million has been identified for the Fund (of which £19.5million is capital funding for infrastructure investment). A further £0.5m revenue is being made available to support the Plan for Jobs projects. The alterations to the Capital programme have been outlined in the 2nd and 3rd quarter monitoring reports, and the revenue implications of commitments to additional unsupported borrowing are contained in the budget setting for 2013/14.

5.11. Surplus assets are not just used to generate receipts to support the Capital programme; they are also used to stimulate wider economic benefit. Whilst assets continue to be sold at best value it is acknowledged that the selling of assets in a recessionary period needs to be carefully considered against the need to acquire suitable assets in such a period that will offer long term income generation. To ensure that finance and assets are aligned to the city's economic objectives the Strategic Property Review that is currently underway will:

- Ensure that property assets can be used creatively to stimulate development projects and infrastructure works that will enable the growth of jobs and homes.
- Ensure that property assets are used efficiently, and where they are to be retained, properly maintained for future use.
- Consider whether property assets that can stimulate economic growth can be used co-operatively or on a mutual basis with the Council's partners, and if so, enable their use on that basis.

7. How the Fund aligns with and supports...

...the Plymouth City Deal

7.1. The Investment Fund will contribute to Plymouth's City Deal negotiations, supporting the bespoke elements of the deal that are likely to concentrate on the potential of the city's marine and renewables sector and the contribution it can make to raising productivity throughout the city and the peninsula. It will also support the development of the City Deal core package of more generic issues that will be available to all City Deal authorities. However, the need for the investment is real and there is much to be lost by withholding investment in the short term whilst a complex City Deal is developed.

...Plymouth University and Western Morning News Growth Fund

7.2. This covers the two peninsula LEP areas and is primarily aimed at small and medium enterprises (SMEs) to enable them to create near term employment opportunities. Round One, which has been fully allocated and has already created 71 jobs, was worth £1 million. Round Two, which has just been announced, is worth £3.5 million (£600,000 is targeted at Plymouth). A public sector Investment Fund will be complimentary to these.

...LEP Growing Places Fund

7.3. This covers the Heart of the South West Local Enterprise Partnership (LEP) i.e. Devon, Somerset, Torbay and Plymouth. The Government is keen for the LEPs to play a more central role in the delivery of economic growth within a sub-region. Therefore, any development of the Plymouth Investment Fund into Phase Two will need to be considered in tandem with development in the funding capacity and activities of the LEP and other government funding streams such as Regional Growth Fund and transport funding. The Council has already experienced the need for public sector commitments to be made in partnership with the Growing Places Fund where the viability gaps remain acute even with ERDF and Growing Places funding. The Investment Fund will be used to secure leverage of wider public sector funding.

8. Implementation Timetable

8.1. For the first phase of operation of the Investment Fund it is suggested that the Capital Delivery Board operate the Fund under the guidance of Cabinet. The Fund could effectively start making allocations immediately following the Full Council meeting after the Cabinet decision on 12 February 2013.

9. Conclusions

9.1. Setting up and administering investment funds is something that many public sector organisations are now embarking on. They offer a way of focussing investment towards key priority outcomes. Once in place, the funds offer a structure to mix funding streams from a range of sources. Some have been developed as a platform for capturing further public funding, for example, through programmes such as the Regional Growth Fund and other initiatives such as the Government's City Deal.

9.2. The creation of such funds by the public sector also gives confidence to the private sector that a business centred approach is being applied to the development and regeneration of an area, thus helping to attract further private finance. The setting up of this £20 million Investment Fund is a proactive and bold initiative in a time of austerity that will stand out as a significant and confident stake in Plymouth's future economic prosperity.