

Warwickshire County Council

Warwickshire Recovery & Investment Fund (WRIF)

Investment Strategy 2022/23

1. Introduction

A key priority for Warwickshire County Council ('the Council') is to support businesses located in, or looking to locate to, the County; and Warwickshire's economy to ensure it remains vibrant and is supported by the right jobs, training, skills and infrastructure.

Economic Analysis was commissioned in 2020 which assessed the potential impact of COVID-19 in the local economy and endeavoured to forecast this impact by sector and indicate potential job losses and the recovery timescale of both.

The economic analysis suggested that a Fund focused on three themes for investment might best support the economic recovery in the County. The three themes were:

- Business Investment Growth (BIG)
- Local Communities & Enterprise (LCE)
- Property & Infrastructure Fund (PIF)

As a result, the Council established the Warwickshire Recovery and Investment Fund (WRIF) to mitigate the impact to the County and aid the economic recovery from COVID 19 with three investment Pillars to cover the three themes identified. This fund is one of the Council's significant directly controlled contributions to the economic recovery of Warwickshire alongside a broader county and government response.

Significant volatility has been experienced in terms of the impact of Covid, for example in terms of the economic, social, and health impacts, and this outlook still remains. Unemployment has not deteriorated as much as was expected, and sources of financing have not reduced as much as was expected, however new economic challenges are emerging, for example supply chain resilience, competition for labour, and inflation.

The WRIF provides access to finance to support businesses located in, or looking to relocate to the County and leverage additional funding for the County, both of which will support the economic recovery of Warwickshire. By exception, the Council considers investments in businesses just outside the county if there are clear and tangible benefits to Warwickshire by doing so.

The County Council seeks to use the WRIF to support the future growth of the economy, helping drive the transition to a low carbon economy; and to lever wider social value through our investments.

The WRIF Investment Strategy is required to operate within any parameters and requirements (including investment limits) set out in the Council's wider Treasury Management Strategy and Non-Treasury Investment Strategy.

At the time of writing (January 2022) the BIG fund had seen interest from 17 companies, 3 opportunities have passed a business case stage and 1 opportunity which will be presented to Cabinet in January 2022. The LCE Fund Manager contract has been awarded and work will begin with the Fund manager towards a fund launch. The PIF fund advisor contract is at the contract tender stage. There will likely be further BIG activity and some LCE activity before the year end, however activity will not reach the expected rate until 2022/23.

2. Objectives of the WRIF

2.1 Objectives

The objectives for the WRIF are to:

1. Fill gaps in and provide additional access to finance that helps businesses in Warwickshire start, grow and scale up; or helps businesses locate to the county. Businesses located just outside of the county may be considered for finance, if there are clear benefits to Warwickshire subject to compliance with any applicable legal and/or financial frameworks;
2. Leverage additional resources or funding for the county through the investment and support of key growth businesses;
3. Secure an ongoing financial return, commensurate with risk;
4. Make investments that deliver benefits and social value to the residents and communities of Warwickshire in both the short term (0-12 months) and medium term (1-5 years);
5. Support investments that make a contribution towards meeting net zero carbon goals; and
6. Support the delivery of the Council's strategic goals and priorities as set out in the Warwickshire Council Plan 2025, COVID 19 Recovery Plan, Economic Strategy, Commercial Strategy and Place Shaping Programme.
7. Help to make Warwickshire an accessible and competitive location for businesses.

2.2 Principles

The main principles of how the Fund will operate are:

1. To increase the Council's ability to offer space tailored to meet the needs of existing businesses wanting to grow in Warwickshire and to attract new business to Warwickshire resulting in enhanced employment opportunities. The Council as a result will have a greater location incentive to keep and attract business to Warwickshire
2. To enable development in the County, facilitating new employment, land and commercial premises and which could also include investing in or building commercial sites and premises when the need is confirmed and contract arrangements are in place with the organisation needing the premises
3. Support businesses based within Warwickshire and looking to grow or looking to re-locate in the county. Businesses located just outside of the county may be considered for finance, if there are clear benefits to Warwickshire in providing this support, subject to compliance with any applicable legal and/or financial frameworks;
4. Create a diversified and balanced portfolio of risk-based investments that protect the public purse, support business and both creates new and protects existing jobs;
5. Manage risk and target full recovery of investments;
6. Provide a flexible tool to consider and enable a range of opportunities for supporting business;
7. Support business through investments based on agreed investment criteria and

priorities that are developed from analysis of the economy and strategic sectors and support key sectors and growth, rather than weaker sectors;

8. Target priorities by promoting investment in priority sectors, business types and investments that enable development, and provide wider social value benefits across the Warwickshire economy;
9. Support investment opportunities that will deliver against clear criteria that align with WCC outcomes and priority objectives - this is done not to deliver commercial returns/yield but to deliver Council objectives by filling a gap in the market;
10. Create an investment profile that grows slowly to avoid excessive risk with clear management and monitoring pathways to avoid creating a cost to the revenue budget/tax payer;
11. A consistent and streamlined approach to considering investment opportunities and ensure all investment decisions are made against agreed investment criteria and align with Council priorities and outcomes;
12. To amplify and complement the existing investment landscape and other recovery packages;
13. Provide funding within the limits and requirements set out in the council's non-treasury Investment Strategy;
14. Ensure that compliance with all relevant codes is considered and met ahead of any contractual arrangements being entered into;
15. Generating appropriate net financial returns and generating income sufficient to cover costs.

3. Strategic Scope

The WRIF offers a range of funding options designed to complement and enhance the provision of commercially available finance and support economic recovery for businesses located or looking to be located in Warwickshire. Businesses located just outside of the county may also be considered for finance, if there are clear benefits to Warwickshire.

Alongside the provision of finance, the WRIF will also offer businesses access to specific and tailored pre- and post-investment support programmes ensure they are both business and investor ready.

The WRIF considers investments that have clear alignment to any of the objectives of the Fund. Investment proposals will need to demonstrate the extent to which they contribute to the achievement of any of the objectives and support delivery of the Council's strategic goals and priorities.

Particular focus is given to investment opportunities that:

- Stimulate job creation or safeguarding of skilled or entry level jobs in the County;
- Can or will leverage additional resources or funding;
- Help meet the net zero carbon targets for the Council and County;
- Increase social value; and
- Are complementary to other investments in achieving Fund and Council objectives.

The three pillars of investment operating within the WRIF as an overarching portfolio are:

- Business Investment Growth Pillar [up to a maximum of £90m]
- Local Communities & Enterprise Pillar up to a maximum of [£10m]
- Property & Infrastructure Pillar [up to a maximum of £40m]

Each Pillar has a different focus, different investment criteria, different types of investment, different management arrangements and different target beneficiaries and outcomes.

The WRIF is used to accelerate and promote investments in **priority sectors** and for **priority business types** and for investments that **enable development**. Separate Priorities have been set for each Pillar with a focus on:

- The Business Investment Growth Pillar focuses on established and growing businesses in order to enable growth and support medium and longer term recovery rather than addressing the short term effects of the pandemic. The priorities for investment is to **secure inward investment**, for **priority business types** where businesses have been operating for more than 3 years (or have a strong track record of business activity) and are demonstrating growth potential, **and priority sectors** where Warwickshire already has particular strengths and are growing sectors.
- The Local Communities & Enterprise Pillar focuses on investment opportunities that aim to address the short-term impact of the pandemic. The priorities for investment are **priority business types** such as new, early stage. and growing small and medium sized businesses and key priority business sectors.
- The Property & Infrastructure Investment Pillar focuses on ensuring the Council has a property supply option to provide premises to business expanding within or coming to Warwickshire. It is there to enable the purchase and accelerate development of property and site-specific infrastructure schemes that underpin medium- and longer-term recovery. The PIF aims to increase the Council's ability to offer space tailored to meet the needs of existing businesses wanting to grow in Warwickshire and to attract new business to Warwickshire resulting in increased employment opportunities. The capital expenditure are repaid by lease agreements with the client companies. The priority focus are on **enabling and supporting new and existing developments** and **priority sectors** where this can support the needs of key sectors in the region and wider ambitions for economic recovery. An example of the PIF being used would be where an existing business wants to expand in the area in 2 years' time and the Council lets a contract or utilises the Warwickshire Property and Development Group to build the necessary business premises to enable the company to stay in Warwickshire, given the Council's objective to achieve this location objective are greater than other lenders. The necessary financial securities are put in place before doing so.

Priorities

The priorities for investment relating to each of the proposed pillars of investment are set out below:

3.1 Business Investment Growth Pillar

The Business Investment Growth Pillar focuses on providing debt finance for growing businesses with sound prospects. It concentrates on businesses that have been operating for more than 3 years or have a track record of operations that demonstrate growth potential opportunities to secure inward investment and sectors where Warwickshire has particular strengths and on projects and investments that help meet net carbon zero targets.

Support is given to the following priority business types:

- Businesses operating for more than 3 years or a track record of operations that demonstrate growth potential;
- Businesses that will help meet net carbon zero targets in the region; and
- New businesses to the County that will secure inward investment via the introduction of a new business/additional business premises into the County.

Opportunities for equity-based investments are also be considered within the Business Investment Growth Pillar if there is a compelling case that the finance will secure business growth, the risk profile is acceptable, and the investment is clearly aligned with the WRIF objectives.

The priority sectors are those where Warwickshire has particular strengths and are growing sectors as outlined in the Council's Economic Strategy as priorities for economic growth in the County. Particular focus is given to investment opportunities that also relate to the Council Plan priorities. The priority sectors are:

Future Growth Sectors:

- Automotive Technology
- Digital Creative & Digital Technologies
- Future of Mobility
- Low carbon technologies

Other key priority sectors:

- Advanced manufacturing
- Culture, Tourism & Hospitality
- Modern methods of construction
- Health & Wellbeing
- Agri-tech and rural based businesses
- Businesses in the supply chain that support delivery of the Council's priority outcomes for people, for example public health, social care and education.

Focused on Medium Sized Enterprises (50-250 employees), but open to smaller or larger businesses on a case by case basis

The priority sectors are not exclusive, and ANY sector are considered if it meets the funds objectives and creates or retains skilled or entry level jobs.

3.2 Local Communities & Enterprise Pillar

The Local Communities and Enterprise Pillar is aimed at directly addressing the short term economic and social consequences of the pandemic. It focuses on lending to small businesses or those in the early stages of operation that are looking to start up, grow and create jobs.

The **Local Communities & Enterprise Pillar** focuses on providing debt finance for growth, support and development projects.

The **priority sectors** are those where Warwickshire has particular strengths and are growing sectors as outlined in the Council's Economic Strategy as priorities for economic growth in the County. Particular focus are given to investment opportunities that also relate to the Council Plan priorities. The **priority sectors** are:

Building on our strengths:

- Advanced manufacturing & engineering
- Digital Creative & Digital Technologies
- Culture, Tourism & Hospitality
- Low carbon technologies

Other key priority sectors:

- Retail
- Community based enterprises
- Creative industries
- Health & wellbeing
- Social care or other supply markets to the Council and/or Warwickshire public services

Focused on start-ups, micro and small businesses (less than 50 employees)

Particular focus are given to support the following **priority business types**:

- Micro Businesses (up to 10 employees)
- Start-ups & Early-Stage Businesses <operating less than 3 years
- SMEs – company with no more than 250 employees
- Businesses ran by under-represented groups

Key objectives for the council for this fund are:

- New business starts
- Helping small businesses grow and scale
- Helping establishment of social enterprises and community-based businesses
- Creation of new jobs (particularly including apprenticeship opportunities)
- Safeguarding jobs
- Supporting transition to the low carbon economy

The priority business types are not exclusive, and ALL business types are considered if the proposal meets the funds objectives and creates or retains skilled or entry level jobs.

3.3 Property and Infrastructure Investment Pillar

The Property and Infrastructure Pillar will provide loans to, invest in commercial sites and premises, and unlock development consistent with the needs of key sectors and/or wider ambitions for economic recovery. It will provide the Council with a commercial property supply option to grow existing and attract new businesses to Warwickshire.

The investment focus are on enabling and accelerating development of property and site-specific infrastructure schemes in the following **priority sectors**:

Creating space for future growth:

- Automotive technology
- Digital Creative & Digital Technologies
- Future of Mobility
- Low carbon technologies
- R&D and innovation facilities
- New start-up, incubator and accelerator space

Other key priorities:

- New/upgraded spaces within our town centres, incl. retail, hospitality, culture, leisure, health & wellbeing, community-based enterprises, co-working/flexible work space
- Health & social care facilities

A flexible fund to help bring forward new employment land and commercial space.

The beneficiaries of this pillar are likely to be:

- Existing and new businesses within Warwickshire
- Residents within and close to Warwickshire who become employees.
- Developers of employment land
- Developers of office space
- Developers of operational business buildings
- Infrastructure projects

This is a flexible investment scheme that can be deployed to help the development of new employment land or commercial space to support the growth of our economy. Our focus is mainly on supporting new development that will help provide the platform for the future growth of our economy and will therefore be linked to supporting growth in our key priority sectors.

The priority sectors and beneficiaries proposed here are not exclusive and a wide range of investment opportunities are considered as long as the proposal meets the objectives of the WRIF and create or retain skilled or entry level jobs.

4. Ethical Investment Policy

The Fund will favour investments that meet the criteria and objectives set out elsewhere in the WRIF Investment Strategy, for example investments with positive social value or environmental aspects.

The Fund will be unlikely to invest in the following areas unless there are exceptional reasons to do so:

- Companies where due diligence is unable to establish the company's ownership clearly.
- Companies whose activities are clearly contrary to the purpose, statutory duties and objectives as set out in the Council Plan and policy framework.
- Companies whose activities are incompatible with the Council's commitment to net zero carbon emissions.
- Companies involved in activities that could bring the Council into disrepute.

The Fund will not invest in companies that are involved in, linked to, or promoting the following ("red lines"):

- Activity that is illegal under UK law.
- Human trafficking.
- Modern slavery.

The fund will use the criteria above to inform choices about investment where ethical issues arise, with the following three approaches available:

- Engage – if a company has the scope or need to positively address any ESG concerns and investment can accelerate this then the Fund could consider engaging and investing. For example, if a company has a significant carbon footprint but investment would help to reduce it. Although, this would not be an option if the business activity or starting position of the company is simply unacceptable.
- Divest – if a company's activity becomes non-compliant with the WRIF Ethical Investing Policy after an investment is made, then the fund may choose to divest, subject to contractual terms and due consideration of all the business and outcome implications.
- Avoid – where the activities of a company are non-compliant with the WRIF Ethical Investing Policy the fund will not invest. Due diligence reviews will consider and report on any relevant ethical investing issues.

The fund will consider appropriate levers to promote and/or maintain the ethical position of investments by:

- Meeting and engaging with companies;
- Use of voting rights for any equity investments; and
- Use of lending agreement terms and conditions for debt investments.

5. Types of Investment

The WRIF considers a broad range of types of investment to enable it to deliver the interventions that the market requires.

The types of investment that the WRIF predominantly undertakes are debt in nature, e.g. Commercial loans to businesses within the County that are focused on the key priorities, or support and enhance the overarching objectives of the WRIF;

However, the Council considers opportunities that require the following types of investment and a decision are made on a case-by-case basis considering the market, due diligence, assessment of risk and the potential reward/outcomes to be delivered from the investment. In order to manage exposure to risk the Council sets limits on how much investment may be of an alternative risk profile than commercial loans, for example:

- Mezzanine Finance
- Investment in company equity, for example in start-up companies
- Co-Investment – capital or equity – with other Funds or individual investors
- Purchase of and development of assets: Including commercial/retail property, land or infrastructure
- Partnerships to leverage additional private sector resources (skills or finance).
- Management buy-outs/acquisitions
- Corporate Guarantees
- Other more innovative products

The type of investment to be undertaken will differ between each individual Pillar. The predominant types of investment for each individual fund are expected to be:

Business Investment Growth Pillar	Local Communities & Enterprise Pillar	Property & Infrastructure Pillar
<ul style="list-style-type: none"> • Business Loans • Management buy-outs acquisitions/ refinancing • Equity based investment opportunities 	<ul style="list-style-type: none"> • Small Business Loans 	<ul style="list-style-type: none"> • Commercial Loans • Equity Investment • Corporate Guarantees • Partnerships (Joint Venture)

The most appropriate source of funding for each individual investment are determined on a case-by-case basis at the time of the investment decision making, when the individual opportunity is being reviewed.

6. Eligibility Criteria

Eligibility criteria is a means of ensuring investment is targeted to achieve the intended objectives but will also be used as a mechanism to mitigate risk.

Eligibility criteria are set that will differentiate between core criteria and other important investment criteria that will assess the potential performance of the investment in delivering the benefits and other wider outcomes.

Core Criteria

All investment opportunities are assessed against their strategic alignment with the WRIF objectives and whether they meet the investment criteria set for the Fund.

- In addition to strategic fit, other core criteria are those non-negotiable aspects that ensure an investment proposition is suitable for funding such as: Eligibility for funding i.e. meet company definitions and legal criteria;
- The business already being located in the county or with a commitment to relocate to the county in the long term;
- Having a strong and capable management team with a verifiable track record;
- Having a compelling and commercial investment strategy and a quality plan for how the funding will deliver growth and/or the benefits cited; and
- Passing due diligence tests, for example anti money laundering, key personnel checks, companies house checks, collateral/security valuations or other checks etc.

7. Investment Criteria

A decision to invest in the Fund depends on passing the eligibility criteria plus the balance of performance against the following criteria:

- Economic Value
- Social Value
- Environmental, including climate change mitigation and carbon reduction
- Financial

Investments are not expected to meet all the economic and social and environmental criteria so long as the strategic objectives and financial metrics are met and there is a clear economic, social or environment benefit from the investment.

The focus on key investment criteria for each Pillar is set out in the Summary at Annex A.

7.1 Investment Criteria - Economic and Social Value

All investments made by any Pillars operating as part of the WRIF must create economic and social value to residents and businesses in the County. An assessment of strategic fit is undertaken, and the following quantifiable metrics are assessed:

Benefit	Quantifiable Metric
Value of GVA uplift to the County	The total (£) net Gross Value Added (GVA) amount of economic contribution to the County or value generated that will result from the investment / Annual GVA generated
Number of new start-up businesses	The number of new businesses registered with Companies House having a Warwickshire postcode that result from the investment
Business Rates Income Council Tax Income	The increased amount (£) of business rates and council tax income directly resulting from the investment.
Equitable distribution of funding	The geographical pattern of investment across the County.
Number of jobs created	The number of people given permanent employment in the County as a direct result of the investment (plus any matched funding or third-party inward investment). This could include jobs created in a partner or supply company, so long as these jobs are created within the County and are directly attributed to the investment. For example, if a loan to a start-up company enables it to expand to an additional 15 jobs in a variety of roles plus a subcontractor who needs 10 people, both can be included)
Number of jobs filled by the unemployed	The number of jobs filled by previous unemployed individuals as a direct result of the investment.
Number of jobs safeguarded	The number of jobs safeguarded that would have otherwise been lost had the investment not been made.
Value of third-party inward investment	The total amount (£) of investment secured from third parties e.g. match/ leveraged funding in relation to the investment
Number of new homes	The number of housing units created in the county, either rented or owned, as a direct result of the investment
Number of responsible investments	The number of investments that increase the use of low and zero carbon technologies; and/or The number of investments that have an explicitly positive environmental or social impact/ outcome by benefiting the local community and/or preserving the environment
Poverty premium	How many residents' lives have been touched and households in the County helped as a direct result of the investment
Sq ft of enabled development	The total quantum of development (sq ft) enabled that may have been stalled/delayed or reduced in its quantum would it not be for the investment
Increased wireless network capacity	The amount of increased network capacity for the county as a direct result from the investment

All metrics should be measured on delivery of direct benefits (delivered through the WRIF rather than other measures).

Metrics targets will be reprofiled to align with the reprofiled investing profile set out in this strategy and will be presented in detail in the updated Business Plan.

The WRIF will monitor outcomes across the portfolio over a number of years and set targets with reference to any limits or requirements set out by Council in the non- treasury Investment Strategy and based on past performance and expected full-life outcomes.

The achievement of these will be monitored by the Investment Manager and Investment Panel, with regular reports to Cabinet, through the life of the investment.

7.2 Investment criteria – Environmental, Social and Governance

All investments are judged on their Environmental, Social and Governance (ESG) criteria in terms of the business' values in three key areas:

- environmental responsibility and sustainability;
- social – impact in terms of promoting societal benefits; and
- governance – strong leadership and a responsible organisational culture.

7.3 Investment criteria – financial

The portfolio as a whole and all investments made by the WRIF are measured against a range of financial criteria, that could include but are not limited to:

- Affordability to the Council including net impact on the revenue account
- Return on Investment (£)
- Investment value (£)
- Interest received (£)
- Principal repayment (£)
- Cashflow (£)
- Surplus/deficit to date (£)
- Yield and/or profit on cost (%)
- Interest rate cover ratio
- Debt Service Cover Ratio
- Default rate (%) and Recovery given Default rate (%)
- Net Present Value (£)
- Management fees (£)
- Running cost recovery (%)

A decision to invest will depend on the balance of performance against these criteria and the expected performance will depend on the type of investment made and the risk profile of that investment asset class.

8. Investment Planned Profiles and Limits

8.1 Revised Investment Profile

The updated investment profiles per pillar are summarised in the table below. The updated profiles reflect expected activity during 2021/22 with remaining activity profiled at the same pace per year as the original plan. This means that in order to retain the original 5 year profile activity extends into 2026/27. Maintaining the original rate of investment retains the same exposure to peak investment risk. The investment profile will be reviewed in light of 2022/23 activity and updated for the 2023/24 strategy.

Revised Investment Profile

£m Pillar	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Maximum Total
BIG	2.4	20.0	20.0	20.0	20.0	7.6	90.0
PIF	0.0	10.0	10.0	10.0	10.0	0.0	40.0
LCE	0.2	2.0	2.0	2.0	2.0	1.8	10.0
Total	2.6	32.0	32.0	32.0	32.0	9.6	140.0

8.2 Annual Investment Limits

The investment profile sets out the target investing activity per year, however there may be opportunities or circumstances where it may be beneficial to invest more in a particular year and it is proposed to create the flexibility to do this by setting a maximum limit on how much may be invested in any individual year. The table below sets out proposed limits which are reflected in the Council's general Investment Strategy and it is necessary to ensure the two are approved in alignment with each other (should what is approved differ the general Investment Strategy and Treasury Management Strategy set by Council would prevail).

Annual Investment Limits

£m Pillar	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capital Limit (BIG and PIF)	n/a	50.0	50.0	50.0	50.0	40.0
Revenue Limit (LCE)	n/a	3.0	3.0	3.0	3.0	3.0

These limits provide headroom in a given year, however the maximum approved WRIF expenditure over the course of 5 years remains £140m. Therefore, if more than the target profile is invested in a given year then the investment targets and investment limits for future years will be adjusted downwards to reflect that total investing must stay within £140m. Once the maximum is reached for each Fund no more investing will occur as the WRIF is a closed fund.

The WRIF is operating as a closed fund to limit exposure to risk and to promote the need for transparent and new discussion of any future investing activity unencumbered by built up expectations of having to meet a need that may no longer exist or may no longer be a best use of Council resources compared to other developing needs.

Element	Description	Portfolio Size	Individual Investment size & volume	Priorities	Types Investments	Economic & Social Investment Criteria
WRIF Portfolio	<p>Offering a range of funding options designed to complement and enhance the provision of commercially available finance and support economic recovery for businesses located or looking to be located in Warwickshire. Businesses located just outside of the county may be considered by exception, where there are clear benefits to Warwickshire.</p> <p>Offering businesses access to specific and tailored pre- and post-investment support programmes ensure they are both business and investor ready.</p>	Up to £140m	n/a	<p>Portfolio priorities:</p> <ul style="list-style-type: none"> • Investment in any sector or industry or business type that creates or safeguards skilled or entry level jobs • Securing inward investment – can or will leverage additional resources or funding • Increasing social value – where the investment brings benefits to local residents, removes barriers to employment, supports health and well-being, protects and enhances the natural environment, creates better places to live and/or maximises opportunities to strengthen community capacity and resilience • Support for ‘green’ / sustainable technologies or industries 	Predominantly debt & potentially some equity products	<ul style="list-style-type: none"> • Number of jobs created/safeguarded • Number of jobs filled by unemployed • Value of GVA uplift • Number of responsible investments • Returns aligned to risk framework • Poverty Premium • Increased wireless network capacity

Element	Description	Portfolio Size	Individual Investment size & volume	Priorities	Types of Investments	Economic & Social Investment Criteria
Business Investment Growth Pillar	Business Growth Pillar <i>Finance to support local growth plans – help companies expand operations, hire new staff, purchase machinery, and grow customer reach</i>	£90m	<£10m Approx. 2 – 5 per annum	Future Growth Sectors: <ol style="list-style-type: none"> 1. Automotive Technology 2. Digital Creative & Digital Technologies 3. Future of Mobility 4. Low carbon technologies Other key priority sectors: <ol style="list-style-type: none"> 5. Advanced manufacturing 6. Culture, Tourism & Hospitality 7. Modern methods of construction 8. Health & Wellbeing 9. Agri-tech and rural based businesses 10. Businesses in the supply chain that support delivery of the Council's priority outcomes for people, for example public health, social care and education. 	Predominantly debt - Business Loans Equity based investment opportunities as a small percentage of the overall fund if there is a clear investment case for business growth investment and the risk profile is acceptable	<ul style="list-style-type: none"> • Creating & safeguarding jobs – number of jobs created/safeguarded • Value of GVA uplift • Value of third party inward investment • Uplift in Business rates

Element	Description	Portfolio Size	Individual Investment size & volume	Priorities	Types of Investments	Economic & Social Investment Criteria
Local Communities & Enterprise Pillar	Local Communities & Enterprise Pillar <i>Debt Finance for growth, support and development projects</i>	£10m	<£500k (average investment modelled at £100k) Approx 10 – 30 per annum	Building on our strengths: <ul style="list-style-type: none"> • Advanced manufacturing & engineering • Digital Creative & Digital Technologies • Culture, Tourism & Hospitality • Low carbon technologies Other key priority sectors: <ul style="list-style-type: none"> • Retail • Community based enterprises • Creative industries • Health & wellbeing • Social care or other supply markets to the Council and/or Warwickshire public services 	Small Business Loans	<ul style="list-style-type: none"> • Creating/safeguarding Jobs or number of jobs created • Number of jobs filled by unemployed • Number of new start-up businesses

Element	Description	Portfolio Size	Individual Investment size & volume	Priorities	Types of Investments	Economic & Social Investment Criteria
Property & Infrastructure Pillar	Property & Infrastructure Pillar <i>Providing loans to forward fund infrastructure, invest in commercial site and premises and to unlock development consistent with the needs of key sectors and/or wider ambitions for economic recovery.</i>	£40m	<£40m	<p>Creating space for future growth:</p> <ul style="list-style-type: none"> • Automotive technology • Digital Creative & Digital Technologies • Future of Mobility • Low carbon technologies • R&D and innovation facilities • New start-up, incubator and accelerator space <p>Other key priorities:</p> <ul style="list-style-type: none"> • New/upgraded spaces within our town centres, incl. retail, hospitality, culture, leisure, health & wellbeing, community- based enterprises, co- working/flexible work space • Health & social care facilities <p>Beneficiaries:</p> <ul style="list-style-type: none"> • Developers and contractors of house building • Developers of employment land • Developers of office space • Developers of operational business buildings • Infrastructure projects • Occupiers of existing businesses 	<ul style="list-style-type: none"> • Commercial loans • Equity investment • Purchase of assets • Corporate guarantees • Joint Ventures 	<ul style="list-style-type: none"> • Creating & safeguarding jobs - number of jobs created/safeguarded • Sq ft of enabled development

Element	Description	Portfolio Size	Individual Investment size & volume	Priorities	Types of Investments	Economic & Social Investment Criteria
Business Support	Business Support Programme <i>Additional support to businesses pre-investment to ensure they are both business and investor ready</i>	Funded separately to WRIF		<ol style="list-style-type: none"> 1. Social Enterprises 2. Charities 3. Micro Businesses (up to 10 employees) 4. Start ups with high growth potential 5. Early-Stage Businesses <operating less than 3 years 6. SME's – company with no more than 250 employees 7. Those businesses with a need for equity 	<ul style="list-style-type: none"> • Review of current business model and income sources • Provide support with market assessment, competitor analysis, market research and viability evaluation Help investees test options against business model to demonstrate need for investment • Provide support in building a well – developed business / investment proposition as well as pitching • Coaching, mentoring, access to skills and knowledge • Access to incubation – physical space for early stage / start ups 	<ul style="list-style-type: none"> • Number of businesses provided with business support • Proportion of businesses that proceed to investment stage following support

