

Title: Local Growth Fund Programme Funding Decisions

Purpose: To update members on the Silverstone Innovation Centre and support the endorsement of Local Growth Funding to this project.

Recommendation:

- 1 That the BTVLEP Board notes the Hewdon Consulting Due Diligence Report and agrees that LGF3 Grant Funding of £2m is provided to the Silverstone Cycle Hub project on the basis that:-**
- a) BTVLEP will have the ability to trigger a valuation of the Cycle Hub business after 5 Years and receive 34% of any surplus value above a ‘Target Value’ (up to the £2m LGF Grant).**
 - b) Satisfactory completion of the legal funding agreement.**
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1 Silverstone Innovation Centre

The Silverstone Innovation Centre will be an open-access development centre focusing on the aerodynamic testing and development of bikes and cycling equipment, once established it will be the only facility of its kind in the country and be the focus for cycle innovation and research in the UK.

In September 2017 Board approved a £2m LGF3 Grant to TotalSim Ltd to support the provision of the Silverstone Cycle Hub as an Innovation Centre within the EZ at Silverstone Park. Approval was subject to completion of due diligence by Hewdon Consulting, and further consideration of:-

- a) The possibility of obtaining a 2nd Charge as security for the LGF funding (to protect the ‘downside’ risk), and
- b) potential for BTVLEP to benefit from any significant ‘upside’ potentially through an equity stake in the Cycle Hub business.

Due to the confidential nature of this report the subsequent sections of this paper have been redacted for online purposes,