

BUSINESS INVESTMENT PANEL

MEETING TO BE HELD AT 2.00 PM ON TUESDAY, 14 NOVEMBER 2017
IN COMMITTEE ROOM A, WELLINGTON HOUSE,
40-50 WELLINGTON STREET, LEEDS

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

3. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC

1. To highlight Appendices 1 and 2 of Agenda Item 5 and Appendices 1, 2, 3, 4 and 5 of Agenda Item 6 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemptions outweighs the public interest in disclosing the information, for the reasons outlined in the report.
2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out at paragraph 5 of Agenda Item 5 and paragraph 7 of Agenda Item 6.
3. If the recommendations are accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendices 1 and 2 of Agenda Item 5 and Appendices 1, 2, 3, 4 and 5 of Agenda Item 6 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. MINUTES OF THE MEETING OF THE BUSINESS INVESTMENT PANEL HELD ON 17 OCTOBER 2017

Copy attached.
(Pages 1 - 4)

5. BUSINESS GRANTS PROGRAMME

Led by: Neill Fishman
(Pages 5 - 48)

6. GROWING PLACES FUND

Led by: Chris Brunold
(Pages 49 - 72)

7. ANY OTHER BUSINESS

8. DATE OF NEXT MEETING

Monday 11 December, 15.00 – 17.00, Committee Room B, Wellington House, Leeds.

Signed:

A handwritten signature in black ink, appearing to be 'BAM', written over a horizontal line.

WYCA Managing Director



**MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON TUESDAY, 17 OCTOBER 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Tim Swift	Calderdale Council
Michael Allen	NatWest Bank
Councillor Shabir Pandor	Kirklees Council
Councillor Graham Swift	Harrogate Borough Council

In attendance:

Ken Brockbank	WYCA
Chris Brunold	WYCA
Phil Cole	Leeds City Council
Melanie Corcoran	WYCA
Neill Fishman	WYCA
Lorna Holroyd	WYCA
Paul Hyde	Leeds City Council
Dathan Tedesco	WYCA

1. Apologies for absence

Apologies were received from Councillor Judith Blake, Roger Marsh, Simon Pringle and Simon Wright.

In the absence of Councillor Judith Blake the chair was taken by Councillor Tim Swift.

The chair welcomed Michael Allen to his first Panel meeting.

2. Declarations of disclosable pecuniary interests

None were declared.

3. Exempt information - Exclusion of the press and public

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 2 of Agenda Item 5, Appendices 1, 2 and 3 of Agenda Item 6 and Appendices 1, 2 and 3 of Agenda Item 7 on the grounds that they are likely, in view of

the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. Minutes of the meeting of the Business Investment Panel held on 21 September 2017

Resolved: That the minutes of the Business Investment Panel held on 21 September 2017 be approved.

5. Strategic Inward Investment Fund Update

The Panel considered a report of WYCA's Executive Head of Economic Services providing an update on the current position regarding progress in committing grants and meeting expenditure and achievement targets through Strategic Inward Investment Fund (SIIF).

The Panel was also asked to consider the suitability of one project for the SIIF, 1094369, as detailed at 3.1 and appendix 2 of the submitted report, in private session.

Resolved:

- (i) That members note the update on the SIIF.
- (ii) To recommend application 1094369, as detailed at 3.1 and appendix 2, for approval, subject to the completion of the internal assurance process.

6. Business Grants Programme Update

The Panel considered a report of WYCA's Executive Head of Economic Services providing an update on the current position regarding progress in committing grants and meeting expenditure and achievement targets through the LEP Business Grants Programme (BGP).

That Panel was asked to consider one new application, 1092838, as detailed at 3.1 and in appendix 1 of the submitted report, and to re-consider 1093921, at 3.1 and appendix 2, in private session.

Also in private session, the Panel received a progress update on project 1093532, which had been considered at the last meeting.

Resolved:

- (i) That the BGP update be noted.

- (ii) That the update on the progress of project 1093532 be noted.
- (iv) To recommend application 1092838, as detailed at 3.1 and appendix 1, for approval.
- (iii) That application 1093921, as detailed at 3.1 and appendix 2, not be progressed through the BGP but that officers assess its suitability for a GPF Loan.

7. Growing Places Fund Loans Update

The Panel considered a report of WYCA's Director of Delivery providing an update on progress and targets towards committing loans through the LEP Growing Places Fund (GPF).

The Panel was also asked to consider the suitability of one new project, 319, for the GPF in private session, as detailed at 3.1 and appendix 1 of the submitted report. Members were asked to consider whether or not the project merited a full appraisal, which could then be presented to a future panel meeting.

Also in private session, the Panel were provided with a progress report on two previously considered loans, as detailed at 4.1 and appendix 2, and on the progress of several live loans with changed circumstances or risk, as detailed at 5.1 and appendix 3.

Resolved:

- (i) That the update on progress in committing loans through the GPF be noted.
- (ii) That project 319, as detailed at 3.1 and appendix 1, be appraised in full and presented at a future panel meeting.
- (iii) That the update on the progress of two proposed loans previously considered by the panel, as detailed at 4.1 and appendix 2, be noted.
- (iv) That the update on the progress of several live loans with changed circumstances or risk, as detailed at 5.1 and appendix 3, be noted.

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Director: Sue Cooke, Executive Head of Economic Services
Author: Neill Fishman, Lorna Holroyd



Report to: Business Investment Panel
Date: 14 November 2017
Subject: Business Grants Programme Update

1 Purpose

- 1.1 To outline the current position regarding progress in committing grants through the LEP Business Grants Programme (BGP).
- 1.2 To ask members to consider two new applications to the Programme.
- 1.3 To update members on the progress of two applications that were considered at the panel meeting on 17 October 2017.

2 BGP Update

- 2.1 Spend and outputs for the grant schemes funded through the Local Growth Fund (LGF) are detailed below. Achievements against these targets can be made through the three capital grants schemes which make up the BGP; the big scheme, the small scheme and the Business Flood Recovery Fund. The big scheme is for grants over £100,000, the small scheme grants of between £10,000 and £100,000 and the Business Flood Recovery Fund grants of £10,000 - £100,000 for businesses affected by the Boxing Day Floods of 2015 (note that this programme is now closed to new applications).

Performance indicator	Target	Big Programme Committed	Small Programme Committed	Flood Grants Committed	Total Commitments	Actual Outputs (31/10/17)
Direct jobs	4,100	2,805	1,967	n/a	4,772	1721.5
Safeguarded jobs	n/a	152	n/a	1,608	1,760	1,652
Number of new enterprises	20	1	18	n/a	19	12
Number of enterprises	765	34	452	66	552	438
Floorspace	n/a	200,954	5,430	n/a	206,384	198,340
Total investment	£168,500,000	£141,462,297	£128,449,311	£13,326,126	£283,237,734	£183,724,822
Programme Spend	£31,438,000	£8,384,668	£15,806,132	£3,180,656	£27,371,456	£20,513,810
Cost per job	n/a	£2,989	£8,036	n/a	£5,736	£11,916

Performance indicator	Target	Big Programme Committed	Small Programme Committed	Flood Grants Committed	Total Commitments	Actual Outputs (31/10/17)
Cost per job (including safeguarded jobs)	n/a	£2,836	n/a	£1,978	£4,190	£6,081

*It should be noted that 1,400 of committed jobs under the Big Programme relate to one major project within the Wakefield District.

2.2 To date commitments of £24.19 million have been made through a combination of the big and small schemes. A further £3.18 million has been committed through the Business Flood Recovery Fund.

2.3 As outlined in previous Investment Panel papers, grants are now funded through a combination of the Business Growth Programme and Access to Capital Grants, both of which are funded through the LGF.

2.4 A full list of approved projects is available on the Leeds City Region Enterprise Partnership website.¹

3 New Scheme Applications

3.1 Members are asked to consider the following applications. Grant applications and appraisals are attached as detailed.

Project Ref	District	Total Investment £	Grant Requested £	Proposed New Jobs	Appendix
1093427	Kirklees	1,975,000	250,000	22	1
1094831	Leeds	1,226,146	400,000	45	2
	Total	3,201,146	650,000	67	

4 Update on applications previously considered by Business Investment Panel

4.1 Members considered two applications at the last panel meeting on 17 October 2017, project references 1092838 and 1093921. The former was approved and a formal funding agreement is in the process of being drawn up. The latter was rejected and a rejection letter has been sent. The applicant may appeal against the decision. Panel members indicated that in respect of project reference 1093921, an application via the LEP Loans Fund could be appropriate. A referral to the Fund was made, but the applicant has taken the decision not to pursue it.

5 Legal Implications

¹ <http://www.the-lep.com/about/governance-and-funding/grants-for-business/>

- 5.1 The information contained in **Appendices 1 and 2** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

6 Recommendations

- 6.1 That the BGP update and updates on previously approved projects be noted.
- 6.3 That the grant applications detailed at 3.1 and attached at **Appendices 1 and 2** be considered.

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Director: Melanie Corcoran,
Director of Delivery
Author: Chris Brunold



Report to: Business Investment Panel
Date: 14 November 2017
Subject: Growing Places Fund Loans Update

1 Purpose

- 1.1 To update members on progress in committing loans through the LEP Growing Places Fund (GPF).
- 1.2 To update members of an application enquiry for GPF funding and seek feedback on how it is appraised.
- 1.3 To update members on the progress of a proposed loan previously considered by the panel.
- 1.4 To update members on the progress of four live loans with changed circumstances or risk and ask for feedback.
- 1.5 To update the position on the risks associated with each project within the GPF loan programme through the renewed six monthly report.

2 Growing Places Fund (GPF)

- 2.1 The Growing Places Fund (GPF) has operated since 2012 offering loans to support projects that require additional capital funding to deliver jobs and economic growth and unlock stalled developments post-recession, within a 5 year or shorter timescale. Infrastructure projects have included expansion of business premises, site remediation and developing a new road junction as part of opening up a brownfield site for housing. Funds can also be used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment. A loan often completes a package of agreed finance that is not quite sufficient for a project that is ready to go in other respects. The fund is open to all businesses and organisations of any size based in or looking to invest in the city region. This includes the Local Authority Districts of, Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York. Applications from small and medium-sized enterprises, employing up to 250 staff, are particularly welcome.
- 2.2 The loans made through the programme are summarised as follows:

Total GPF Fund	£35.5m
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Allocated	£29.9m
Provisionally Allocated	£3.25m
Unallocated	£2m
Loans in Payment	12 (*)
Loans repaid in full	2
Outputs so far (as at 30.10.17)	
Jobs	160
Homes	468

* There is in addition one refundable investment made into a service for Small and Medium Enterprises that is available throughout Leeds City Region. Unity Hall remains included within this number as at date of issue.

- 2.3 Private sector leverage has the potential to exceed 1:30 although it should be noted much of this is due to a large power plant that will be built at one project that is remediating brownfield land in Wakefield District. The Fund typically seeks private sector leverage on the basis of 1:3.

3 GPF Loan Application

- 3.1 A GPF application enquiry was received on 24 October 2017, as detailed below. Feedback is sought on whether the application should be considered at the Expression of Interest or Full Business Case stage. The application is detailed in **Appendix 1** with supporting information from the applicant in **Appendix 5**.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
320	£0.25m	TBC	Discuss

4 Updates on Recommended Loans

- 4.1 An update on a previously recommended loan will be provided. This is as follows and the update is summarised at **Appendix 2**:

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation

315	£0.8m	70 + 24 apprenticeships	Discuss
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5 Live loans with changed circumstances or risk

- 5.1 There are several live loans with new circumstances or that are requesting a potential change to be noted by the Panel. These are as follows and the updates are summarised at **Appendix 3**:

Project Ref	District	Change	Recommendation
209	Bradford	Change to repayment terms	Discuss
308	Leeds	Change to repayment terms	Discuss
102	Wakefield	Review of high risk status	Discuss
104	Leeds	Timing of project opening	Discuss

6 Review of Project Risks for Growing Places Fund

- 6.1 In September Panel members requested that the six monthly update of the risks associated with each project be presented. This is attached at **Appendix 4**.

7 Legal Implications

- 7.1 The information contained in **Appendices 1, 2, 3, 4 & 5** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

8 Recommendations

- 8.1 That the update on progress in committing loans through the GPF be noted.
- 8.2 That the new application enquiry received, as detailed at 3.1 and in **Appendix 1**, be considered and a recommendation be made on the appropriate level for the Company's application and appraisal.
- 8.3 That the update on the progress of the proposed loan previously considered by the panel, as detailed at 4.1 and in **Appendix 2**, be noted.
- 8.4 That the updates on the progress of several live loans with changed circumstances or risk, as detailed at 5.1 and in **Appendix 3**, be noted and feedback given, and;

- 8.5 That the existing loan for Project 209 converts to maturity terms subject to confirmation of the review of the implications of re-profiling of the loan and as per the request detailed in **Appendix 5**.
- 8.6 That the updated position on the risks associated with each project within the GPF loan programme, as detailed at 6.1 and in **Appendix 4**, be considered.

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