

BUSINESS INVESTMENT PANEL

**MEETING TO BE HELD AT 2.00 PM ON TUESDAY, 3 APRIL 2018
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 Agenda item 7 Appendices 1,2 3 and 4 of 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 4.1.
 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 Agenda Item 7 Appendices 1,2, 3 and 4 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 6 MARCH 2018**

(Pages 1 - 4)

5. STRATEGIC INWARD INVESTMENT FUND UPDATE

Led by: Lorna Holroyd
(Pages 5 - 6)

6. BUSINESS GRANTS PROGRAMME UPDATE

Led by: Neill Fishman, Lorna Holroyd
(Pages 7 - 8)

7. GROWING PLACES FUND LOANS UPDATE

Led by: Chris Brunold
(Pages 9 - 36)

8. DATE OF NEXT MEETING

Tuesday 16 May, 10:30 – 12:30, Committee Room A, Wellington House,
Leeds

Signed:

A handwritten signature in black ink, appearing to be 'BHM', with a long horizontal stroke underneath.

**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON TUESDAY, 6 MARCH 2018 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Judith Blake CBE (Chair)
Roger Marsh OBE

Michael Allen
Marcus Mills
Councillor Shabir Pandor
Councillor Graham Swift
Gareth Yates

Leeds City Council
Leeds City Region Enterprise
Partnership
NatWest Bank
thebigword
Kirklees Council
Harrogate Borough Council
Ward Hadaway

In attendance:

Chris Brunold
Phil Cole
Neill Fishman
Lorna Holroyd
Paul Hyde
Henry Rigg
Chris Moses
Lauren Thomas
Kate Thompson
Janette Woodcock

West Yorkshire Combined Authority
Leeds City Council
West Yorkshire Combined Authority
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West Yorkshire Combined Authority

1. Apologies for Absence

Apologies were received from Councillor Tim Swift, Simon Wright and Jonathan King.

2. Declarations of disclosable pecuniary interests

There were no disclosable pecuniary interests declared by members at the meeting.

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 1 of Agenda item 5 and Appendix 1 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 18 January 2018

That the minutes of the Business Investment Panel held on 18 January 2018 be approved and signed by the Chair.

5. Strategic Inward Investment Fund Update

The Panel considered a report outlining the current position regarding progress in committing grants through the Leeds City Region Enterprise Partnership (the LEP) Strategic Inward Investment Fund (SIIF).

In private session the Panel was asked to consider one new application to the Strategic Inward Investment Fund Project Reference SIIF 004.

Resolved:

- (i) That the update be noted.
- (ii) That the Panel recommended that application Project Reference SIIF 004 be approved.

6. Business Grants Programme Update

The Panel considered a report outlining the current position regarding progress in committing grants through the LEP Business Grants Programme (BGP).

The update included spend and outputs for the grant schemes funded through the Local Growth Fund (LGF). To date commitments of £24.71 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.

As outlined in previous 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.

Resolved: That the Business Grants Programme Update be noted.

7. Growing Places Fund Loans Update

The Panel considered a report on progress in committing loans through the Leeds City Region Enterprise Partnership Growing Places Fund (GPF).

In private session the Panel was updated on the progress of one new loan application appraised as a Full Business Case and asked for feedback.

Resolved:

- (i) That the update be noted.
- (ii) That the Panel noted the application appraised at Full Business Case, as detailed at 2.4 and in Appendix 1 and agreed to recommend in principle subject to legal due diligence on security being satisfactory.

8. Business Planning and Budget 2018/19

The Panel was presented with a report for information on the work underway to progress business and budget planning for 2018/19.

Resolved: That the report be noted.

9. Date of Next Meeting

Tuesday 3 April 2018 14:00 PM, Committee Room A, Wellington House, Leeds.

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Report to: Business Investment Panel

Date: 3 April 2018

Subject: **Strategic Inward Investment Fund Update**

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): Lorna Holroyd

1 Purpose of this report

- 1.1 To outline the current position regarding progress in committing grants through the Leeds City Region Enterprise Partnership Strategic Inward Investment Fund (SIIF).

2 Information

- 2.1 Spend and outputs for SIIF are detailed below.

Performance indicator	Target	Total Commitments	Actual Outputs (15/03/18)
Direct jobs	1,245	479	209
Number of enterprises	10	2	1
Total investment	£120,450,000	£16,217,368	£4,175,522
Programme Spend	£12,450,000	£1,676,586	£0

- 2.2 The building fit-out associated with SIIF 001 (Burberry) is now almost complete and 209 of the 329 jobs associated with that project have now been created.
- 2.3 Application SIIF 004 was considered at the last Business Investment Panel meeting on 6 March 2018. The application was formally approved by the Managing Director of the West Yorkshire Combined Authority on 8 March 2018. The business expects to make a final decision on its investment location in the coming weeks.

3 Financial implications

3.1 There are no financial implications directly arising from this report.

4 Legal implications

4.1 There are no legal implications directly arising from this report.

5 Staffing implications

5.1 There are no staffing implications directly arising from this report.

6 External consultees

6.1 No external consultations have been undertaken.

7 Recommendations

7.1 That the Panel notes the progress report on the SIIF.

8 Background documents

None.

9 Appendices

None.



Report to: Business Investment Panel

Date: 3 April 2018

Subject: Business Grants Programme Update

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): Neill Fishman, Lorna Holroyd

1 Purpose of this report

- 1.1 To outline the current position regarding progress in committing grants through the Leeds City Region Enterprise Partnership (the LEP) Business Grants Programme (BGP).

2 Information

- 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 to £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 (15/03/18)
Direct jobs	4,100	2,863	1,895	n/a	4,758	2,563
Safeguarded jobs	n/a	152	n/a	1,608	1,456	1,682
Number of grant awards	765	36	482	66	584	479
Total investment	£168,500,000	£144,441,164	£135,527,418	£13,326,126	£293,294,708	£211,984,560
Programme Spend	£38,963,000	£8,681,754	£16,500,809	£3,080,656	£28,363,219	£22,189,944
Cost per job	n/a	£3,032	£8,710	n/a	£5,962	£8,659

Performance indicator	Target	Big Programme Committed	Small Programme Committed	Flood Grants Committed	Total Commitments	Actual Outputs (15/03/18)
Cost per job (including safeguarded jobs)	n/a	£2,880	n/a	£1,978	£4,565	£5,228

*It should be noted that 1,400 of committed jobs under the Big Programme relate to one major project within the Wakefield District. Initial monitoring of the project has now been completed and a total of 290 new jobs have been created to date.

2.2 To date commitments of £25.18 million have been made through a combination of the big and small schemes. A further £3.08 million has been committed through the Business Flood Recovery Fund.

2.3 As outlined in previous Business 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 LEP website.¹

3 Financial implications

3.1 There are no financial implications directly arising from this report.

4 Legal implications

4.1 There are no legal implications directly arising from this report.

5 Staffing implications

5.1 There are no staffing implications directly arising from this report.

6 External consultees

6.1 No external consultations have been undertaken.

7 Recommendations

7.1 That the BGP progress report be noted.

8 Background documents

None.

9 Appendices

None.

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



Report to: Business Investment Panel

Date: 3 April 2018

Subject: **Growing Places Fund Loans Update**

Director(s): Melanie Corcoran, Director of Delivery; Sue Cooke, Head of Economic Services

Author(s): Chris Brunold Project Manager (Growth Deal)

1 Purpose of this report

- 1.1 To update the Panel on progress in committing loans through the LEP Growing Places Fund (GPF).
- 1.2 To update the Panel on the progress of one new loan application appraised as an outline business case and ask for feedback.
- 1.3 To update the Panel on an application previously considered as a full business case with costs, on the initial findings of legal due diligence and ask for feedback.
- 1.4 To update the Panel on a proposal for a variation to an existing loan and ask for feedback.
- 1.5 To update the Panel on their query related to the financial position of the GPF.

2 Information

Growing Places Fund update

- 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 timescale of 5 years or less. 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 partner councils 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 total GPF allocation was £35.5 million of which approximately £2 million remains unallocated.
- 2.3 Private sector leverage from the fund has the potential to exceed 1:30 although it should be noted much of this is due to a large gas powered energy plant that will be built at the site of a project that is remediating brownfield land in Wakefield Council's area. The Fund typically seeks private sector leverage on the basis of 1:3.

GPF Loan Application

- 2.4 A GPF application (project reference 318) as detailed below has been appraised as an Expression of Interest. Feedback is sought on the Case Paper appraisal (Combined Authority Decision Point 2) and whether progression to due diligence and Full Business Case can be recommended. The appraisal is included, as it is confidential as **Appendix 1**.

Project Ref	Total Loan	Proposed Jobs	Recommendation
318	£346,000	25	Discuss

GPF Loan Application

- 2.5 A GPF application (project reference 319) that was considered by the Panel on 6 March 2018 as a Full Business Case with costs has progressed through initial legal due diligence. Feedback is sought on the findings and whether the loan should continue to be recommended. This is as detailed below and the legal due diligence information is included, as it is confidential as **Appendix 2**.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
319	£1,000,000	TBC	Discuss

GPF Proposed Variation to Existing Loan

- 2.6 A live GPF loan (project reference 308) has approached the Combined Authority in the last month to propose a variation on which feedback is sought. This is as detailed below and is included as it is confidential as **Appendix 3** with a site plan to clarify understanding attached as **Appendix 4**.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
308	£1,000,000	311	Discuss

3. Financial Implications

- 3.1 The loan at 2.5, if recommended, will allocate £1 million of the remaining £2 million of GPF funding.
- 3.2 The terms of the loan at 2.5, if recommended, will be finalised following the conclusion of the financial and legal due diligence process. This will include setting the interest rate.
- 3.3 The question raised by Members on 6 March 2018 about the recycling of loan funds is noted. The overall GPF programme is currently being reviewed internally by officers. When this review is completed further information will be shared with Members. The review is currently expected to conclude by the end of the first quarter of 2018/9 Financial year.

4 Legal Implications

- 4.1 The information contained in **Appendices 1, 2 3 and 4** 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.

5 Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 That the update on progress in committing loans through the GPF be noted.
- 7.2 That the application appraised at Case Paper, as detailed at paragraph 2.4 and in **Appendix 1**, be noted, and that progression to due diligence and Full Business Case is recommended.
- 7.3 That the application appraised at Full Business Case with costs, as detailed at para 2.5, and with findings from legal due diligence included in **Appendix 2**, be noted and feedback given.
- 7.4 That the proposal for a variation as detailed at para 2.6 and with information included at **Appendices 3 and 4**, is noted and feedback given.

8 Appendices

Appendix 1 – GPF 318 Case Paper Appraisal (CONFIDENTIAL)

Appendix 2 – GPF 319 Legal Due Diligence Information (CONFIDENTIAL)

Appendix 3 – GPF 308 Proposed Change Request (CONFIDENTIAL)

Appendix 4 – GPF 308 (CONFIDENTIAL)

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