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Report to: West Yorkshire and York Investment Committee

Date: 9 November 2017

Subject: Provision of a Grant to Project Beta

1 Purpose

- 1.1 To inform the Committee of the situation relating to Project Beta and propose support to the future provision of grant funding of up to £3 million.

2. Information

- 2.1 Project Beta relates to an application from a company seeking support to establish a new UK based, drug manufacturing facility. Subject to regulatory approval these drugs could treat a wide range of difficult to treat human conditions, particularly in children. The Leeds Enterprise Zone was put forward as a location for this company and detailed dialogue has taken place with Leeds City Council and the LEP about funding to help to support the project. The scale of investment required will require a cocktail of funding which may involve both the LEP and Government alongside any private investment to secure the development. The company is expected to make a final decision shortly about their preferred location in the UK. The plant could create c£1bn growth each year for the city region and rates estimated at c£1m per annum which will be retained by the LEP until 2037.
- 2.2 At the meeting of WYCA on 2 February 2017, Project Beta was accepted as a good strategic fit with the Strategic Economic Plan and it was accepted into the pipeline and approved to continue to Activity 4 (full business case) of the Assurance Framework in order to define the amount of funding required and the details of the project.
- 2.3 The project has been the subject of close communication between WYCA Officers, Leeds City Council (LCC) officers and the company throughout 2016 and 2017 and the nature of the support requested has changed through negotiations with the company. The company now requests a £3m grant, which is seen as an important part of a wider regional offer to the applicant to enable the company to commit to locating the facility in Leeds.

3 Financial Implications

- 3.1 That allowance is made within WYCA's Strategic Inward Investment Fund for a grant of up to £3 million for Project Beta. Continued support and approval of this grant will be subject to the application's progression through the WYCA Assurance Process.

4 Legal Implications

- 4.1 The information contained in **Appendix 1** 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). In particular, it provides information in relation to costs at a time when commercial negotiations are ongoing. It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future negotiations.
- 4.2 WYCA has signed a Non-Disclosure Agreement with the company.

5 Staffing Implications

- 5.1 None

6 External Consultees

- 6.1 WYCA officers continue to work closely with Project Beta and Leeds City Council (LCC) on this project.

7 Recommendations

- 7.1 That Investment Committee recommend to WYCA that:
- Support in principle is given to the provision of grant funding of up to £3 million to Project Beta subject to the scheme's progression through the WYCA Assurance Process.

8 Background Documents

- 8.1 None