

BUSINESS INVESTMENT PANEL

MEETING TO BE HELD AT 10.00 AM ON THURSDAY, 21 SEPTEMBER 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 Appendix 1 to Agenda Item 4, Appendix 2 to Agenda Item 5, Appendices 1, 2, 3 and 4 to Agenda Item 6 and Appendices 1 and 2 to Agenda Item 7 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 6 of Agenda Item 4, paragraph 5 of Agenda Item 5, paragraph 5 of Agenda Item 6 and paragraph 7 of Agenda Item 7.
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 Appendix 1 to Agenda Item 4, Appendix 2 to Agenda Item 5, Appendices 1, 2, 3 and 4 to Agenda Item 6 and Appendices 1 and 2 to 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 INVESTMENT PANEL HELD ON 20

JUNE 2017

Copy attached.
(Pages 1 - 6)

5. STRATEGIC INWARD INVESTMENT FUND UPDATE

David Shepherd
(Pages 7 - 26)

6. BUSINESS GRANTS PROGRAMME UPDATE

Neill Fishman
(Pages 27 - 70)

7. GROWING PLACES FUND LOANS UPDATE

Chris Brunold
(Pages 71 - 78)

8. ANY OTHER BUSINESS

9. DATE OF NEXT MEETING

Tuesday 17 October 2017, 14.00 - 16.00, Committee Room A, Wellington House,
Leeds.

Signed:

A handwritten signature in black ink, appearing to be 'BAM', with a horizontal line underneath it.

WYCA Managing Director



**MINUTES OF THE MEETING OF THE
INVESTMENT PANEL
HELD ON TUESDAY, 20 JUNE 2017 AT
THE LEADER'S BOARD ROOM, CIVIC HALL, LEEDS**

Present:

Councillor Judith Blake CBE (Chair)	Leeds City Council
Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor Shabir Pandor	Kirklees Council
Councillor Graham Swift	Harrogate Borough Council
Councillor Tim Swift	Calderdale Council

In attendance:

Chris Brunold	WYCA
Phil Cole	Leeds City Council
Elizabeth Davenport	WYCA
Neill Fishman	WYCA
Sally Hinton	WYCA
Paul Hyde	Leeds City Council
Derek Lucian	WYCA
Dathan Tedesco	WYCA

1. Apologies for absence

Apologies for absence were received from Dave Harris and Simon Wright.

Members were advised that LEP Loan Manager Sally Hinton would be leaving the organisation at the end of June 2017. The Panel thanked her for all her hard work and commitment and wished her luck for the future.

2. Minutes of the meeting of the Investment Panel held on 27 April 2017

Resolved: That the minutes of the Investment Panel held on 27 April 2017 be approved.

3. Declarations of interest

None were declared.

4. Governance

The Panel considered a report on governance arrangements which was presented by WYCA's Legal and Governance Services Solicitor.

The Panel were informed of the proposal to integrate the LEP Panels, including the Investment Panel, into WYCA's decision making structure with the principal advantages of streamlining decision making, increasing accountability and transparency and having direct private sector involvement in WYCA decision making.

The Panel discussed the implications of the changes and noted that a report on the proposals would be considered by WYCA on 29 June and, if approved, the Investment Panel would be appointed as a sub-committee of the West Yorkshire and York Investment Committee with effect from 1 September 2017.

Resolved: That the contents of the report be noted.

5. LEP Grants 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 through the LEP Business Grants Programme (BGP).

Members were given an update on expenditure and achievement targets for the Business Growth Programme together with a progress report on previously approved projects.

Resolved: That the contents of the report be noted.

6. LEP Grant applications over £100k for consideration

Two grants were considered, as detailed at **Appendix 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). 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.

7. LEP Loans update

The Panel considered a report of WYCA's Director of Delivery providing an update on LEP Loans. The Loan Programme Manager presented the report which provided an update on:

- Draft final loan terms for Gateway 45 (LL314).

- Draft final loan terms for Fresh Pastures (LL315).
- Progress at Unity Hall (LL102), including a verbal report after an update meeting on 15 June.
- Garnetts Wharfe (LL104) after full repayment of the LEP Loan.

Resolved:

- (i) That the draft final loan terms in respect of LL314 and LL315 be noted.
- (ii) That the update on Unity Hall, including the paper going to the WYCA Investment Committee, be noted.
- (iii) That the successful conclusion to the loan for LL104 be noted.

8. Any other business

None.

9. Date of next meeting

It was agreed that the date of the next meeting scheduled to be held on Wednesday 26 July be re-arranged.

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Director: Sue Cooke, Executive Head of Economic Services
Author: Sam Lewis, Ken Brockbank



Report to: Business Investment Panel
Date: 21 September 2017
Subject: Strategic Inward Investment Fund Update

1 Purpose

- 1.1 To update members on the establishment of the Growth Deal 3 (GD3) Strategic Inward Investment Fund (SIIF);
- 1.2 To outline the current position regarding progress in committing grants through the SIIF;
- 1.3 To ask members to consider the suitability of one project for the SIIF.

2 Strategic Inward Investment Fund

Context

- 2.1 The GD3 settlement from Government included £13.45m of funding for inward investment, £12.45m of which has been allocated to a Strategic Inward Investment Fund (SIIF). The remaining £1 million will be specifically targeted at small interventions supporting inward investment in the digital technology sector. A proposed SIIF has been designed and was considered by Investment Committee on 16 June 2017.

The scheme will provide the region with a funding stream to support significant inward investment projects locating in Leeds City Region, enabling the region to compete more effectively against international locations for job creation projects. Awards will be made based on a formal application process and with applications considered by the Business Investment Panel and Investment Committee.

- 2.2 Awards will be for grants larger than £250k and, in the main, lower than £1 million, although no firm upper limit has been set. The target job creation figure for this scheme is 1,245 gross new jobs.
- 2.3 In line with existing schemes we will be looking to support investments with a cost per job of under £10,000. The scheme will run until 2021 and will not be actively marketed, but will be deployed selectively where a funding requirement has been identified and where the inward investment project meets the eligibility/selection criteria (see Section 3 below).

Criteria

- 2.4 The fund aims to attract new business and investment to the region and facilitate expansions of indigenous businesses where their investment decision includes global alternatives. Therefore, projects creating significant numbers of new jobs in Leeds City Region will be of utmost importance.

Highest priority will be on foreign owned businesses because this represents entirely new economic activity at a national level, with a lower degree of associated displacement. Also, due to the current macroeconomic climate (i.e. the EU referendum result), it is evident that we are now operating in an increasingly competitive market place for attracting investment from foreign owned businesses.

- 2.5 UK businesses with internationally mobile projects can also access the scheme where these investments create over 150 new jobs. Although job safeguarding projects are not the priority objective for the fund, there is flexibility to be deployed for safeguarding where the need is sufficiently important at a city region scale (e.g. safeguarding c.500 jobs or more).

Appraisals

- 2.6 The Business Investment Panel will be provided with an appraisal report, assessing the strategic fit, financial case, economic impact and deliverability of applicant projects. Appraisals will be broadly in line with existing BGP assessments, although it should be noted that the objectives and selection criteria of this scheme differ from those of the BGP and we should therefore expect projects of a slightly different nature. For example, applicant businesses will be large in the majority of cases.
- 2.7 Many of these businesses may have no current presence in Leeds City Region and the 'incentive effect' on attracting mobile investment projects will be a key criterion by which to judge applications. The scheme will utilise all available provisions in the General Block Exemption Regulations, with the ability to provide Research & Development Aid, Training Aid, Aid for Disadvantaged Workers, Regional Investment Aid (at 10% against eligible capital costs in Assisted Areas) and Environmental Aid.

3 SIIF Update

- 3.1 Spend and outputs for the SIIF are detailed below.

Performance indicator	Target	Total Commitments	Actual Outputs (07/09/17)
Direct jobs	1,245	329	0
Number of enterprises	10	1	0
Total investment	£120,450,000	£15,000,000	0
Programme Spend	£12,450,000	£1,500,000	£0

3.2 A full list of commitments is provided at **Appendix 1**.

4 New applications

4.1 Members are asked to consider the suitability of the following project for the SIIF, based on the reasons outlined at **Appendix 2**.

Project Ref	District	Total Investment £	Grant Requested £	Proposed New Jobs
1094369	Harrogate	£9,200,000	£500,000	200 (Manufacturing facility to create a total of >900)
Total		£9,200,000	£500,000	200

5 Legal Implications

5.1 The information contained in **Appendix 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 members note the establishment of the SIIF, the role of the Business Investment Panel in considering applications to it, and the progress of the fund thus far.

6.2 That members consider the suitability of one project for the SIIF, as detailed at 4.1 and based on the reasons outlined at **Appendix 2**.

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Strategic Inward Investment Fund Commitments

District	Company	Sector	Total Investment	Grant Offered	Proposed Jobs	Project Type
Leeds	Burberry	Manufacturing	£15,000,000	£1,500,000	329	New premises
			£15,000,000	£1,500,000	329	

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



Report to: Business Investment Panel
Date: 21 September 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 update members on the progress of previously approved projects.
- 1.3 To ask members to consider one new application to the BGP and one application for reconsideration that was considered by written procedure on 26 July 2017.
- 1.4 To update members on the progress of two applications considered by written procedure on 26 July 2017 and the rationale for bringing one back for reconsideration.

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 is for grants of £10,000-£100,000 and the Business Flood Recovery Fund is for grants of £10,000-£100,000 for businesses affected by the Boxing Day Floods in 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 (21/08/17)
Direct jobs	4,100	2,774	1,897	n/a	4,671	1,538.5
Safeguarded jobs	n/a	152	0	1,608	1,760	1,652
Number of new enterprises	20	1	18	n/a	19	12
Number of enterprises	765	33	435	66	534	412
Floorspace	n/a	200,954	5,430	n/a	206,384	29,606
Total investment	£168,500,000	£140,712,297	£122,235,924	£13,326,126	£276,274,347	£166,681,221

Performance indicator	Target	Big Programme Committed	Small Programme Committed	Flood Grants Committed	Total Commitments	Actual Outputs (21/08/17)
Programme Spend	£31,438,000	£8,234,668	£15,304,299	£3,180,656	£26,719,623	£19,356,918
Cost per job	n/a	£2,969	£8,068	n/a	£5,720	£12,582
Cost per job (including safeguarded jobs)	n/a	£2,814	n/a	£1,978	£4,154	£6,067

*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 £23.54 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 A more detailed analysis of individual big scheme projects is provided for members at **Appendix 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
1093921	Wakefield	6,109,096	500,000	13	2
1093532*	Calderdale	750,000	150,000	31	3
		Total	650,000	44	

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

*Reconsideration of application considered by written procedure on 26 July 2017.

4 Update on applications previously considered by Investment Panel

- 4.1 Members considered two applications by written procedure in July, project references 1090214 and 1093532. An update regarding both can be found at **Appendix 1**.

5 Legal Implications

- 5.1 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.

6 Recommendations

- 6.1 That the BGP update and updates on previously approved projects, as attached at **Appendix 1**, be noted.
- 6.2 That the analysis of the big scheme projects as attached at **Appendix 4**, be noted.
- 6.3 That the grant application detailed at 3.1 and attached at **Appendix 2**, be considered.
- 6.4 That the grant application detailed at 3.1 and attached at **Appendix 3**, be considered.

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



Report to: Business Investment Panel
Date: 21 September 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 on the progress of two proposed loans previously considered by the panel and ask for feedback.
- 1.3 To update members on the progress of several live loans with changed circumstances or risk and ask for feedback.
- 1.4 To update members on the ongoing review of the GPF.

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 in a short timescale. Infrastructure projects can include a range of projects from expansion of business premises, site remediation, to the development of a new road junction as part of opening up a brownfield site for housing. For employers funds can 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
Allocated	£29.5m
Provisionally Allocated	£4m

Unallocated	£2m
Loans in Payment	12 (*)
Loans repaid in full	2
Outputs so far (as at 31.05.17)	
Jobs	141
Homes	396

** This includes one refundable investment made into a service for Small and Medium Enterprises that is available throughout Leeds City Region.*

- 2.3 Private sector leverage is currently exceeding 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 applications

- 3.1 There are no new applications for the panel to consider.

4 Updates on proposed loans

- 4.1 An update on two proposed loans, previously considered by the panel, will be reported on again at the current meeting. These are as follows and the updates are summarised at **Appendix 1**:

Project Ref	Company	Total Loan	Proposed Jobs/Homes	Recommendation
	FP Processing Ltd	£0.8m	70 + 24 apprenticeships	Discuss
	Gateway 45	£3.3m	75+	Discuss

5 Live loans with changed circumstances or risk

- 5.1 There are several live loans with changed circumstances to be noted by the Panel. These are as follows and the updates are summarised at **Appendix 2**:

Project Ref	District	Change	Recommendation
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109	Leeds	Release of Plot of Land and review of terms	Discuss
305	All Districts	Review of Value for Money	Discuss
102	Wakefield	Review of high risk status	Discuss
217	Leeds	Release of Charge	Discuss
104	Leeds	Review of project now loan has been repaid	Discuss

6 Review of Growing Places Fund

- 6.1 Now that the Growing Places Fund has reached its 5th year anniversary a review of the benefits of the fund and its effectiveness is proposed. Panel will be asked to discuss how the scope of the review might be drawn up.

7 Legal Implications

- 7.1 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.

8 Recommendations

- 8.1 That the update on progress in committing loans through the GPF be noted.
- 8.2 That the update on the progress of two proposed loans previously considered by the panel, as detailed at 4.1, be considered and feedback given.
- 8.3 That the update on the progress of several live loans with changed circumstances or risk, as detailed at 5.1, be considered and feedback given.
- 8.4 That the emerging scope of, and basis for a review of the GPF be considered.

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