

## BUSINESS INVESTMENT PANEL

MEETING TO BE HELD AT 2.00 PM ON TUESDAY, 17 OCTOBER 2017  
IN COMMITTEE ROOM A, WELLINGTON HOUSE,  
40-50 WELLINGTON STREET, LEEDS

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### 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 2 of Agenda Item 5, Appendices 1, 2 and 3 of Agenda Item 6 and Appendices 1, 2 and 3 of 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 4 of Agenda Item 5, paragraph 5 of Agenda Item 6 and paragraph 8 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 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**

Copy attached.

(Pages 1 - 4)

**5. STRATEGIC INWARD INVESTMENT FUND UPDATE**

Led by: David Shepherd

(Pages 5 - 26)

**6. BUSINESS GRANTS PROGRAMME UPDATE**

Led by: Neill Fishman

(Pages 27 - 60)

**7. GROWING PLACES FUND LOANS UPDATE**

Led by: Chris Brunold

(Pages 61 - 72)

**8. ANY OTHER BUSINESS**

**9. DATE OF NEXT MEETING**

Tuesday 14 November, 14.00 – 16.00, Committee Room A, Wellington House, Leeds.

**Signed:**

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

**WYCA Managing Director**



**DRAFT MINUTES OF THE MEETING OF THE  
BUSINESS INVESTMENT PANEL  
HELD ON THURSDAY, 21 SEPTEMBER 2017 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor Shabir Pandor	Kirklees Council
Simon Pringle	Project Rome
Councillor Graham Swift	Harrogate Borough Council
Simon Wright (via telephone)	Yorkshire Bank

**In attendance:**

Ken Brockbank	WYCA
Chris Brunold	WYCA
Phil Cole	Leeds City Council
Neill Fishman	WYCA
Lorna Holroyd	WYCA
Paul Hyde	Leeds City Council
Henry Rigg	WYCA
David Shepherd	WYCA
Dathan Tedesco	WYCA
Kate Thompson	WYCA

**1. Apologies for absence**

Apologies were received from Councillors Judith Blake and Tim Swift.

In the absence of Councillor Judith Blake the chair was taken by Roger Marsh.

The chair thanked Simon Wright for taking the time to dial in to the meeting and welcomed Simon Pringle back to the panel after a hiatus.

**2. Declarations of disclosable pecuniary interests**

Roger Marsh made members aware of his connection to project 1093532, at appendix 3 of agenda item 6, and offered to leave the meeting during discussion and consideration of the grant application.

### **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 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**

**Resolved:** That the minutes of the Investment Panel held on 20 June 2017 be approved.

### **5. Strategic Inward Investment Fund Update**

The Panel considered a report of WYCA's Executive Head of Economic Services outlining the establishment of the Growth Deal 3 (GD3) Strategic Inward Investment Fund (SIIF) and the progress of the fund thus far.

The GD3 settlement from Government included £13.45m of funding for inward investment, £12.45m of which has been allocated to the SIIF.

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.

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

**Resolved:**

- (i) That the establishment of the SIIF, its progress thus far, and the role of the Panel in considering applications to it be noted.
- (ii) That in relation to project 1094369, as detailed at appendix 2 of the submitted report, officers progress the application and bring an updated proposal to a future meeting.

### **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

through the LEP Business Grants Programme (BGP).

As well as an update on expenditure and achievement targets for the BGP the Panel were provided with an analysis of current big scheme projects and updates on previously approved projects as private appendices.

That Panel was also asked to consider two new scheme applications, as detailed at appendices 2 and 3 of the submitted report, in private session. For consideration of project 1093532, at appendix 3, panel member Roger Marsh left the room and the chair was taken by Councillor Graham Swift.

**Resolved:**

- (i) That the BGP update and updates on previously approved projects, as detailed at appendix 1 of the submitted report, be noted.
- (ii) That the analysis of the big scheme projects, as detailed at appendix 4, be noted.
- (iii) That in relation to project 1094921, as detailed appendix 2, officers re-assess the application and bring an updated proposal to a future meeting.
- (iv) To recommend project 1093532, as detailed at appendix 3, for approval.

**7. Growing Places Fund Loans Update**

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

As well as an update on targets for the GPF the Panel were provided with a progress report on two previously considered loans and on the progress of several live loans with changed circumstances or risk, detailed in private appendices.

The Panel was also asked to consider the scope of a review of the GPF and how one might be drawn up.

**Resolved:**

- (i) That the update on progress in committing loans through the GPF be noted.
- (ii) That the update on the progress of two proposed loans previously considered by the panel, as detailed in appendix 1 of the attached report, be noted.
- (iii) That the update on the progress of several live loans with changed circumstances or risk, as detailed in appendix 2 of the attached report, be noted.
- (iv) That the emerging scope of, and basis for a review of the GPF be noted.

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**Director:** Sue Cooke, Executive Head of Economic Services  
**Author:** Sam Lewis, Lorna Holroyd



**Report to:** Business Investment Panel  
**Date:** 17 October 2017  
**Subject:** Strategic Inward Investment Fund Update

## 1 Purpose

- 1.1 To outline the current position regarding progress in committing grants through the LEP Strategic Inward Investment Fund (SIIF).
- 1.2 To ask members to consider one application to the SIIF which was considered as an outline proposal at the last panel meeting on 21 September 2017.

## 2 SIIF Update

- 2.1 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

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

## 3 New applications

- 3.1 Members are asked to consider the following application. The application was discussed at outline proposal stage at the last panel meeting on 21 September 2017. The grant application and appraisal are attached at **Appendix 2**.

Project Ref	District	Total Investment £	Grant Requested £	Proposed New Jobs
1094369	Harrogate	£9,700,000	£500,000	936
<b>Total</b>		<b>£9,700,000</b>	<b>£500,000</b>	<b>936</b>

#### **4 Legal Implications**

- 4.1 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.

#### **5 Recommendations**

- 5.1 That members note the update on the SIIF.
- 5.2 That members consider the suitability of one project for the SIIF, as detailed at 3.1 and based on the reasons outlined at **Appendix 2**.



## 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:** 17 October 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 one new application to the BGP and one application for reconsideration that was considered at the last panel meeting on 21 September 2017.
- 1.3 To update members on the progress of one application that was reconsidered and recommended for approval at the panel meeting on 21 September 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 (06/10/17)
Direct jobs	4,100	2,774	1,927	n/a	4,701	1,624
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	33	441	66	540	429
Floorspace	n/a	200,954	5,430	n/a	206,384	198,340
Total investment	£168,500,000	£140,712,297	£126,723,400	£13,326,126	£280,761,823	£178,882,844
Programme Spend	£31,438,000	£8,234,668	£15,572,827	£3,180,656	£26,988,151	£20,181,806

Performance indicator	Target	Big Programme Committed	Small Programme Committed	Flood Grants Committed	Total Commitments	Actual Outputs (06/10/17)
Cost per job	n/a	£2,969	£8,081	n/a	£5,741	£12,427
Cost per job (including safeguarded jobs)	n/a	£2,814	n/a	£1,978	£4,177	£6,161

\*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 £23.81 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.<sup>1</sup>

### 3 New & Reconsidered 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
1092838	Kirklees	1,308,185	130,000	13	1
1093921	Wakefield*	6,110,000	500,000	13	2
	<b>Total</b>	<b>17,918,185</b>		<b>226</b>	

\*Reconsideration of application considered at Business Investment Panel on 21<sup>st</sup> September 2017.

### 4 Update on applications previously considered by Business Investment Panel

4.1 Members considered two applications at the last panel meeting on 21 September 2017, project references 1093921 and 1093532. The former is on the agenda for

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

reconsideration (see **Appendix 2**) and an update regarding the latter can be found at **Appendix 3**.

## **5 Legal Implications**

- 5.1 The information contained in **Appendices 1, 2 and 3** 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 3**, be noted.
- 6.3 That the grant applications detailed at 3.1 and attached at **Appendices 1 and 2** be considered/reconsidered.

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



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**Report to:** Business Investment Panel  
**Date:** 17 October 2017  
**Subject:** Growing Places Fund Loans Update

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## 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 a new application and seek feedback on its fit to the criteria for GPF.
- 1.3 To update members on the progress of two proposed loans previously considered by the panel and ask for feedback.
- 1.4 To update members on the progress of several live loans with changed circumstances or risk and ask for feedback.
- 1.5 To update the position on the scope of, and basis for a 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 and unlock stalled developments post-recession, with 5 year or less timeframes. Infrastructure projects include expansion of business premises, site remediation and the development of 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:

<b>Total GPF Fund</b>	<b>£35.5m</b>
Allocated	£29.5m

Provisionally Allocated	£4m
Unallocated	£2m
Loans in Payment	12 (*)
Loans repaid in full	2
<b>Outputs so far (as at 31.05.17)</b>	
Jobs	141
Homes	468

*\* 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 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 new GPF application was received on 6 September 2017, as detailed below. Feedback is sought on the suitability of the scheme for the GPF, detailed in **Appendix 1**.

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

### 4 Updates on Recommended Loans

- 4.1 An update on two loans previously considered and recommended by the panel, will be reported on again at the current meeting. These are as follows and the updates are summarised at **Appendix 2**:

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
315	£0.8m	70 + 24 apprenticeships	Discuss
314	£3.3m	75+	Discuss



## 5 Live loans with changed circumstances or risk

- 5.1 There are several live loans with new circumstances or 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
217	Leeds	Disposal of site	Discuss
104	Leeds	Timing of project review	Discuss

## 6 Review of Growing Places Fund

- 6.1 Based on the feedback the Panel gave in September an initial view of the scope of the review will be outlined as a verbal input for comment.

## 7 Review of Project Risks for Growing Places Fund

- 7.1 At the last meeting Panel members requested that the six monthly update of the risks associated with each project be brought forward. All projects and borrowers are being reviewed to compile an up-to-date Risk Report which is hoped will be ready at the next panel meeting.

## 8 Legal Implications

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

## 9 Recommendations

- 9.1 That the update on progress in committing loans through the GPF be noted.
- 9.2 That the new application received be considered and feedback given on its fit to the criteria for GPF funding.

- 9.3 That the update on the progress of two proposed loans previously considered by the panel, as detailed at 4.1, be noted and feedback given.
- 9.4 That the update on the progress of several live loans with changed circumstances or risk, as detailed at 5.1, be noted and feedback given.
- 9.5 That the updated position on the scope of, and basis for a review of the GPF be considered.

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