

BUSINESS INVESTMENT PANEL

**MEETING TO BE HELD AT 11.30 AM ON THURSDAY, 18 JANUARY
2018
IN COMMITTEE ROOM B, 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 6 and Appendices 1 and 2 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 5 of Agenda item 6 and paragraph 6 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 Appendices 1 and 2 of Agenda item 6 and Appendices 1 and 2 of Agenda item 7 on the grounds that it is 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 11 DECEMBER 2017**

(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

(Pages 7 - 30)

7. GROWING PLACES FUND LOANS UPDATE

Led by: Chris Brunold

(Pages 31 - 56)

8. DATE OF NEXT MEETING

Tuesday 6 March 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
BUSINESS INVESTMENT PANEL
HELD ON MONDAY, 11 DECEMBER 2017 AT COMMITTEE ROOM B,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Judith Blake CBE (Chair)	Leeds City Council
Michael Allen	NatWest Bank
Councillor Graham Swift	Harrogate Borough Council
Simon Pringle	Project Rome
Simon Wright	Yorkshire Bank

In attendance:

Paul Hyde	Leeds City Council
Phil Cole	Leeds City Council
Henry Rigg	WYCA
Neill Fishman	WYCA
Elizabeth Courtney	WYCA
Chris Brunold	WYCA
Lorna Holroyd	WYCA
Samuel Lewis	WYCA
Janette Woodcock	WYCA

1. Apologies for absence

Apologies for absence were received from Councillors Shabir Pandor, Tim Swift and Roger Marsh.

2. Declarations of Disclosable pecuniary interests

There were no pecuniary interests 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 Appendices 1 and 2 of Agenda item 5, Appendices 1 and 2 of Agenda item 6 and Appendix 1 of Agenda item 8 on the grounds that, in view of the nature of the business to be transacted, 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 14 November 2017

Resolved: That the minutes of the Business Investment Panel held on 14 November 2017 be approved.

5. Strategic Inward Investment Fund Update

The Panel considered a report providing an update on the progress in committing grants through the LEP Strategic Inward Investment Fund.

In Private Session the Panel considered one new application (reference number SIIF 003) as detailed in paragraph 3.1 and in confidential Appendix 1 of the submitted report.

The Panel was provided, in private session, with an update on an application (reference number 1094369) which it had previously considered and approved, but which had subsequently been withdrawn by the applicant as detailed in confidential Appendix 2.

Resolved:

- (i) That the update on progress in committing grants through the Strategic Inward Investment Fund be noted.
- (ii) That application number SIIF 003 be supported and recommended for approval to WYCA's Managing Director
- (iii) That the update on the previously approved application (reference number 1094369) as detailed at Appendix 2 of the submitted report be noted.

6. Business Grants Programme Update

The Panel considered a report providing an update on the current position regarding progress within the LEP Business Grants Programme (BGP).

BGP Update

The Panel was provided with a progress update on committing grants through the BGP.

Grant Applications

At the last Panel meeting on 14 November 2017, members had considered two grant applications (references 1093427 and 1094831). Both applications had been

deferred after the Panel had requested further information / clarification in respect of

a number of issues in relation to each project.

It was reported that 1094831 had now submitted a new application (reference number 1095568) for consideration by the Panel.

In private session, the Panel considered the further information relating to the two applications.

Resolved:

- (i) That the Business Grants Programme update be noted.
- (ii) That application reference number 1093427 be rejected and that officers provide feedback to the applicant on the reasons why the grant could not be approved.
- (iii) In regard to application reference number 1095568 (previously 1094831), it was agreed that a lower level of grant be offered to the applicant.

7. Flexing Economic Services to Deliver inclusive Growth Outcomes

The Panel considered a report on proposals to introduce new grant criteria from April 2018.

The report set out the LEP/WYCA's approach to inclusive growth which included developing a single, top-level city region strategy with inclusive growth at its core and reflecting the government's emerging approach to industrial strategy.

A work-stream has also been underway to look at ways in which the city region may explicitly target its policy and programmes to inclusive growth outcomes, including the LEP's programme of grants. The LEP Capital Grants programme was launched in February 2013 with a focus on job creation. Since that time unemployment has fallen by 43%, however there has been an increase in in-work poverty highlighting the need to focus on the quality of jobs created.

The Panel considered the proposed new criteria for determining grants (set out in Appendix 1 of the submitted report) which included more stretching inclusive growth conditions to ensure jobs created and/or safeguarded were of a better quality and could support career progression within businesses.

The report also set out the ongoing testing and consultation with private sector partners, including previous grant recipients to ensure desired impacts were achieved.

The Panel discussed the approach to inclusive growth and the proposed new grant criteria and provided their feedback to officers.

Resolved:

- (i) That the feedback and views of the Panel be noted.
- (ii) That, following a wider consultation exercise, a further report be brought to the next meeting in advance of any of the proposed changes being finalised.

8. Growing Places Fund Loans Update

The Panel considered a report on the progress in committing loans through the LEP Growing Places Fund (GPF).

In private session the Panel was also provided with an update on the live loan with changed circumstances, as detailed at paragraph 3.1 and in confidential Appendix 1 of the submitted report.

Resolved:

- (i) That the update be noted.
- (ii) That feedback on the live loan with changed circumstances as detailed in Appendix 1 be noted.

9. Date of Next Meeting

Thursday 18 January 2018 11:30 AM, Committee Room B, Wellington House, Leeds

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



Report to: Business Investment Panel
Date: 18 January 2018
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).

2 SIIF Update

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

Performance indicator	Target	Total Commitments	Actual Outputs (22/12/17)
Direct jobs	1,245	479	0
Number of enterprises	10	2	0
Total investment	£120,450,000	£16,217,368	£0
Programme Spend	£12,450,000	£1,676,586	£0

3 Update on application previously considered by Business Investment Panel

- 3.1 Members considered one application at the last panel meeting on 11 December 2017, project reference SIIF 003. The company has now accepted the offer and a funding agreement is being prepared.

4 Legal Implications

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

5 Recommendations

- 5.1 That members note the update on the SIIF.

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



Report to: Business Investment Panel
Date: 18 January 2018
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 consider the written appeal from project reference 1093427 following rejection of their application at the last panel meeting on 11 December 2018.

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 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 (22/12/17)
Direct jobs	4,100	2,850	1,860	n/a	4,710	1,734
Safeguarded jobs	n/a	152	n/a	1,608	1,760	1,682
Number of new enterprises	20	1	18	n/a	19	12
Number of grant awards	765	35	457	66	558	439
Floorspace	n/a	200,954	5,430	n/a	206,384	198,340
Total investment	£168,500,000	£143,133,164	£127,305,435	£13,326,126	£283,764,725	£194,633,074
Programme Spend	£38,963,000	£8,551,754	£15,587,997	£3,180,656	£27,320,407	£20,847,834
Cost per job	n/a	£3,000	£8,381	n/a	£5,801	£12,023

Performance indicator	Target	Big Programme Committed	Small Programme Committed	Flood Grants Committed	Total Commitments	Actual Outputs (22/12/17)
Cost per job (including safeguarded jobs)	n/a	£2,849	n/a	£1,978	£4,223	£6,103

*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 £24.14 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 Update on applications previously considered by Business Investment Panel

3.1 Members considered two applications at the last panel meeting on 11th December 2017, project references 1093427 (Kirklees based company) and 1095568 (Leeds). The Kirklees based company has been informed of the decision to reject their application and has submitted an appeal in writing asking that it be reconsidered. This can be found at Appendix 2. The Leeds based company has accepted the decision to offer a lower grant than was requested.

4 Legal Implications

4.1 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 appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

5 Recommendations

5.1 That the BGP update and updates on previously approved projects be noted.

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

5.2 That members consider the appeal from project reference 1093427, which can be found at confidential Appendices 1 and 2.

6 Appendices

6.1 Appendix 1 – Project Reference 1093427 – Application form and updated appraisal report (updates are highlighted in red).

6.2 Appendix 2 – Project Reference 1093427 – Letter of appeal.

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



Report to: Business Investment Panel
Date: 3 January 2018
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 one new loan application appraised at the Outline Business Case and ask for feedback.
- 1.3 To update members on a change request for one live loan with altered circumstances and ask for feedback.

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 total GPF allocation was £35.5m; approximately £2m remains unallocated.
- 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 gas powered energy plant that will be built at the site of a 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 (project reference 319) was received on 6 September 2017 as detailed below and has been appraised as an Outline Business Case. Feedback is sought on the appraisal and whether the application can progress to Full Business Case appraisal. The appraisal is included at confidential **Appendix 1**.

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

4 Live loans with changed circumstances or risk

- 4.1 There is one live loan (project reference 209) for which a change request has been received because of altered circumstances for the project. Feedback is sought from the Panel. This is as detailed below and the change request is included at confidential **Appendix 2**.

Project Ref	District	Change	Recommendation
209	Bradford	Loan terms	Discuss

5 Legal Implications

- 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 update on progress in committing loans through the GPF be noted.
- 6.2 That the application appraised at Outline Business Case, as detailed at 3.1 and in **Appendix 1**, be noted, and that progression to Full Business Case for further due diligence is recommended, and;
- 6.3 That the change request received for one live loan with changed circumstances, as detailed at 4.1 and in **Appendix 2**, be noted and feedback given.

7 Appendices

- 7.1 Appendix 1 – Project Reference 319 - Confidential

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