

BUSINESS INVESTMENT PANEL

**MEETING TO BE HELD AT 2.00 PM ON TUESDAY, 6 NOVEMBER 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, 2 and 3 of Agenda Item 8 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 paragraphs 4.1 respectively.
 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, 2 and 3 of Agenda Item 8 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 5 OCTOBER 2018**
(Pages 1 - 4)
- 5. GOVERNANCE ARRANGEMENTS**
(Pages 5 - 10)
- 6. STRATEGIC INWARD INVESTMENT FUND**
Led by: Lorna Holroyd
(Pages 11 - 44)
- 7. BUSINESS GRANTS PROGRAMME**
Led by: Neill Fishman / Lorna Holroyd
(Pages 45 - 54)
- 8. GROWING PLACES FUND LOANS**
Led by: Chris Brunold
(Pages 55 - 80)
- 9. DATE OF NEXT MEETING**

Signed:

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

**Managing Director
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON FRIDAY, 5 OCTOBER 2018 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Judith Blake CBE (Chair)
Councillor Darren Byford
Councillor Shabir Pandor
Councillor Graham Swift
Councillor Alex Ross-Shaw
Michael Allen
Colin Glass OBE
Marcus Mills

Leeds City Council
Wakefield Council
Kirklees Council
Harrogate Borough Council
Bradford Council (from Minute 32)
NatWest Bank
WGN
BigWord

In attendance:

Henry Rigg
Kate Thompson
David Shepherd

Chris Brunold
Neill Fishman
Lauren Thomas
Khaled Berroum
Megan Hemingway

West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority (to
minute 31)
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority

26. Apologies for absence

Apologies for absence were received from Jonathan King, Simon Wright, Gareth Yates and Councillor Tim Swift.

27. Declarations of disclosable pecuniary interests

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

28. 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 2, 3, 4, 5 and 6 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.

29. Minutes of the meeting of the Business Investment Panel held on 31 August 2018

Resolved: That the minutes of the Business Investment Panel held on 31 August 2018 be approved and signed by the Chair.

30. Business Grants Programme

The Panel considered a report which outlined the current position regarding progress in committing grants through the Leeds City Region Enterprise Partnership (the LEP) Business Grants Programme (BGP).

Members were advised that a paper focused on raising the awareness of the capital grants programme to a broader range of businesses, will be submitted to the Panel at the next meeting.

Resolved: That the contents of the Business Grants Programme report be noted.

31. Strategic Inward Investment Fund

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

The Panel requested that a more detailed briefing be produced on Leeds City Region's competitive position on inward investment.

Resolved:

- (i) That the progress on the Strategic Inward Investment Fund be noted.
- (ii) That a more detailed briefing be produced on Leeds City Region's competitive position on inward investment compared to other regions, where data is available.

32. Growing Places Fund loans

The Panel considered a report which provided an update on:

- Progress in committing loans through the LEP Growing Places Fund (GPF).
- The future of the GPF.
- Three projects with changed circumstances.

In respect of Growing Places Fund reinvestment Members discussed the report that had been considered by the LEP Board and was attached as Appendix 1. The Panel asked that a further update report be brought to the December meeting of the Panel.

The Panel considered three projects with changed circumstances which were attached at exempt Appendices 2, 3, 4, 5 and 6.

Resolved:

- (i) That the update on progress in committing loans through the GPF be noted.
- (ii) That the report to the LEP Board on Growing Places Fund reinvestment be noted.
- (iii) That a further update report be brought to the December meeting.
- (iv) That the recommendations in exempt Appendices 2 and 3 (project 113) be forwarded to the Managing Director for approval.
- (v) That the information provided in Appendices 4, 5 and 6 (projects 201 & 315) be noted.

33. Date of next meeting

6 November at 2:00 pm in Committee Room B, Wellington House, Leeds

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Report to: Business Investment Panel

Date: 6 November 2018

Subject: **Governance Arrangements**

Director(s): Angela Taylor, Director, Resources

Author(s): Angie Shearon

1. Purpose of this report

- 1.1 To provide an update on the governance arrangements of the Panel.

2. Information

- 2.1 At its meeting on 9 August 2018, the Business Investment Panel asked that the West Yorkshire & York Investment Committee consider membership of the Panel to ensure an equal split between local authority and private sector representatives and that the quorum requirements be reviewed accordingly.
- 2.2 The Investment Committee considered a report on the governance arrangements of the Panel at its meeting on 5 September 2018 and were also asked to consider the appointment of a Deputy Chair.

The Investment Committee resolved:

- (i) To appoint Simon Wright as Deputy Chair of the Business Investment Panel for the municipal year 2018/19.
- (ii) To note that Roger Marsh had stepped down from the Business Investment Panel.
- (iii) That, in order to secure the appointment of local authority (including Combined Authority) and private sector representatives in equal numbers to the Panel:
 - No nominations for an appointment to the Panel be sought from Calderdale Council, Kirklees Council or Leeds City Council (reducing the total number of local authority members to six).
 - An additional private sector member be appointed to the Panel (increasing the total number of private sector representatives to

six), and that the appointment of the additional member be delegated to the Head of Legal and Governance Services in consultation with the Chair of the Business Investment Panel and the Combined Authority's LEP Member.

- The quorum for the Business Investment Panel be changed to 4 voting members to include 2 members of the Combined Authority or other local authority and 2 private sector representatives.

2.3 Subsequent to the resolutions of the Investment Committee on 5 September, a further private sector member, Colin Glass, was appointed to the Panel by the Head of Legal and Governance Services with effect from 30 September 2018.

2.4 The outstanding local authority appointments from Bradford and Wakefield have also been confirmed and the table attached sets out current membership of the Panel.

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 Business Investment Panel note:

- (i) That, at its meeting on 5 September 2018, the Investment Committee appointed Simon Wright as Deputy Chair of the Business Investment Panel for the municipal year 2018/19.
- (ii) That, in accordance with the resolution of the Investment Committee, in order to secure the appointment of local authority (including Combined Authority) and private sector representatives in equal numbers to the Panel, no nominations would be sought from Calderdale Council, Kirklees Council or Leeds City Council (reducing the total number of local authority members to six).

- (iii) That, in accordance, with the resolution of the Investment Committee, an additional private sector member, Colin Glass, was appointed to the Panel (increasing the total number of private sector representatives to six) with effect from 30 September 2018.
- (iv) That, in accordance with the resolution of the Investment Committee, the quorum for the Business Investment Panel was changed to 4 voting members to include 2 members of the Combined Authority or other local authority and 2 private sector representatives.
- (v) That members note the membership of the Business Investment Panel as appended to this report.

8. Background Documents

None.

9. Appendices

None.

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Business Investment Panel – Appointments 2018/19

CA Members (voting)	Local Authority Co-optees (voting)	Private Sector Representatives (voting)
Judith Blake (Chair) (L) Shabir Pandor (L) Tim Swift (L)	Bradford: Alex Ross-Shaw (L) Harrogate: Graham Swift (C) Wakefield: Darren Byford (L)	Michael Allen Colin Glass Jonathan King Marcus Mills Simon Wright (Dep Chair) Gareth Yates

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Report to: Business Investment Panel

Date: 6 November 2018

Subject: **Strategic Inward Investment Fund**

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 (the LEP) Strategic Inward Investment Fund (SIIF).

2. Information

- 2.1 Spend and outputs for SIIF are detailed below.

Performance indicator	Target	Total commitments	Actual outputs (17/10/18)
Direct jobs	1,245	552	331
Number of enterprises	10	3	1
Total investment	£120,450,000	£17,151,961	£4,175,522
Programme Spend	£12,450,000	£1,853,386	£758,457

- 2.2 All jobs associated with project SIIF 001 are now complete.
- 2.3 At the last meeting on 5 October 2018, Members asked for a more detailed report on the Leeds City Region's comparative performance on inward investment to be produced. This is being finalised by the Trade and Investment team and a Members' briefing will be arranged to discuss further.

New application

- 2.4 Members are asked to consider the following application. The grant application and appraisal are attached at **Appendix 1** and **Appendix 2** respectively.

Project ref	District	Total investment £	Grant requested £	Proposed new jobs	Proposed safeguarded jobs
006	Leeds	22,000,000	1,000,000	400	450

3. Financial implications

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

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 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 Panel notes the progress report on the SIIF.

7.2 That the Panel provides a recommendation on the grant application detailed at 2.4 and attached at **Appendices 1 and 2**.

8. Background documents

81 None.

9. Appendices

Appendix 1 – Application form for project SIIF 006 (exempt).

Appendix 2 – Appraisal report for project SIIF 006 (exempt).

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Report to: Business Investment Panel

Date: 6 November 2018

Subject: Business Grants Programme

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 scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (17/10/18)
Direct jobs	4,100	2,848	2,229	n/a	5,077	3,242
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	37	548	63	648	556
Total investment	£168,500,000	£150,244,164	£158,940,511	£12,793,515	£321,978,190	£244,146,368
Programme Spend	£38,963,000	£8,791,174	£18,959,801	£2,860,375	£30,611,350	£25,566,520
Cost per job	n/a	£3,087	£8,508	n/a	£6,030	£7,887

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (17/10/18)
Cost per job (including safeguarded jobs)	n/a	£2,930	n/a	£1,856	£4,522	£5,193

- 2.2 To date commitments of £27.75 million have been made through a combination of the big and small schemes. Six applications to the small scheme, with a combined grant value of £332,094, have been approved under sub-delegations since the last Panel meeting on 5 October 2018.
- 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 Commitments through the Business Flood Recovery Fund currently stand at £2.86 million. Of a total of 66 projects approved, three have been withdrawn, 57 are complete and £145,528 is left to pay to six businesses whose projects are still live.
- 2.5 All grant awards are listed in summary form on the LEP website and updated quarterly.¹

New large programme applications

- 2.6 There are no new applications for consideration on today's agenda.

Multiple applications & wider business engagement

- 2.7 At Business Investment Panel on 31 August 2018 Members were informed of the proposal to change the maximum level of grant support an individual business can receive within a three year period from £500,000 to £250,000. Additionally, businesses will be able to submit a maximum of three successful applications within a three year period. These proposals were implemented as from 1 October 2018.
- 2.8 The proposals were implemented for the following reasons:
- The budget for the programme is limited and may be fully committed in 2019/20;
 - To encourage businesses to adopt a more strategic approach to business planning, including future capital investments;
 - To make the programme accessible to as wide a range of SMEs across the City Region as possible.
- 2.9 At Business Investment Panel on 31 August 2018, Members asked for information on how the programme will be marketed to raise awareness and widen take-up across the City Region. This is outlined in **Appendix 1**.

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

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.

8. Background documents

None.

9. Appendices

9.1 **Appendix 1** – Wider promotion of BGP.

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Wider Promotion of the LEP Business Grants Programme

CONTEXT

Since launch of the LEP's Growth Service in 2015, which provides a single access point to publicly funded business support within Leeds City Region (the City Region), access to finance, in its widest form has consistently represented almost 70% of all enquiries received.

The capital grants programme is one of several finance and wider business products currently delivered by the LEP and its partners across the City Region. Others include:- Access Innovation, Strategic Business Growth, Resource Efficiency Fund, and the Apprenticeship Grant for Employers, Ad:Venture and Digital Enterprise. These products, and several others, are primarily accessed via the LEP's Growth Service.

Over 10,000 businesses in the City Region have accessed support from the LEP since the launch of the Growth Service in 2015, which is encouraging. However, and specifically in relation to the capital grants programme there has been an increasing trend of businesses accessing it on more than one occasion.

Since 2013 when the programme was first launched to June 2018, 917 grants totalling £47.7 million have been awarded to 712 different businesses, with 20% of businesses supported being repeat applicants. Whilst repeat business is clearly positive factor for any provider of products and services to a defined customer base (i.e. the circa 120,000 businesses in the City Region), it is recognised that there is a need to broaden awareness of the support available and stimulate interest from a wider range of businesses.

Table 1: Enquiries to the Capital Grants Programme

Year	Total number of enquiries	Number of enquiries from new businesses	Number of enquiries from businesses previously engaged with the programme	% of grant enquiries from businesses previously engaged with the programme
15/16*	202	190	12	5.94%
16/17*	296	231	65	21.96%
17/18	422	336	86	20.38%
18/19 (to 23 October 2018)	182	138	44	24.18%
Total	1102	895	207	18.78%

* This does not include all enquiries that were previously routed through Leeds City Council

Table 1 highlights that since 2015/16 just over 1,100 enquiries have been received for the capital grants programme. Since 2016/17 approximately one in five enquiries have been from businesses that have previously engaged with the programme. This has peaked in the current financial year at one in four, hence the proposal to undertake a range of business engagement and marketing activities in order to try and reach a wider audience.

According to the latest City Region business survey, awareness of the LEP has increased, with 49% of firms surveyed being aware of the LEPs services, up from 39% in 2015, which is encouraging. However, more can be done to increase awareness levels and a number of routes to market that form part of the marketing plan to reach a wider business audience are outlined below.

BUSINESS ENGAGEMENT

Private sector intermediaries - The LEP facilitates the Professionals' Perspective Network that meets regularly and is made up of representatives from banks, accountants and legal firms, all of whom have access to a substantial small and medium sized enterprise (SME) client base. The forum is used as an opportunity to update members on the LEP's products and services, including capital grants, with a view to increasing the level of referrals from intermediaries. It is also a valuable way for the LEP to gain intelligence on what is happening in the business community, including challenges and opportunities, but with a focus on access to finance. The LEP will continue to expand the network and include more medium-sized local accountancy firms that are more likely to have clients suitable for the range of products available. The network meetings will also move to quarterly rather than the current six-monthly and will be followed up with bespoke sessions, particularly with local business banking teams

Business Advice Pop-Up Cafes - To date, the LEP has delivered 17 'Pop-Up Cafes' across the City Region. The rationale behind the cafes is to provide localised access to business support. Businesses within the locality of each event are pro-actively targeted by the LEP to raise awareness of the event. Those that register to attend are offered free 20-minute sessions to speak to local business experts across a range of business topics, including access to finance, sales and marketing and the use of digital and social media. The events are delivered from venues and locations across the City Region, ranging from inner city areas, such as Beeston in Leeds and Manningham in Bradford, through to more rural locations such as Otley (Leeds), Steeton and Holmfirth (both Kirklees), the latter being the most recent event which had a focus on access to finance. Delivery of the cafes has proved to be a very good route to market in terms of engaging with new clients at a localised level and the LEP intends to increase their delivery over the remainder of 2018/19 and 2019/20.

Black and Minority Ethnic Networks - The LEP has been active over the past two years in attempting to increase engagement with the Asian business community.

Strong and ongoing relationships have been built with organisations that have good reach into such communities, particularly those in Bradford, Leeds and Batley/Dewsbury. This has helped to increase engagement levels, particularly from the bed and allied trades manufacturing sector in Kirklees and the food and drink sector in Bradford. It is recognised that more activity of this nature is needed to take the support available to different locations, groups and sub-sectors. This will occur in the coming months via the pop-up events (referenced above) and continued engagement with key networks and contacts in local communities, including several now on the LEP Board and Panels.

Business Communications Group - This is a group that is facilitated by the LEP and is made up of a range of business membership groups and organisations, including the Federation of Small Businesses (FSB), Engineering Employers' Federation (EEF), Chambers of Commerce, Institute of Directors and Forward Ladies. These groups have collective access to thousands of businesses in the City Region and, as such, are a major source of referrals for capital grants and also other products available from the LEP and its partners. Updates on business support available to their members will be provided on a regular basis to the group and individual meetings will take place with business support organisations such as the FSB and EEF to identify specific opportunities for joint marketing/communications activity.

Leeds City Region SME Support Network - This is a group that is also facilitated by the LEP and brings together all publicly-funded business support organisations and professionals, normally on a quarterly basis, to ensure that providers of business support in the City Region are fully aware of the capital grants offer and know how to refer their clients and customers into the programme. The network meetings are attended by a wide range of business support professionals, including those from the Manufacturing Growth Programme, the Department for International Trade and Innovate UK, all of whom have potential to increase referral levels into the capital grants programme. Future network meetings will feature case studies of businesses that have received capital grants that will help to further promote the benefits of the programme.

Growth Managers - The LEP currently has 12 SME Growth Managers who engage with SMEs across the City Region that demonstrate clear growth ambition and potential. They provide an account management service for circa 630 businesses per year and are a high source of referrals to the capital grants programme. A European funding bid is currently under appraisal to increase the number of Growth Managers from the current 12 to 20. If successful, the additional staff will be in place by April 2019 and will be an extra resource focussed on broadening the LEP's reach into the business community, thereby, further increasing take-up of capital grants and other support products.

Investment Readiness - This is a new LEP project that will launch in early 2019. Its main focus is access to finance and will provide one-to-one and one-to-many impartial support to SMEs on the various forms of finance available to them (including the capital grants programme). It will assist them with preparing

professional and investable proposals to a range of business-funders, including practical guidance on how to pitch for investment. An external provider will be openly procured to deliver the core elements of the project and a main part of the tender opportunity will be the ability of the contractor to reach businesses as yet untouched by the LEP.

COMMUNICATIONS AND MARKETING

Case Studies

One of the most powerful ways of promoting the capital grants programme is through the production of case studies that set out the positive impact and outcomes on business-recipients. There will be a concerted focus on producing and promoting a broader range of case studies over the coming months and on using different media platforms and technologies to promote them. These will aim to better represent the sectors and districts of the City Region and will also be sent to the Business Communications Group and other key stakeholder groups. Case studies will be in the form of press releases, videos or web stories.

Media Releases

The LEP also produces media releases about key investment milestones for The Growth Service, including the number of businesses supported with capital grant investment and associated job creation. Historically, these media releases have gained coverage in key regional press, the Business Desk, Business Insider and trade magazines, for example The Manufacturer.

The LEP also provides quotes for press releases from businesses that have received capital grant investment, in particular how support received has accelerated the growth of their business.

Local and Regional Events

The LEP exhibits at key regional and local business events across the City Region to promote capital grants, as well as the wider business support offer. It also sponsors key events, included, but not limited to, Manufactured Yorkshire and Yorkshire Business Market as well as Leeds, Wakefield and York Business Weeks. These events offer a key route to market and provide the LEP with an opportunity to present in front of a wide business audience. Attendance at selected events such as these will continue in 2019/20.

LEP Website

The LEP website is a key channel used to market and promote the support available from the LEP and its network of partners. The primary audience of the website is SMEs in the City Region and it receives an average of 15,800 web visits per month.

The capital grants page is one of the most visited pages, with 10,000 page views in financial year 2017/18. There are plans currently underway to redevelop the

website. Search engine optimisation 'key word' activity will be improved as part of this.

LEP Social Media Channels

The LEP Twitter account, with over 9,300 followers is used to promote the LEP Growth Service, including the capital grants programme. It has been and remains an effective way to engage with local businesses as well as local authority partners and business networks. Subscribers continue to grow month on month with an average monthly reach of over 100,000.

LEP Newsletter

The monthly SME newsletter is sent to over 12,000 businesses across the City Region. It features regular case studies about businesses that have benefited from capital investment from the LEP.

Marketing Collateral

Marketing collateral aimed at the LEP's SME target audience, which includes information about the capital grants and the wider business support offer, is distributed at all events and to business networks across the City Region. Separate collateral has also been produced for intermediaries and partners so they can effectively promote the capital grants and wider support offer.

Marketing Campaigns

The LEP's marketing and communications team runs sector focused campaigns at key intervals throughout the year to bring together all LEP work and activities. These include a digital campaign and more recently a manufacturing focused campaign where LEP products and case studies were promoted and businesses encouraged to contact the Growth Service. This will continue in 2019/20.

NEXT STEPS

The marketing plan for 2019/20 is currently under development and panel members are invited to feed into the plan with suggestions for other ways of engaging businesses in addition to those outlined above.

An update will be provided to Business Investment Panel in April 2019 to inform members of the effectiveness of the above actions in terms of generating new clients.

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Report to: Business Investment Panel

Date: 6 November 2018

Subject: **Growing Places Fund Loans**

Director(s): Melanie Corcoran, Director of Delivery

Author(s): Chris Brunold, Project Manager

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 share with the Panel the draft external report on the future of the GPF.
- 1.3 To update the Panel on the risks within the GPF Programme and ask for comment.
- 1.4 To update the Panel on one project with changed circumstances.

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 five years or less. The fund is open to all businesses and organisations of any size based in or looking to invest in the city region. Applications from small and medium-sized enterprises, employing up to 250 staff, are particularly welcome.
- 2.2 The total original GPF allocation from Government was £35.5 million of which approximately £4.0 million currently remains unallocated. The Fund typically seeks private sector leverage on the basis of 1:3.
- 2.3 Loan repayments are also held separately and can be reinvested in the future.

- 2.4 The draft report for the external review of the GPF is included in **Exempt Appendix 1**. It begins to inform how the GPF may operate moving forward. The final report is expected towards the end of November 2018.

Key findings from the report are:

- **Evolving Market**-The lender population has increased significantly in recent years, with an expanding range of products, pricing and risk appetite. The view of the lenders interviewed is that if a borrower cannot access funding, it is likely not because of a lack of liquidity in the market (as may have been the case five years ago), but more because of the perceived risk of the loan / risk-appetite of the lender.
- **Perception of the GPF**- Both lenders with knowledge of the local market, and existing borrowers, agree unanimously that there is a continued need for the existence of the GPF.
- **Managing the GPF going forwards** – there are opportunities to improve the GPF application and credit appraisal / approval processes, and consider marketing the fund more proactively. The current processes could not sustain a material increase in the volume of applications.

GPF Capital Position

- 2.5 The capital repaid by GPF loans offered through the programme to 30 September 2018 is £7.4 million.
- 2.6 The capital anticipated in the remainder of the 2018/19 financial year is £2.9 million. There is as always with GPF loans a risk that projects may not pay to the agreed repayment schedule.
- 2.7 The capital anticipated in 2019/20 is a further £2.9 million.
- 2.8 The total capital expected beyond 31 March 2020 is £13.2 million.

GPF Programme Risks

- 2.9 A report on the overall risks within the GPF Programme is provided, as this is confidential, in **Exempt Appendix 2**.

GPF Projects with Changed Circumstances

- 2.10 One GPF project has changed circumstances as shown below. Detail is provided for information, as this is confidential, it is included in **Exempt Appendix 3**.

Project Ref	Total Loan	Proposed Jobs/Homes	Recommendation
315	£800,000	24	Discuss

3. Financial Implications

- 3.1 The financial implications associated with the project with changed circumstances detailed in para 2.10 is set out in **Appendix 3**.

4. Legal Implications

- 4.1 The information contained in **Appendices 1, 2 & 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.

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 draft report on the future of the GPF at **Appendix 1** be noted and feedback given.
- 7.3 That the risk report for the GPF Programme at **Appendix 2** be noted and comments provided.
- 7.4 That the information provided in **Appendix 3** be noted and feedback given.

8. Background Documents

None.

9. Appendices

Exempt Appendix 1 – Draft Report - GPF External Review

Exempt Appendix 2 – GPF Programme Risk Report

Exempt Appendix 3 – Project 315 with changed circumstances image

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