

## **BUSINESS INVESTMENT PANEL**

**MEETING TO BE HELD AT 2.00 PM ON THURSDAY, 10 JANUARY 2019  
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 Appendices 1 & 2 of Item 6 and Appendices 1, 2, 3, 4 & 5 of 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 paragraphs 6.1 and 4.1.
  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 & 2 of Item 6 and Appendices 1, 2, 3, 4 & 5 of 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 5 DECEMBER 2018**  
(Pages 1 - 4)

**5. STRATEGIC INWARD INVESTMENT FUND**

Led by: David Shepherd / Lorna Holdroyd  
(Pages 5 - 6)

**6. BUSINESS GRANTS PROGRAMME**

Led by: Neill Fishman  
(Pages 7 - 32)

**7. GROWING PLACES FUND LOANS**

Led by: Chris Brunold  
(Pages 33 - 48)

**8. DATE OF NEXT MEETING**

The next meeting is 5 February 2019 at 2pm in Committee Room A,  
Wellington House, Leeds.

**Signed:**

A handwritten signature in black ink, consisting of the letters 'BGM' in a stylized, cursive font, with a horizontal line underneath.

**Managing Director  
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE  
BUSINESS INVESTMENT PANEL  
HELD ON WEDNESDAY, 5 DECEMBER 2018 AT COMMITTEE ROOM A**

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**Present:**

Councillor Judith Blake CBE (Chair)	Leeds City Council
Simon Wright (Deputy Chair)	Yorkshire Bank
Councillor Shabir Pandor	Kirklees Council
Councillor Alex Ross-Shaw	Bradford Council
Colin Glass OBE	WGN
Jonathan King	Meusa Holdings Ltd
Marcus Mills	BigWord

**In attendance:**

Kate Thompson	West Yorkshire Combined Authority
Henry Rigg	West Yorkshire Combined Authority
Chris Brunold	West Yorkshire Combined Authority
Neill Fishman	West Yorkshire Combined Authority
Lorna Holroyd	West Yorkshire Combined Authority
Lauren Thomas	West Yorkshire Combined Authority
Phil Cole	Leeds City Council
Megan Hemingway	West Yorkshire Combined Authority

**43. Apologies for absence**

Apologies for absence were received from Councillor Graham Swift, Councillor Tim Swift, Councillor Darren Byford, Michael Allen and Gareth Yates.

**44. Declarations of disclosable pecuniary interests**

Simon Wright disclosed a disclosable pecuniary interest in relation to Growing Places Fund Loans exempt Item 7, Appendix 1.

**45. 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 6 and Appendix 1 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.

**46. Minutes of the meeting of the Business Investment Panel held on 6 November 2018**

**Resolved:** That the minutes of the Business Investment Panel held on 6 November 2018 be approved and signed by the Chair.

**47. Strategic Inward Investment Fund**

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

The Panel was updated on the project application (SIIF 006) which it had recommended for approval at its last meeting on 6 November 2018. The application had now been considered at Investment Committee on 7 November 2018, where it was also recommended that the project be approved.

A final decision will be made by the Combined Authority on 13 December 2018.

At the Panel 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 has now been circulated to Members and it was noted that a briefing is offered to Members should they so require.

**Resolved:**

- (i) That the update on the progress of the Strategic Inward Investment Fund (SIIF) be noted.
- (ii) That the Panel noted progress on SIIF 006 and awaits an update at the next meeting.

**48. 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 informed that there are two projects in the pipeline which may come forward to the next meeting.

The Panel was asked to consider the grant application (project reference 1099606) which was attached at exempt Appendices 1 and 2.

**Resolved:**

- (i) That the update on progress on the Business Grants Programme (BGP) be noted.
- (ii) That the panel recommends approval for a lower grant award for project reference 1099606, subject to the amended terms as discussed.

**49. Growing Places Fund loans**

The Panel considered a report which provided an update on the progress in committing loans through the Leeds City Region Enterprise partnership (the LEP) Growing Places Fund (GPF).

Members were informed that there are three projects due to successfully conclude their payments by the end of this Financial Year, with upward of £10m income anticipated.

The Panel was also updated on one project (project reference 315) with changed circumstances which was attached at exempt Appendix 1.

Simon Wright left the room during discussion of Appendix 1.

**Resolved:**

- (i) That the update on progress on the Growing Places Fund (GPF) be noted.
- (ii) That the update on the changed circumstance of Project 315 be noted and comment from the Panel be taken into account in respect of further discussions.

**50. Date of next meeting**

The next meeting is 10 January 2019 at 2pm in Committee Room A, Wellington House, Leeds

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**Report to:** Business Investment Panel

**Date:** 10 January 2019

**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 (12/12/18)
Direct jobs	1,245	952	331
Number of enterprises	10	4	1
Total investment	£120,450,000	£39,151,961	£17,296,761
Programme Spend	£10,950,000	£2,853,386	£758,457

- 2.2 At the Panel meeting on 6 November 2018, Members considered an application from SIIF 006, regarding an application of £1m to support an investment in Leeds that will create 400 jobs and safeguard a further 450. It was recommended that the project was approved. Following the Business Investment Panel meeting, the application was considered at Investment Committee on 7 November 2018, where it was also recommended that the project is approved. On 13 December 2018 Combined Authority formally approved this project and a funding agreement is being finalised with the business.

- 2.3 There are no new applications for consideration at this meeting.

### **3. Funding changes**

- 3.1 The total funding available for SIIF has reduced from £12.45m to £10.95m. A total of £13.45m was originally awarded to the West Yorkshire Combined Authority through the Growth Deal for use on inward investment grant programmes. £12.45m was allocated to SIIF and £1m to the Digital Inward Investment Fund (DIIF) which is another inward investment product, offering grants of £10,000-£50,000, which is designed to help small and medium sized businesses establish new operations in Leeds City Region.
- 3.2 In the context of Channel 4's investment in a new National HQ in Leeds City Region, there is an opportunity to generate greater growth in the creative and digital sector. To support this growth £1.5m has been transferred from SIIF to DIIF, reducing the SIIF fund to £10.95m and increasing the DIIF fund to £2.5m. This was progressed through a change request, approved by the Combined Authority.

### **4 Financial implications**

- 4.1 There are no financial implications directly arising from this report.

### **5. Legal implications**

- 5.1 There are no legal implications directly arising from this report.

### **6. Staffing implications**

- 6.1 There are no staffing implications directly arising from this report.

### **7. External consultees**

- 7.1 No external consultations have been undertaken. In future, it is planned to consult with Local Authority Chief Executives at an early stage in the consideration of new applications.

### **8. Recommendations**

- 8.1 That the Panel notes the progress report on the SIIF.

### **9. Background documents**

- 9.1 None.

### **10. Appendices**

- 10.1 None.






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**Report to:** Business Investment Panel

**Date:** 10 January 2019

**Subject:** Business Grants Programme

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**Director(s):** Sue Cooke, Executive Head of Economic Services

**Author(s):** Neill Fishman / Lorna Holroyd

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## 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 is grants of between £10,000 and £100,000 and the Business Flood Recovery Fund is 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 (10/12/18)
Direct jobs	4,100	2,834	2,271	n/a	5,105	3,448
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	37	561	63	661	577
Total investment	£168,500,000	£150,244,164	£161,539,498	£12,793,515	£324,577,177	£257,550,781
Programme Spend	£44,316,000	£8,791,174	£19,185,374	£2,860,375	£30,836,923	£26,818,194
Cost per job	n/a	£3,102	£8,450	n/a	£6,041	£7,778

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (10/12/18)
Cost per job (including safeguarded jobs)	n/a	£2,944	n/a	£1,856	£4,537	£5,228

- 2.2 To date commitments of £27.98 million have been made through a combination of the big and small schemes. Four applications to the small scheme, with a combined grant value of £127,679, were approved under sub-delegations in November 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, 58 are complete and £119,528 is left to pay to five businesses whose projects are still live.
- 2.5 All grant awards are listed in summary form on the LEP website and updated quarterly.<sup>1</sup>

### 3 Funding changes

- 3.1 If the volume of applications received continues at current levels, it is expected that the BGP will be fully committed by the end of September 2019. Without additional funding, this means that the programme would need to close to new applications 18 months before the end date of 31 March 2021. In order to allow delivery of the programme to continue, a request was submitted to West Yorkshire Combined Authority to seek a further £7 million of funding for the BGP, which will allow it to continue to commit grants to businesses for at least a further year to September 2020. This request was considered by Investment Committee on 5 December 2018, where it was recommended that it be approved. Combined Authority subsequently approved the request on 13 December 2018.
- 3.2 In addition, Ad:Venture, which provides support to start up and young businesses up to three years old, and Digital Enterprise, which provides assistance towards investment in information communication technologies, are two programmes delivered by Leeds City Council with match funding from Access to Capital Grants. Both submitted requests for further funding to support phase two projects. A request of £1 million was received from Ad:Venture and £750,000 from Digital Enterprise. Both requests were considered by Investment Committee on 7 November 2018 where it was recommended that they be approved. Combined Authority subsequently approved both requests on 13 December 2018.

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

- 3.3 Access Innovation, a programme delivered by the Combined Authority, which supports businesses with the development of new products and processes, and is part funded by the European Regional Development Fund with some match from Access to Capital Grants, has reduced its match funding requirement from £485,000 to £382,000.
- 3.4 The implications for the BGP budget are that there is now a total budget of £34,000,000 available from the Business Growth Programme and a further £10,316,000 from Access to Capital Grants. This gives total available funding of £44,316,000. With £30,836,923 already committed to businesses, £13,479,077 is left to commit by the end of the programme on 31 March 2021.
- 3.5 A summary of the allocation of Business Growth Programme funding is provided in the table below for information.

<b>Programme</b>	<b>Original allocation</b>
Growth Deal One	£18,000,000
Growth Deal Three	£9,000,000
LGF over programming	£7,000,000
<b>Total</b>	<b>£34,000,000</b>

- 3.6 A summary of the allocation of Access to Capital Grants funding is provided in the table below for information.

<b>Programme</b>	<b>Original allocation</b>	<b>Revised allocation</b>
Strategic Business Growth	£990,000	£990,000
Access Innovation	£485,000	£382,000
Business Grants Programme	£11,963,000	£10,316,000
Ad:venture	£1,000,000	£2,000,000
Digital Enterprise	£750,000	£1,500,000
Finance Yorkshire	£512,000	£512,000
<b>Total</b>	<b>£15,700,000</b>	<b>£15,700,000</b>

#### **4 New large programme application**

4.1 Members are asked to consider the following application. The grant applications and appraisal is attached as detailed.

<b>Project Ref</b>	<b>District</b>	<b>Total Investment £</b>	<b>Grant Requested £</b>	<b>Proposed New Jobs</b>	<b>Appendices</b>
1100964	Kirklees	1,000,000	180,000	310	1 and 2
		<b>1,000,000</b>	<b>180,00</b>	<b>310</b>	

#### **5 Financial implications**

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

#### **6 Legal implications**

6.1 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.

#### **7 Staffing implications**

7.1 There are no staffing implications directly arising from this report.

#### **8 External consultees**

8.1 No external consultations have been undertaken.

#### **9 Recommendations**

9.1 That the Panel notes the progress report.

9.2 That the Panel considers the grant applications detailed at 4.1 and attached at Appendices 1 and 2.

#### **10 Background documents**

10.1 None.

#### **11 Appendices**

**Exempt Appendix 1** - application form for project reference 1100964.

**Exempt Appendix 2** - appraisal for project reference 1100964.

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**Report to:** Business Investment Panel

**Date:** 10 January 2019

**Subject:** **Growing Places Fund Loans**

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**Director(s):** Melanie Corcoran, Director of Delivery

**Author(s):** Chris Brunold, Project Manager

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## **1. Purpose of this report**

- 1.1 To update the Panel on progress in committing loans through the Leeds City Region Enterprise Partnership (the LEP) Growing Places Fund (GPF).
- 1.2 To update the Panel on two projects with changed circumstances and one project that has completed its repayments.
- 1.3 To bring a project closure proposal to the Panel and seek feedback.

## **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 Leeds 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 programme has currently enabled the sustainment or creation of 824 jobs and the building of 693 homes of which 106 (15%) are affordable.

### GPF Capital Position

- 2.5 The capital repaid by GPF loans offered through the programme to 30 November 2018 is £10.113 million.
- 2.6 The capital anticipated in the remainder of the 2018/19 financial year is £1.296 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 £2,063 million.
- 2.8 The total capital expected beyond 31 March 2020 is £10.717 million.

### GPF Projects with Changed Circumstances

- 2.9 Two GPF projects have changed circumstances, including a partial repayment (Loan 113), and one has achieved full repayment in early December (Loan 107), so not yet showing in figures in para 2.5 above. Detail is provided for information and as this is confidential it is included in **Exempt Appendices 1, 2 and 3**.

<b>Project Ref</b>	<b>Total Loan</b>	<b>Proposed Jobs/Homes</b>	<b>Recommendation</b>
315 - changed	£800,000	24	Discuss
113 - changed	£2.45 million	40	Discuss
107 - repaid	£1.95 million	900	To Note

### GPF Project with Closure Proposal

- 2.10 Closure of one GPF project is proposed (Loan 305). Background information is provided because it is confidential in **Exempt Appendices 4 and 5**. This project affects £250,000 of the GPF which could be repaid in the near future.

## **3. Financial Implications**

- 3.1 The financial implications associated with the projects with changed circumstances and a proposed project closure as detailed in paras 2.9 and 2.10 are set out in **Appendices 1, 2, 3, 4 and 5**.

## **4. Legal Implications**

- 4.1 The information contained in **Appendices 1, 2, 3, 4 and 5** 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 loan 315 continues to be managed in line with the broad principles recommended in **Exempt Appendix 1** and any further feedback given.

7.3 That the information provided in **Exempt Appendices 2 and 3** be noted and feedback given.

7.4 That the information in **Exempt Appendices 4 and 5** be noted and a Project Closure Form be initiated through the Combined Authority's Assurance Framework and investment returned to the GPF programme for future reinvestment.

## **8. Background Documents**

None.

## **9. Appendices**

**Exempt Appendix 1** – Project 315 - changed circumstances

**Exempt Appendix 2** – Project 113 – changed circumstances

**Exempt Appendix 3** – Project 107 – project repayment details

**Exempt Appendix 4** – Project 305 – project closure proposal

**Exempt Appendix 5** – Project 305 – background information

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