

BUSINESS INVESTMENT PANEL

**MEETING TO BE HELD AT 2.00 PM ON THURSDAY, 7 MARCH 2019
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**
 1. To highlight Appendices 1, 2, 3 & 4 of Item 5, Appendices 1, 2, 3 & 4 of Item 6 and Appendices 1 & 2 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 4.1, 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, 3 & 4 of Item 5, Appendices 1, 2, 3 & 4 of Item 6 and Appendices 1 & 2 of 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 5 FEBRUARY 2019**
(Pages 1 - 4)

5. STRATEGIC INWARD INVESTMENT FUND

Led by: Lorna Holroyd
(Pages 5 - 72)

6. BUSINESS GRANTS PROGRAMME

Led by: Lorna Holroyd / Neill Fishman
(Pages 73 - 116)

7. GROWING PLACES FUND LOANS

Led by: Chris Brunold
(Pages 117 - 124)

8. DATE OF NEXT MEETING

The next meeting is 4 April 2019 at 2pm in Committee Room A, Wellington House Leeds

Signed:



**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON TUESDAY, 5 FEBRUARY 2019 AT COMMITTEE ROOM A**

Present:

Simon Wright (Deputy Chair)	Yorkshire Bank
Councillor James Lewis (Substitute)	Leeds City Council
Councillor Darren Byford	Wakefield Council
Councillor Alex Ross-Shaw	Bradford Council (from Minute 63)
Councillor Graham Swift	Harrogate Borough Council
Colin Glass OBE	WGN
Jonathan King	Medusa Holdings Ltd

In attendance:

Henry Rigg	West Yorkshire Combined Authority
Kate Thompson	West Yorkshire Combined Authority
Paul Hyde	Leeds City Council
Phil Cole	Leeds City Council
Lorna Holroyd	West Yorkshire Combined Authority
Samuel Lewis	West Yorkshire Combined Authority
Lauren Thomas	West Yorkshire Combined Authority
Megan Hemingway	West Yorkshire Combined Authority

59 Apologies for absence

Apologies for absence were received from Councillor Judith Blake, Councillor Tim Swift, Councillor Shabir Pandor, Michael Allen, Gareth Yates and Marcus Mills.

In the absence of Councillor Blake, the Deputy Chair Simon Wright chaired the meeting.

60 Declarations of disclosable pecuniary interests

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

61 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 Item 5, Appendices 1,2 and 3 of Item 6 and Appendices 1,2,3 and 4 of Item 7 on the grounds that it is likely, in view of the nature of the business to be transacted of 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.

62 Minutes of the meeting of the Business Investment Panel held on 10 January 2019

Resolved: That the minutes of the Business Investment Panel held on 10 January 2019 be approved and signed by the Chair.

63 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 asked to consider a new grant application (SIIF 007), detailed at 3.1 and attached at exempt Appendices 1 and 2.

It was agreed that further information was required by the Panel in order some specific concerns were addressed. This would be circulated to all members outside of the meeting.

Resolved:

- (i) That the update on the progress of the Strategic Inward Investment Fund be noted.
- (ii) That the Panel recommended SIIF 007 for approval, subject to further satisfactory information.

64 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).

The Panel was asked to consider the grant application for project reference 1098634 detailed at 3.1 and attached at exempt Appendices 1 and 2.

Members were provided with an update on the application project reference 1099606 attached at exempt Appendix 3.

The Panel was informed that further guidelines and clarity in relation to the criteria of grants would be provided in draft form at a future meeting.

Resolved:

- (i) That the update on progress on the Business Grants Programme be noted.
- (ii) That the Panel recommends the grant application 1098634 for approval.
- (iii) That the update on project reference 1099606 be noted.
- (iv) That the draft guidelines on lending criteria be brought to a future meeting.

65 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).

The Panel was updated on one project (loan 315) with changed circumstances, attached at exempt Appendix 1, and two projects (loans 309 and 201) that have made their final repayments, attached at exempt Appendices 2 and 3.

The Panel also considered the planned project closure (loan 104) attached in exempt Appendix 4. It was noted that this was the first project closure report for the GPF.

Simon Wright left the meeting during the discussion of exempt Appendix 1 and the Chair was taken by Councillor Graham Swift.

Resolved:

- (i) That the update on progress on the Growing Places Fund be noted.
- (ii) That the update on the changed circumstance of loan 315 be noted.
- (iii) That the information on final repayments for loans 309 and 201 be noted.
- (iv) That the information on loan 104 and its planned project closure be noted.

66 Date of next meeting

The next meeting is 7 March 2019 at 2pm in Committee Room A, Wellington House, Leeds.

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Report to: Business Investment Panel

Date: 7 March 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 (09/01/19)
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 There are no new applications for consideration at this meeting.

- 2.3 An update on project SIIF 007, which was considered at the Panel meeting on 5 February 2019, is provided at **Exempt Appendix 1**. Supplementary information is provided in **Exempt Appendices 2, 3 and 4**.

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, 2, 3 and 4** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix 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.

8. Background documents

- 8.1 None.

9. Appendices

Exempt Appendix 1 – update on application (project reference SIIF 007) considered at Panel on 5 February 2019.

Exempt Appendices 2, 3 and 4 – supplementary information relating to project reference SIIF 007.

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Report to: Business Investment Panel

Date: 7 March 2019

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 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 (15/02/19)
Direct jobs	4,100	2,923	2,357	n/a	5,280	3,607
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	39	585	63	687	594
Total investment	£168,500,000	£155,214,164	£166,776,411	£12,793,515	£334,784,090	£262,458,896
Programme Spend	£44,316,000	£9,039,674	£19,947,686	£2,860,375	£31,847,735	£27,534,124
Cost per job	n/a	£3,093	£8,465	n/a	£6,032	£7,634

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (15/02/19)
Cost per job (including safeguarded jobs)	n/a	£2,940	n/a	£1,856	£4,568	£5,206

- 2.2 To date commitments of £28.99 million have been made through a combination of the big and small schemes. 12 applications to the small scheme, with a combined grant value of £482,792, were approved under sub-delegations in January 2019.
- 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.¹

3. New large programme applications

- 3.1 Members are asked to consider the following applications. The grant applications and appraisals are attached as detailed.

Project Ref	District	Total Investment £	Grant Requested £	Proposed New Jobs	Appendices
1101231	Wakefield	£1,480,000	£148,000	12	1 & 2
1101024	Bradford	£1,059,000	£200,000	18	3 & 4
		£2,539,000	£348,000	30	

4. Update on large programme application considered at Panel on 10 January 2019

- 4.1 At Panel on 10 January 2019, Members considered an application (project reference 1100964) from a business looking to expand in Kirklees. The business had asked for grant support of £180,000, but it was recommended that the project be approved at a lower level than the level requested, as the business had a previous grant award of £126,500 in June 2017. Approving at the level requested would have taken the business over the maximum

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

£250,000 a business can be awarded in a three year period, since the introduction of the multiple applications criteria in 2018. A reduced level of £123,500 was therefore recommended. This was formally approved by the Combined Authority's Managing Director on 23 January 2019. A funding agreement is now being finalised with the business, with the business contracted to creating at least 50 jobs, at least 20 of which must be paying the real living wage.

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, 2, 3 and 4** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the 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 3.1 and attached at exempt **Appendices 1, 2, 3 and 4** and notes the update at 4.1.

10. Background documents

10.1 None.

11. Appendices

Exempt Appendix 1 - application form for project reference 1101231.

Exempt Appendix 2 - appraisal for project reference 1101231.

Exempt Appendix 3 - application form for project reference 1101024.

Exempt Appendix 4 - appraisal for project reference 1101024.

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Report to: Business Investment Panel

Date: 7 March 2019

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 Leeds City Region Enterprise Partnership (the LEP) Growing Places Fund (GPF).
- 1.2 To update the Panel on two projects 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 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 £3.498 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 718 homes of which 106 (14.7%) are affordable.

GPF Capital Position

- 2.5 The capital repaid by GPF loans offered through the programme to 31 January 2019 is £ 11.959 million.
- 2.6 The capital anticipated in the remainder of the 2018/19 financial year is £1,299,163. 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 £638,775.
- 2.8 The total capital expected beyond 31 March 2020 has increased to £10,639,060 following drawdown of loan funding in January as scheduled for approved loan 209.

GPF Projects with Changed Circumstances

- 2.9 Two GPF projects have changed circumstances. Detail is provided for information and as this is confidential it is included in **Exempt Appendices 1 and 2**.

Project Ref	Total Loan	Recommendation
315 - changed	£800,000	Discuss
109 - changed	£4,000,000	To note

3. Financial Implications

- 3.1 The financial implications associated with the projects with changed circumstances in para 2.9 are set out in **Exempt Appendices 1 and 2**.

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 update on progress in committing loans through the GPF be noted.
- 7.2 That the information provided in **Exempt Appendices 1 and 2** on projects with changed circumstances be noted and feedback given.

8. Background Documents

None.

9. Appendices

Exempt Appendix 1 – Project 315 - changed circumstances.

Exempt Appendix 2 – Project 109 – changed circumstances.

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