

BUSINESS INVESTMENT PANEL

**MEETING TO BE HELD AT 2.00 PM ON WEDNESDAY, 9 OCTOBER
2019
IN COMMITTEE ROOM A - WELLINGTON HOUSE, 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 Appendix 1 to Agenda Item 5 and Appendices 1, 2, 3 and 4 to Agenda Item 6 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 in paragraph 5.1 of Agenda Item 5 and 8.1 of Agenda Item 6.
 3. If the recommendation is accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 1 to Agenda Item 5 and Appendices 1, 2, 3 and 4 to Agenda Item 6 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 SEPTEMBER 2019**

(Pages 1 - 4)

5. STRATEGIC INWARD INVESTMENT FUND UPDATE

Led by: Lorna Holroyd

(Pages 5 - 10)

**6. BUSINESS GROWTH PROGRAMME UPDATE AND
EVALUATION**

Led by: Neill Fishman

To include Warwick Economics presentation

(Pages 11 - 64)

7. DATE OF NEXT MEETING

The next meeting will be on 7 November 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 THURSDAY, 5 SEPTEMBER 2019 AT COMMITTEE ROOM A -
WELLINGTON HOUSE, LEEDS**

Present:

| | |
|-------------------------------------|---------------------------|
| Councillor Judith Blake CBE (Chair) | Leeds City Council |
| Councillor Jane Scullion | Calderdale Council |
| Councillor Graham Swift | Harrogate Borough Council |
| Colin Glass OBE | Murray Harcourt |
| Marcus Mills | Principle Group |

In attendance:

| | |
|------------------|-----------------------------------|
| Phil Cole | Leeds City Council |
| Alan Reiss | West Yorkshire Combined Authority |
| Henry Rigg | West Yorkshire Combined Authority |
| Vincent McCabe | West Yorkshire Combined Authority |
| Chris Brunold | West Yorkshire Combined Authority |
| Alexander Clarke | West Yorkshire Combined Authority |
| Neill Fishman | West Yorkshire Combined Authority |
| Lorna Holroyd | West Yorkshire Combined Authority |
| Lauren Thomas | West Yorkshire Combined Authority |
| Janette Woodcock | West Yorkshire Combined Authority |

11. Apologies for absence

Apologies for absence were received from Councillor Shabir Pandor, Councillor Peter McBride, Councillor Alex Ross Shaw, Councillor Darren Byford, Jonathon King, Michael Allen, Gareth Yates and Simon Wright.

12. Declarations of disclosable pecuniary interests

There were no declarations of disclosable pecuniary interests.

13. 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 & 2 of Agenda Item 6, Appendices 1 & 2 of Item 7 and Appendix 1 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.

14. Minutes of the meeting of the Business Investment Panel held on 12 July 2019

Resolved: That the minutes of the Business Investment Panel held on 12 July 2019 be approved and signed by the Chair.

15. 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).

An update was provided on previously approved projects to date

It was noted that there were no new grant applications for consideration at this meeting.

Resolved: That the Panel noted the progress of the Strategic Inward Investment Fund (SIIF).

16. Business Growth Programme

The Panel considered a report to outline the current position regarding progress in committing grants through the Leeds City Enterprise Partnership (the LEP) Business Growth Programme (BGP)

The Business Investment Panel was asked to note the changes to the programme criteria, as outlined in section 3 of the report and consider the recommendation to deliver a second round of the Productivity pilot, as outlined in Section 4

Panel Members also considered the application outlined in paragraph 5.1 of the report and detailed in exempt appendices 1 and 2.

Resolved:

- (i) That the Panel noted the changes to the programme criteria.
- (ii) That the Panel considered and provided feedback to the recommendation to deliver a second round of the Productivity Pilot.
- (iii) That the Panel considered the application outlined in 5.1 and recommended the project be approved subject to conditions being met by the applicant..

17. Growing Places Fund loans

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

The Panel was updated on the progress of live projects and their current risks, attached at exempt **Appendix 1**.

Resolved:

- (i) That the update on progress on the Growing Places Fund be noted.
- (ii) That the information provided in exempt Appendix 1 on progress of live loans through the Growing Places Fund programme and risks be noted and feedback given.

18. Future Plans, Grants and Loans

The Panel was provided with an update on work on future plans for grants and loans. A verbal update was given at the meeting on progress of the first phase of this work.

Following discussions at the Business Investment Panel on 30 April and 12 July 2019, work on developing options for a new fund that responds to current market needs for business investment has progressed and further information was provided at Exempt Appendix 1.

Resolved:

- (i) That the Panel noted the update and progress on work and future plans.
- (ii) That the Panel noted the information provided in Exempt Appendix 1.
- (iii) That the Panel discussed and provided feedback to inform future activities.

19. Date of next meeting

The next meeting of the Business Investment Panel will be 9 October 2019 at 2pm, in Committee Room A, Wellington House Leeds.

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Report to: Business Investment Panel

Date: 9 October 2019

Subject: **Strategic Inward Investment Fund**

Director(s): Henry Rigg, Interim Executive Head of Economic Services

Author(s): Lorna Holroyd / Jennie Holdstock

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).
- 1.2 To note the pipeline project outlined in section 3 and exempt **Appendix 1**.

2. Information

- 2.1 Spend and outputs for SIIF are detailed below.

| Performance indicator | Target | Total commitments | Actual outputs (12/09/19) |
|-------------------------------------|--------------|-------------------|---------------------------|
| Direct jobs | 1,245 | 952 | 404 |
| Jobs safeguarded | 0 | 450 | 0 |
| Number of enterprises | 10 | 4 | 3 |
| Number of foreign owned investments | n/a | 3 | 2 |
| Number of UK owned investments | n/a | 1 | 1 |
| Total investment | £120,450,000 | £39,151,961 | £18,266,889 |
| Programme Spend | £10,950,000 | £2,853,386 | £1,653,999 |

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

3. Pipeline projects

3.1 An overview of an upcoming applicant is provided in exempt **Appendix 1**.

4. Financial implications

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

5. Legal implications

5.1 The information contained in **Appendix 1** 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.

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.

8. Recommendations

8.1 That the Panel notes the SIIF progress report.

8.2 That the Panel notes the pipeline project as outlined in exempt **Appendix 1**.

9. Background documents

9.1 None.

10. Appendices

Exempt Appendix 1 – Pipeline project.

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Report to: Business Investment Panel

Date: 9 October 2019

Subject: **Business Growth Programme - Update and Evaluation**

Director(s): Henry Rigg, Interim 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 Growth Programme (BGP).
- 1.2 That the Panel notes the update on the Productivity Pilot, as outlined in section 3.
- 1.3 That the Panel considers the applications outlined in 4.1 and detailed in exempt **Appendices 1, 2, 3, and 4**.
- 1.4 That the Panel considers the presentation by Warwick Economics and Development Ltd regarding the forthcoming BGP evaluation and provides input, as appropriate. A copy of the evaluation slides is provided in **Appendix 5**.

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 (12/09/19) |
|---|--------------|----------------------|------------------------|------------------------|-------------------|---------------------------|
| Direct jobs | 4,100 | 3,030 | 2,635 | n/a | 5,665 | 4,198 |
| Safeguarded jobs | n/a | 152 | 0 | 1,541 | 1,693 | 1,682 |
| Number of grant awards | 765 | 43 | 649 | 63 | 755 | 674 |
| Total investment | £168,500,000 | £161,599,164 | £188,596,130 | £12,793,515 | £362,988,809 | £284,882,135 |
| Programme Spend | £44,316,000 | £9,704,356 | £22,119,725 | £2,860,375 | £34,684,456 | £30,360,489 |
| Cost per job | n/a | £3,203 | £8,396 | n/a | £6,123 | £7,233 |
| Cost per job (including safeguarded jobs) | n/a | £3,050 | n/a | £1,856 | £4,714 | £5,164 |

- 2.2 To date commitments of £31.82 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 £300,816, were approved under sub-delegations in August 2019.
- 2.3 As outlined in previous Business Investment Panel papers, grants are now funded through a combination of BGP and Access to Capital Grants (A2CG), 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. Productivity Pilot

- 3.1 At its last meeting on 5 September 2019, the Panel was asked to consider a recommendation to run a second round of the Productivity Pilot. The Panel recommended that a second round be delivered in autumn 2019. The Business, Innovation and Growth Panel endorsed this recommendation at its Panel meeting on 10 September 2019 and recommended that £750,000 be ring-fenced from the overall BGP budget for this purpose.
- 3.2 The second round of the pilot will be implemented according to the following timetable:

¹ <https://www.the-lep.com/about-us/transparency/grants-for-business/>

| Activity | Date |
|---|---------------------------|
| Call opens | 1 November 2019 |
| Deadline for applications | 31 January 2020 |
| Decisions on awards | 28 February 2020 |
| Projects supported undertaken | March 2020 to August 2020 |
| Longitudinal survey of grant-recipients | March 2020 to March 2022 |

4. New large programme applications

- 4.1 There are two new applications for consideration. The application and appraisal form for each are attached as detailed.

| Project Ref | District | Total Investment £ | Grant Requested £ | Proposed New Jobs | Appendices |
|--------------------|-----------------|---------------------------|--------------------------|--------------------------|-------------------|
| 1102811 | Kirklees | 1,200,000 | 240,000 | 23 | 1 & 2 |
| 1104238 | York | 7,200,000 | 200,000 euros* | 15 | 3 & 4 |
| | | 8,400,000 | 420,000 | 38 | |

*Equivalent to £180,000 at current exchange rate of 1.112 euros/£, as at 13 September 2019.

5. Update on application considered at panel meeting on 5 September 2019

- 5.1 At Panel on 5 September 2019 members considered an application from a Leeds based manufacturer of dispensing, sealing and packaging solutions. The company is looking to increase its manufacturing capacity through investing £2.6 million in fitting out new premises and purchasing additional capital equipment. The expansion will create 25 new jobs.
- 5.2 The company requested a grant of 200,000 euros towards the project (circa £180,000 at current exchange rates), which panel members recommended for approval subject to written evidence being provided confirming that all funding is in place, along with a copy of the signed lease for the new premises.
- 5.3 Following the meeting the application was presented to the Combined Authority's Managing Director for formal approval. In principle, he was supportive of the application, but expressed concerns that the company had not included any apprentices within the proposed new job numbers. This has been conveyed to the company which has indicated that it is willing to incorporate apprentices, but as at the date of the writing of this update (18 September 2019) had not formally come back with a number. As such, the application has, as yet, not been formally approved.

6. Business Growth Programme Evaluation

- 6.1 The Combined Authority recently went out to tender to secure a consultancy to undertake an evaluation of the BGP, April 2015 onwards. The successful

tenderer was Warwick Economics and Development Ltd (WEDL) based in Birmingham. It undertook the initial evaluation of the programme for the period February 2013 to March 2015 and also has extensive experience of evaluating a wide range of publicly funded business support projects and programmes.

- 6.2 The evaluation will commence in September 2019 and be concluded by the end of November 2019. Since April 2015, over 700 grants totalling £33.2 million have been offered to businesses across Leeds City Region and these will form the primary basis of the evaluation. WEDL will engage directly with grant recipients, both by telephone and via an on-line survey, along with a wider range of stakeholders. Key elements of the evaluation brief are:
- What net additional impact has the programme had, particularly in terms of job creation and generating private sector investment?
 - Is the current delivery model appropriate for delivery of future, similar programmes?
 - Productivity improvements - has grant intervention helped to improve this at firm level?
 - Further employment impacts - have later stages of development aided through the programme helped to increase employment?
 - Catalytic impacts - have investments that have been enabled through the programme driven other changes and improvements, i.e. new products, new markets and/or further investment?
 - Engagement benefits - have companies supported through the programme accessed further services and support through the Combined Authority or other agencies, which have helped to drive other improvements?
 - To what extent have grant interventions contributed to the wider inclusive growth ambitions of the Combined Authority?
 - Wider lessons learnt that will influence delivery of future programmes.
- 6.3 A presentation will be made at today's Panel meeting by WEDL regarding the forthcoming evaluation. A copy of the evaluation slides is provided in **Appendix 5**.

7. Financial implications

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

8. Legal implications

- 8.1 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.

9. Staffing implications

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

10. External consultees

10.1 No external consultations have been undertaken.

11. Recommendations

11.1 That the Panel notes the progress report.

11.2 That the Panel notes the update on the Productivity Pilot, as detailed in section 3.

11.3 That the Panel considers the grant applications detailed at 4.1 and attached at exempt **Appendices 1, 2, 3, and 4**.

11.4 That the Panel considers the forthcoming BGP evaluation and provides input, as appropriate.

12. Background documents

None.

13. Appendices

Exempt Appendix 1 - application form for project reference 1102811.

Exempt Appendix 2 - appraisal for project reference 1102811.

Exempt Appendix 3 - application form for project reference 1104238.

Exempt Appendix 4 - appraisal for project reference 1104238.

Appendix 5 – BGP evaluation.

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Evaluation of the Business Growth Programme

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BIP Meeting
9 October 2019



**West
Yorkshire**
Combined
Authority

Agenda Item 6
Appendix 5

Scope



- The evaluation aims to **assess the impact and effectiveness of the programme since 2015**
- Specific study objectives are to:
 - Review BGP processes (application, appraisal and selection, management, governance, delivery)
 - Assess the nature and scale of the (net) additional impact of the programme
 - Explore differences in processes and impacts associated with large and small schemes
 - Recommendations – in particular approach to appraising projects to ensure that the net additionality emerging and benefits for the local economy are maximised

Key Study Methods



- Consultations with Growth Managers and other BGP stakeholders
- Review of BGP performance data and MIS/FIS systems
- 61 Review of BGP documentation (application forms, delivery plans, strategic planning documents)
- Business survey of all supported
- Detailed discussions with 20/25 businesses that have been supported
- Discussions with businesses that have not received support or withdraw from the process

BIP Early Feedback and Guidance



- What are the key strengths of BGP?
- How does the programme compare with other business support programmes?
- 62 • Are there any aspects of the programme that need to be improved?
- Are there any (other) specific issues to be explored by the evaluation?

Key WECD Contacts

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