

## **BUSINESS INVESTMENT PANEL**

**MEETING TO BE HELD AT 2.00 PM ON THURSDAY, 7 NOVEMBER  
2019  
IN COMMITTEE ROOM A - WELLINGTON HOUSE, 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 and 3 to Agenda Item 5; Appendices 1 and 2 to Agenda Item 6; Appendix 1 to Agenda Item 7 and Appendix 1 to 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 in paragraph 6.1 of Agenda Items 5 and 6 respectively and paragraph 4.1 of Agenda Items 7 and 8 respectively.
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 Appendices 1, 2 and 3 to Agenda Item 5; Appendices 1 and 2 to Agenda Item 6; Appendix 1 to Agenda Item 7 and Appendix 1 to 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 9 OCTOBER 2019**

(Pages 1 - 4)

**5. STRATEGIC INWARD INVESTMENT FUND**

Led by: Lorna Holroyd

(Pages 5 - 46)

**6. BUSINESS GROWTH PROGRAMME**

Led By: Neill Fishman

(Pages 47 - 78)

**7. GROWING PLACES FUND LOANS UPDATE**

Led by: Chris Brunold

(Pages 79 - 86)

**8. FUTURE FUNDING UPDATE**

Led by: Leanne Walsh

(Pages 87 - 130)

**9. DATE OF NEXT MEETING**

The date of the next meeting will be on 3 December 2019 at 11am, in Committee Room A, Wellington House Leeds.

**Signed:**

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

**Managing Director  
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE  
BUSINESS INVESTMENT PANEL  
HELD ON WEDNESDAY, 9 OCTOBER 2019 AT COMMITTEE ROOM A -  
WELLINGTON HOUSE, LEEDS**

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**Present:**

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

Leeds City Council  
Wakefield Council  
Kirklees Council  
Bradford Council  
Harrogate Borough Council  
NatWest Bank  
Principle Management  
Ward Hadaway

**In attendance:**

Joe Sankey  
Georgia Siora  
Phil Cole  
Henry Rigg  
Vincent McCabe  
Lorna Holroyd  
Neill Fishman  
Lauren Thomas  
Megan Hemingway

Warwick Economics  
Warwick Economics  
Leeds City Council  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority

**20. Apologies for absence**

Apologies for absence were received from Councillor Jane Scullion, Simon Wright, Jonathan King and Colin Glass.

**21. Declarations of disclosable pecuniary interests**

Michael Allen disclosed a disclosable pecuniary interest in relation to Business Growth Programme Item 6, Exempt Appendices 1 & 2.

**22. 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 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.

**23. Minutes of the meeting of the Business Investment Panel held on 5 September 2019**

**Resolved:** That the minutes of the Business Investment Panel held on 5 September 2019 be approved and signed by the Chair.

**24. The Panel Strategic Inward Investment Fund update**

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).

Members attention was drawn to Table 2.1 and the foreign versus UK business data, which was a new addition.

It was noted that there were no new grant applications. There had previously been an exempt **Appendix 1** detailing an upcoming applicant, however this had subsequently been withdrawn due to the application not progressing.

Members discussed the State Aid routes used to support projects and whether any other State Aid options could be considered for future projects. Members asked for a more detailed paper to be brought to the next meeting for consideration.

**Resolved:**

(i) That the Panel noted the SIIF progress report.

**25. Business Growth Programme Update and Evaluation**

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

The Panel noted the update on the Productivity Pilot and that round two was due to launch in a few weeks, as per the timetable provided in paragraph 3.2.

Panel members considered the grant application outlined in paragraph 4.1 and detailed in exempt **Appendices 1 and 2**. Michael Allen left the room for this discussion.

It was noted that the previously provided exempt **Appendices 3 and 4** had subsequently been withdrawn due to the application not progressing.

A presentation was given to members by Warwick Economics and

Development Limited (WEDL) on an evaluation of the BGP that WEDL is currently undertaking. Members were invited to consider slide 4 regarding Early Feedback and Guidance.

The following comments were made:

- Could the BGP expand beyond the capital grant focus.
- A number of districts viewed the programme as being good, simple and straight forward and one of the best they had access to.
- The Business Investment Panel was provided with sound in-depth information which enabled much valuable discussion.
- Promotion of the programme could be improved to encourage a broader range of applicants.

The Panel felt that it would benefit from seeing case studies of previously supported projects.

WEDL confirmed that it will review comparative schemes delivered in other parts of the country to consider best practice examples.

**Resolved:**

- (i) That the Panel noted the progress report.
- (ii) That the Panel noted the update on the Productivity Pilot, as detailed in section 3.
- (iii) That the Panel considered and recommended for approval the grant application detailed in 4.1 and attached at exempt **Appendices 1 and 2**.
- (iv) That the Panel considered the forthcoming BGP evaluation as given in the presentation and provided input, as appropriate.

**26. Date of next meeting**

The date of the next meeting will be on 7 November 2019 at 2pm, in Committee Room A, Wellington House Leeds.

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**Report to:** Business Investment Panel

**Date:** 7 November 2019

**Subject:** **Strategic Inward Investment Fund**

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

**Author(s):** 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) Strategic Inward Investment Fund (SIIF).
- 1.2 That the Panel considers the application outlined in 3.1 and detailed in exempt **Appendices 1 and 2**.
- 1.3 That the Panel considers utilisation of Disadvantaged Workers as a State Aid route to support projects, as outlined in exempt **Appendix 3**.

## 2. Information

- 2.1 Spend and outputs for SIIF are detailed below.

Performance indicator	Target	Total commitments	Actual outputs (17/10/19)
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

### 3. New applications

- 3.1 There is one new application for consideration. The application and appraisal form are attached as detailed.

Project Ref	District	Total Investment	Grant Requested	Proposed New Jobs	Appendices
SIIF 008	Leeds	£534,000 (cap ex) £3,137,458 (total project cost)	€200,000	70	1 and 2
		<b>£3,137,458</b>	<b>€200,000</b>	<b>70</b>	

### 4. State Aid

- 4.1 The Panel is asked to consider the State Aid routes used to support projects and whether Disadvantaged Workers could be utilised as an additional option to support future SIIF projects as detailed in exempt **Appendix 3**.

### 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 and 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 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 SIIF progress report.



- 9.2 That the Panel considers the grant application detailed at 3.1 and attached at exempt **Appendices 1 and 2**.
- 9.3 That the Panel considers utilisation of Disadvantaged Workers as a State Aid route to support projects, as outlined in exempt **Appendix 3**.

**10. Background documents**

- 10.1 None.

**11. Appendices**

**Exempt Appendix 1** – Application form for project reference SIIF 008.

**Exempt Appendix 2** – Appraisal for project reference SIIF 008.

**Exempt Appendix 3** – Disadvantaged workers.

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**Report to:** Business Investment Panel

**Date:** 7 November 2019

**Subject:** **Business Growth Programme**

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**Director(s):** Henry Rigg, Interim 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 Growth Programme (BGP).
- 1.2 That the Panel considers the applications outlined in 3.1 and detailed in exempt **Appendices 1 and 2**.

## 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 (21/10/19)
Direct jobs	4,100	2,903	2,667	n/a	5,570	4,357
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	44	656	63	763	680
Total investment	£168,500,000	£164,199,164	£190,104,646	£12,793,515	£367,097,325	£291,111,483
Programme Spend	£44,316,000	£9,878,269	£22,366,163	£2,860,375	£35,104,807	£30,662,282

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (21/10/19)
Cost per job	n/a	£3,403	£8,388	n/a	£6,303	£7,038
Cost per job (including safeguarded jobs)	/a	£3,233	n/a	£1,856	£4,834	£5,078

- 2.2 To date commitments of £32.24 million have been made through a combination of the big and small schemes. Five applications to the small scheme, with a combined grant value of £164,777, were approved under sub-delegations in September 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.<sup>1</sup>

### 3. New large programme applications

- 3.1 There is one new application for consideration. The application and appraisal form are attached as detailed.

Project Ref	District	Total Investment £	Grant Requested £	Proposed New Jobs	Appendices
1106423	Wakefield	2,916,000	250,000	74	1 and 2
		<b>2,916,000</b>	<b>250,000</b>	<b>74</b>	

### 4. Update on application considered at panel meeting on 9 October 2019

- 4.1 At panel on 9 October 2019 members considered an application from a small Kirklees based engineering and fabrication business looking to invest £1.2 million in two new items of capital equipment in order to increase capacity, efficiency and productivity. The company requested a grant of £240,000 towards the investments (based on a contribution of 20% of cost), which will lead to the creation of 23 new jobs, including three apprentices. Panel members recommended that the application be supported at the level requested. The application was formally approved by the Combined

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

Authority's Managing Director on 21 October 2019. A formal funding agreement is in the process of being drawn up.

**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 3.1 and attached at exempt **Appendices 1 and 2**.

**10. Background documents**

None.

**11. Appendices**

**Exempt Appendix 1** - application form for project reference 1106423.

**Exempt Appendix 2** - appraisal for project reference 1106423.

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**Report to:** Business Investment Panel

**Date:** 7 November 2019

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

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**Director(s):** Marc Cole, Interim 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 Growing Places Fund (GPF).
- 1.2 To update the Panel on one project with changed circumstances.

**2. Information**

Growing Places Fund update

- 2.1 The Growing Places Fund (GPF) began in 2012 offering loans to support projects that required additional capital funding to deliver jobs and economic growth and to unlock stalled developments post-recession, within a timescale of five years or less. The fund was open to all businesses and organisations of any size based in or looking to invest in the Leeds City Region. Any future loans are currently on hold pending the launch of a new investment strategy – please refer to agenda item 8.
- 2.2 The total original GPF allocation from Government was £35.5 million of which £4.007 million remains unallocated. The Fund typically sought private sector leverage on the basis of 1:3.
- 2.3 Loan repayments are held separately and can be reinvested into any future fund. The LEP Board has approved the principal of a proportion of the returned capital being reinvested in the future (see agenda item 8).
- 2.4 The programme has currently enabled the sustainment or creation of 847 jobs and the building of 785 homes of which 106 (13.8%) are affordable.

### GPF Capital Position

- 2.5 The capital repaid by GPF loans offered through the programme to 18 October 2019 is £17.232 million.
- 2.6 The capital anticipated in the remaining 2019/20 financial year is £76,419.
- 2.7 To summarise, the anticipated GPF balance as at 31<sup>st</sup> March 2020 is expected to be £21.315m from remaining allocation (para 2.2) and returned capital (paras 2.5 and 2.6), although there is a risk that projects with GPF loan funding may not pay to the agreed repayment schedule.
- 2.8 The capital anticipated in 2020/21 is a further £2.490 million.
- 2.9 The total capital expected beyond 31 March 2021 is £4.983 million.

### GPF Projects with Changed Circumstances

- 2.10 One project GPF 315 has changed circumstances, and detail is provided for information in **Exempt Appendix 1**.

## **3. Financial Implications**

- 3.1 The financial implications associated with the project at para 2.10 are set out in **Exempt Appendix 1**.

## **4. Legal Implications**

- 4.1 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 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 Appendix 1** be noted.

**8. Background Documents**

None.

**9. Appendices**

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

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**Report to:** Business Investment Panel

**Date:** 7 November 2019

**Subject:** Future Plans, Grants and Loans

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**Director(s):** Marc Cole, Interim Director of Delivery

**Author(s):** Leanne Walsh, Programme Manager, Delivery

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## 1. Purpose of this report

- 1.1 To update the Business Investment Panel on the future plans for grants and loans activity which Deloitte are progressing on behalf of the LEP/Combined Authority.

## 2. Information

- 2.1 Following discussions at the Business Investment Panel on 30 April, 12 July 2019 and 5 September, work has continued on the future plans for grants and loans proposals and Deloitte are now advising on the shape of an Investment Strategy and the processes and procedures which need to be considered in order to aid robust and agile due diligence and decision making in respect of investment applications, once a new fund is launched.
- 2.2 The launch of a new fund is expected to be in early 2020/21 to ensure there is enough time to agree, finalise and implement new governance arrangements through the LEP Board / Combined Authority.
- 2.3 A key deliverable from this phase of Deloitte's commission is the production of an Investment Strategy. The purpose of the strategy is to guide the implementation and operation of the Leeds City Region's future funding programme. It is proposed that the future funding programme will start with an initial launch of products and will grow over time to expand with an increased product offer.

The draft strategy:

- Identifies and defines new products forming part of the future funding programme

- Sets out for consideration agile decision making structures which appraise commercial investment proposals
- Details requirements for undertaking robust due diligence for the investment of specific capital funds
- Defines the governance and monitoring arrangements, and sets out parameters for ongoing management arrangements of a future investment portfolio; and
- Builds in scalability for future growth in investment products, or for new products

2.4 A draft version of the strategy is included in **Exempt Appendix 1**.

### **3. Financial implications**

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

### **4. Legal implications**

4.1 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.

### **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 Investment Strategy provided in **Exempt Appendix 1** be noted, discussed and feedback given.

### **8. Background documents**

8.1 None.

### **9. Appendices**

9.1 **Exempt Appendix 1** – Draft Investment Strategy for future funding operation.



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