

BUSINESS INVESTMENT PANEL

**MEETING TO BE HELD AT 11.00 AM ON TUESDAY, 3 DECEMBER
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 Appendices 1 and 2 to Agenda Item 5 and Appendices 1, 2 and 3 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 6.1 of Agenda Item 5 and paragraph 7.1 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 Appendices 1 and 2 to Agenda Item 5 and Appendices 1, 2 and 3 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 7 NOVEMBER 2019**

(Pages 1 - 4)

5. STRATEGIC INWARD INVESTMENT FUND UPDATE

Led by: Lorna Holroyd

(Pages 5 - 40)

6. BUSINESS GROWTH PROGRAMME

Led by: Neill Fishman

(Pages 41 - 70)

7. DATE OF NEXT MEETING

The date of the next meeting will be on 5 February 2020 at 2pm, in Committee Room A, Wellington House Leeds.

Signed:

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

**Managing Director
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON THURSDAY, 7 NOVEMBER 2019 AT COMMITTEE ROOM A -
WELLINGTON HOUSE, LEEDS**

Present:

Councillor Judith Blake CBE (Chair)
Councillor Darren Byford
Councillor Peter McBride
Councillor Alex Ross-Shaw
Councillor Jane Scullion
Michael Allen
Colin Glass OBE
Jonathan King
Gareth Yates

Leeds City Council
Wakefield Council
Kirklees Council
Bradford Council
Calderdale Council
NatWest Bank
WGN
Medusa Holdings Ltd
Ward Hadaway

In attendance:

Neville Baldry
Carl Wright
Vincent McCabe
Kate Thompson
Henry Rigg
Phil Cole
Lorna Holroyd
Neill Fishman
Chris Brunold
Tony Corby
Lauren Thomas
Megan Hemingway

Clive Owen
Clive Owen
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
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

27. Apologies for absence

Apologies for absence were received from Councillor Shabir Pandor, Councillor Graham Swift, Marcus Mills and Simon Wright.

28. Declarations of disclosable pecuniary interests

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

29. 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 & 3 of Agenda Item 5, Appendices 1 & 2 of Item 6, Appendix 1 of Agenda 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.

30. Minutes of the meeting of the Business Investment Panel held on 9 October 2019

Resolved: That the minutes of the Business Investment Panel held on 9 October 2019 be approved and signed by the Chair.

31. 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 considered the new grant application outlined in 3.1 and detailed in exempt Appendices 1 and 2.

Members considered the utilisation of Disadvantaged Workers as a State Aid route to support projects, as outlined in exempt Appendix 3 and presented by guests from Clive Owen.

Resolved:

- (i) That the Panel noted the SIIF progress report.
- (ii) That the Panel considered and recommended for approval the grant application outlined in 3.1 and attached at exempt appendices 1 and 2.
- (iii) That members comments were noted in regard to the utilisation of Disadvantaged Workers as a State Aid route to support projects.
- (iv) That the Panel recommended that the Disadvantaged Workers, State Aid route be utilised to support future projects.

32. Business Growth Programme

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).

Panel members considered the grant applications outlined in paragraph 3.1

and detailed in exempt Appendices 1 and 2. Michael Allen left the room for this discussion.

It was noted that an objection was raised in principle as to funding movement of jobs from one area of the Leeds City Region to another.

Resolved:

- (i) That the Panel noted the progress report.
- (ii) That the Panel considered and recommended for approval the grant application detailed in 3.1 and attached at exempt Appendices 1 and 2.

33. Growing Places Fund loans update

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).

It was reported that additionally there would be a further 90 homes to be added to the total benefits achieved by next panel meeting. Members also noted that over £17 million capital had been repaid to date.

The panel was updated on the progress of one project (project 315) with changed circumstances, 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 the changed circumstances and financial implications of project 315 be noted; and that both the sub-group members' and the panel's feedback be noted.

34. Future Funding Update

The Panel was provided with an update on work on future plans for grants and loans activity which Deloitte are progressing on behalf of the Combined Authority.

Following discussions at the Business Investment Panel on 30 April, 12 July 2019 and 5 September 2019, 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 in early 2020/21 Financial Year.

The draft strategy in exempt appendix 1 was considered by members. It will now go to the November 2019 Leeds City Region Enterprise Partnership (The LEP) Board and is then anticipated to come back to panel in early 2020.

Resolved:

- (i) That the Panel noted the update and progress on work and future plans.
- (ii) That the Panel considered the draft Investment Strategy provided in exempt appendix 1 and that their comments and feedback be noted.

35. 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.



Report to: Business Investment Panel

Date: 3 December 2019

Subject: **Strategic Inward Investment Fund**

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

2. Information

- 2.1 Spend and outputs for SIIF are detailed below.

Performance indicator	Target	Total commitments	Actual outputs (12/11/19)
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 009	York	£993,000	€200,000	114	1 and 2
		£993,000	€200,000	114	

4. Update on application considered at Panel meeting on 7 November 2019

- 4.1 At its Panel meeting on 7 November 2019, Members considered an application from a business looking to open a new site in Leeds. The business requested a grant of €200,000 towards the investment, which will create 70 new jobs including five apprenticeships. Members recommended that the application be supported at the level requested. The application was formally approved by the Combined Authority's Managing Director on 12 November 2019.

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 SIF progress report.

9.2 That the Panel considers the grant application detailed at 3.1 and attached at exempt **Appendices 1 and 2**.

10. Background documents

10.1 None.

11. Appendices

Exempt Appendix 1 – Application form for project reference SIF 009.

Exempt Appendix 2 – Appraisal for project reference SIF 009.

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Report to: Business Investment Panel

Date: 3 December 2019

Subject: **Business Growth Programme**

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 considers the applications outlined in 3.1 and detailed in exempt **Appendices 1 and 2**.
- 1.3 That the Panel notes the update on previously approved projects as outlined in 4.3 and attached at exempt **Appendix 3**.

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 (14/11/19)
Direct jobs	4,100	3,085	2,679	n/a	5,764	4,408
Safeguarded jobs	n/a	152	0	1,541	1,693	1,691
Number of grant awards	765	44	659	63	766	688

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (14/11/19)
Total investment	£168,500,000	£161,741,592	£190,885,411	£12,787,881	£365,414,884	£293,540,939
Programme Spend	£44,316,000	£10,065,784	£22,451,345	£2,854,742	£35,371,870	£31,035,243
Cost per job	n/a	£3,263	£8,382	n/a	£6,137	£7,041
Cost per job (including safeguarded jobs)	/a	£3,110	n/a	£1,853	£4,744	£5,089

- 2.2 To date commitments of £32.52 million have been made through a combination of the big and small schemes. Eight applications to the small scheme, with a combined grant value of £264,793, were approved under sub-delegations in October 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 £2.85 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 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
1105916	Leeds	1,339,200	133,920	18	1 and 2
		1,339,200	133,920	18	

4. Update on application considered at panel meeting on 7 November 2019

- 4.1 At panel on 7 November 2019 members considered an application from a Kirklees based business engaged in the design and manufacture of bespoke automation machinery. Owing to growth being experienced, it needs to move to new, larger premises in order to facilitate further growth. A 70,000 square building in Ossett (Wakefield district) has been identified, which requires

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

investment of £2.916 million in fit-out and additional machinery to make it fit for operational purpose. The company requested a grant of £250,000 towards the investment, which will create up to 74 new jobs, including 14 for apprentices. Panel members recommended that the application be supported at the level requested. The application was formally approved by the Combined Authority's Managing Director on 12 November 2019. A formal funding agreement is in the process of being drawn up.

5. Update on previously approved applications

- 5.1 An update is provided at **Appendix 3** regarding two previously approved projects, Ref: 1099606 and 1103454 that have had offers withdrawn since the last panel meeting on 7 November 2019.

6. Financial implications

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

7. Legal implications

- 7.1 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.

8. Staffing implications

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

9. External consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Panel notes the progress report.
- 10.2 That the Panel considers the grant applications detailed at 3.1 and attached at exempt **Appendices 1 and 2**.
- 10.3 That the Panel notes the update on previously approved projects as outlined in 5.1 and attached at exempt **Appendix 3**.

11. Background documents

None.

12. Appendices

Exempt Appendix 1 - application form for project reference 1105916.

Exempt Appendix 2 - appraisal for project reference 1105916.

Exempt Appendix 3 - update on project references 1099606 and 1103454.

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