

BUSINESS INVESTMENT PANEL

MEETING TO BE HELD AT 2.00 PM ON WEDNESDAY, 11 MARCH 2020
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 1,2,3,4 and 5 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 3.1 of Agenda Item 5 and 11.2 and 11.3 as set out in 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 1,2,3,4 and 5 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 3 DECEMBER 2019**
(Pages 1 - 4)
- 5. STRATEGIC INWARD INVESTMENT FUND**
(Pages 5 - 42)
- 6. BUSINESS GROWTH PROGRAMME**
(Pages 43 - 106)
- 7. DATE OF NEXT MEETING 2 APRIL 2020**

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 TUESDAY, 3 DECEMBER 2019 IN COMMITTEE ROOM A -
WELLINGTON HOUSE, LEEDS**

Present:

Simon Wright (Deputy Chair)
Councillor Jane Scullion
Colin Glass OBE
Jonathan King
Gareth Yates

Yorkshire Bank
Calderdale Council
WGN
Medusa Holdings Ltd
Ward Hadaway

In attendance:

Councillor Peter McBride
Simon Middleton
Carl Wright
Phil Cole
Vincent McCabe
Neill Fishman
Lorna Holroyd
Lauren Thomas
Janette Woodcock

Kirklees Council
City of York Council
Clive Owen
Leeds City Council
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority

36. Apologies for absence

In the absence of Councillor Judith Blake, the meeting was chaired by Simon Wright.

Apologies for absence were received from Councillor Judith Blake, Councillor Shabir Pandor, Councillor Darren Byford, Councillor Alex Ross-Shaw, Councillor Graham Swift, Michael Allen and Marcus Mills.

37. Declarations of disclosable pecuniary interests

There were no items of disclosable pecuniary interests declared at the meeting.

38. 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 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 business to be transacted or the nature of the proceeds, 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.

39. Minutes of the meeting of the Business Investment Panel held on 7 November 2019

That the minutes of the Business Investment Panel held on 7 November 2019 be approved and signed by the Chair.

40. Strategic Inward Investment Fund update

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

The Panel considered the new grant application outlined in paragraph 3.1 and detailed in exempt Appendices 1 and 2.

Resolved:

- (i) That the SIF Progress report be noted.
- (ii) That the grant application outlined in paragraph 3.1 and detailed in exempt Appendices 1 and 2 be recommended for approval.

1. 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 applications outlined in 3.1 and detailed in exempted Appendices 1 and 2 and was asked to note the update on previously approved projects as outlined in 4.3 and attached at exempt Appendix 3.

Resolved:

- (i) That the progress report be noted.
- (ii) That the grant applications detailed in 3.1 and attached at exempt Appendices 1 and 2 be recommended for approval.
- (iii) That the update on previously approved projects as outlined in 5.1 and attached at exempt Appendix 3 be noted.

. **Date of next meeting**

The next meeting will be held on the 5 February 2020

This page is intentionally left blank



Report to: Business Investment Panel

Date: 11 March 2020

Subject: **Strategic Inward Investment Fund**

Director(s): Brian Archer, Director 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 (19/02/20)
Direct jobs	1,245	1,136	404
Jobs safeguarded	0	450	0
Number of enterprises	10	6	3
Number of foreign owned investments	n/a	3	2
Number of UK owned investments	n/a	3	1
Total investment	£120,450,000	£45,182,491	£18,266,889
Programme Spend	£10,950,000	£3,192,496	£1,653,999

- 2.2 To date, commitments of £3.19 million have been made, linked to the creation of 1,136 new jobs and the safeguarding of a further 450.

3. New applications

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

Project Ref	District	Total Investment	Grant Requested	Proposed New Jobs	Appendices
010	Kirklees	£2,765,000	€200,000	56	1 & 2

4. Update on application considered at Panel meeting on 3 December 2019

- 4.1 At its Panel meeting on 3 December 2019, Members considered an application from a business looking to open an office in York. The business requested a grant of €200,000 towards the investment, which will create 114 new jobs. Members recommended that the application be supported at the level requested. The application was formally approved by the Combined Authority's Managing Director on 9 December 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 SIIF 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 010.

Exempt Appendix 2 – appraisal for project reference 010.

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank



Report to: Business Investment Panel

Date: 11 March 2020

Subject: **Business Growth Programme**

Director(s): Brian Archer, Director 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 at 3.1 and detailed in exempt **Appendices 1 to 4**.
- 1.3 That the Panel notes the update at 4.1 and attached at exempt **Appendix 5**.
- 1.4 That the Panel notes the findings of the evaluation as detailed in section 6 and attached at **Appendix 6**.

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 (19/02/20)
-----------------------	--------	----------------------	------------------------	------------------------	-------------------	---------------------------

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (19/02/20)
Direct jobs	4,100	3,084	2,818	n/a	5,902	4,574
Safeguarded jobs	n/a	152	0	1,541	1,693	1,691
Number of grant awards	765	44	690	63	797	716
Total investment	£168,500,000	£160,784,089	£201,361,501	£12,787,881	£374,933,471	£306,802,017
Programme Spend	£44,316,000	£10,029,704	£23,642,140	£2,854,742	£36,526,585	£32,356,144
Cost per job	n/a	£3,252	£8,391	n/a	£6,189	£7,074
Cost per job (including safeguarded jobs)	n/a	£3,099	n/a	£1,853	£4,810	£5,165

- 2.2 To date commitments of £33.67 million have been made through a combination of the big and small schemes. Seven applications to the small scheme, with a combined grant value of £419,440, were approved under sub-delegations in January 2020.
- 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 are two new applications for consideration. The applications and appraisals are attached as detailed.

Project Ref	District	Total Investment	Grant Requested	Proposed New Jobs	Appendices
1107986	Bradford	£1,350,000	£168,350*	20	1 & 2
1109942	Kirklees	£3,370,000	£170,000	10.5	3 & 4
		£4,720,000	£338,350	30.5	

*Equivalent to 200,000 euros as at 25 February 2020.

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

4. Update on application considered at panel meeting on 3 December 2019

- 4.1 At Panel on 3 December 2019 members considered an application from a printing and direct mail business based in Leeds. The application related to the direct mail arm of the business. The company requested a grant of £133,920 towards an investment of £1,339,200 in two new items of machinery to enable it to move away from packaging and distributing mail which is currently wrapped in polyester to being wrapped in paper, which brings with it significant environmental benefits. The investments will create a total of 18 new jobs, plus two apprentices. The jobs will be created very quickly within a six-month period, with the exception of the apprentices, which will be staggered over a 12 to 18-month period.
- 4.2 Panel members were supportive of the application (but with conditions), and it was formally approved by the Combined Authority's Managing Director on 9 December 2019. A more detailed update can be found at Appendix 5.

5. Productivity Pilot

- 5.1 The second round of the Productivity Pilot launched on 1 November 2019, with businesses invited to complete applications by 31 January 2020. The pilot aims to incentivise productivity improvements within a small cohort of businesses, rather than requiring projects to lead to the creation of new jobs.
- 5.2 15 applications have been received with a combined grant request of £970,208 against the budget allocation of £750,000. Three applications have been received from businesses in Barnsley, two from Bradford, two from Harrogate, four from Kirklees and four from Leeds. Eight applicants are small businesses (with fewer than 50 employees), three are medium businesses (50-249 employees) and four are large businesses (250 or more employees). The applications will be considered in late February 2020 by a panel with representation from the private sector and academia, with decisions following in early March 2020.

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 commenced in September 2019 and the final report was presented in February 2020. WEDL have engaged 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 were:
- 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 evaluation findings. A copy of the evaluation slides is provided in **Appendix 6**.

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, 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 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 considers the grant applications detailed at 3.1 and attached at exempt **Appendices 1 to 4**.

11.3 That the Panel notes the update at 4.1 and attached at exempt **Appendix 5**.

11.4 That the Panel notes the findings of the evaluation as detailed in section 6 and attached at **Appendix 6**.

12. Background documents

12.1 None.

13. Appendices

Exempt Appendix 1 – application form for project reference 1107986.

Exempt Appendix 2 – appraisal for project reference 1107986.

Exempt Appendix 3 – application form for project reference 1109942.

Exempt Appendix 4 – appraisal for project reference 1109942.

Exempt Appendix 5 - update on project reference 1105916.

Appendix 6 – BGP evaluation.

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Evaluation of the Business Growth Programme

Main Findings

11 March 2020



Working in partnership
with the West Yorkshire
Combined Authority

Scope of the Evaluation



- The evaluation aims to **assess the effectiveness and impact 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 – What would have happened in the absence of support? Is the support adding any value?
 - Explore differences in processes and impacts associated with large and small schemes
 - Recommendations – where the funding is adding value to maximise benefits for the local economy

Approach



- Consultations with Growth Managers and other BGP stakeholders (30 interviews)
- Review of BGP performance data and MIS/FIS systems
- Review of BGP documentation (application forms, delivery plans, strategic planning documents)
- Business survey – 91 responses
- Further detailed discussions with 15/20 businesses that have been supported
- Discussions with businesses that have not received support or withdraw from the process

Key Findings



Progress of the programme (1)



	Targets to March 2021	Up to December 2019	
		Actual	Approved
BGP Funding	£44,316,000	£27,003,080	£32,796,657
<i>% of BGP target</i>		60.9%	74%
Jobs (<u>created & safeguarded</u>)	3,660	4,634.50	5,837.50
<i>% of BGP target</i>		126.6%	159.5%
Match Funding	£175,000,000	£260,988,258	£321,252,985
<i>% of BGP target</i>		149.1%	183.6%
Businesses Supported	490	638 (716 projects – 546 completed)	
<i>% of BGP target</i>		130.2%	

An additional 70 projects: 63 flooding and 7 productivity
 → 1,541 jobs safeguarded

Performance for jobs, business supported and match funding has been particularly strong - with deliverables to date already exceeding the overall funding targets in both these areas

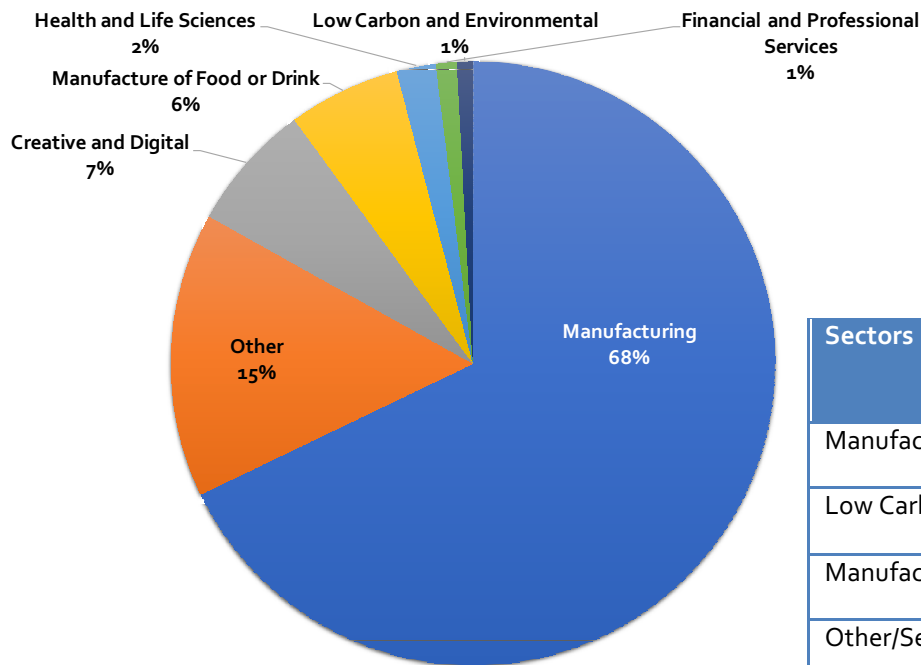
Progress of the programme (2)

- ✓ 94% of the BGP grants have been up to £100,000 – representing 69.4% of the total BGP funding awarded to date
- ✓ With just over a year to the end of the funding period (March 2021), three quarters (75%) of projects awarded a BGP grant to date have been completed and nearly three quarters (74%) of the overall allocated BGP funding has been awarded
- ✓ Two thirds of the grants (74%) are in Manufacturing
- ✓ 63.5% of BGP grants have been awarded to businesses located in Leeds, Bradford and Kirklees, while 55% of all businesses in the City Region (and 57% of all manufacturing) can be found in these three districts

Sectoral Distribution



% Projects



- Most grants in manufacturing
- Grants in creative and digital most efficient– amounting to one job per every £3,318 spent (thus far)

Sectors	Grant Awarded	Actual Jobs	Grant per actual job £
Manufacturing	66.1%	52.3%	8,937
Low Carbon and Environmental	0.5%	0.5%	7,098
Manufacture of Food or Drink	6.7%	7.2%	6,610
Other/Sector Not specified	17.5%	21.1%	5,870
Financial and Professional Services	0.6%	1.1%	3,945
Health and Life Sciences	2.6%	4.8%	3,760
Creative and Digital	6.1%	13.0%	3,318
Total	100.0%	100.0%	7,080

New research and innovative design + increased exports for local businesses

Spatial Distribution

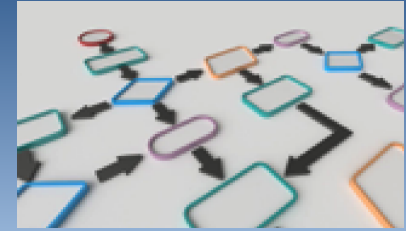


100

	Number of BGP Grants %	Amount of BGP Funding (%)	City Region Business Stock located in the district %
Leeds	29.5	27.9	27.3
Bradford	16.3	17.3	14.4
Kirklees	17.7	14.8	13.2
Wakefield	9.9	12.9	9.5
Harrogate	3.6	3.1	8.2
Calderdale	13.6	14.4	7.6
York	2.0	1.8	7.1
Barnsley	4.8	5.8	6.0
Selby	0.6	0.8	3.5
Craven	1.9	1.0	3.3
The City Region	100.0	100.0	100.0

- 63.5% of BGP grants have been awarded to businesses located in Leeds, Bradford and Kirklees, while 55% of all businesses in the City Region (and 57% of all manufacturing) can be found in these three districts
- Calderdale is the district that is getting the relatively high grant considering the size of its business stock

Processes and Delivery



Businesses:

- ✓ **91%** rated the programme as 'very good' or 'good'
- ✓ **98%** would recommend the programme to other businesses
- ✓ Support and information provided by the BGP team was viewed very positively by businesses: **95%** said the ongoing support they received was 'excellent' or 'good'

Stakeholders:

- ✓ **Funding:** Other funding streams can be less generous than BGP, or not results specific enough, with the BGP's social value return seen as an important part of the overall offer
- ✓ **Focus:** The sectoral focus of the Programme is seen as reasonable, but the move towards focusing more on productivity in the future would be welcome
- ✓ **Process:** The process through which the BGP delivers assistance is seen as far more streamlined and straightforward than other funding schemes

Business Benefits & Impacts



- ✓ 85.5% of the business survey respondents stated that they have created additional jobs as a result of the project funded by the BGP
- ✓ According to most businesses (82%), the BGP also led to improvements in productivity and turnover
- ✓ Additionality:
 - For nearly a quarter of respondents (24%), **the activity would not have gone ahead without the BGP funding.**
 - Time: **36% of businesses responding to the survey stating that it would have taken them longer to have the same results without the BGP funding**
 - Scale: 33% stating that the activity would have gone ahead but it would be of smaller scale

Contribution to the Local Economy



- ✓ **Gross impact: 4,635 jobs (equivalent to GVA increase by almost £245m)**
- ✓ **Net impact: 3,511 jobs (equivalent to GVA increase by 185 million)**
- ✓ **GVA in the City Region increased by some £1.7bn between 2015 and 2017, 11% by the BGP**

Contribution to the Local Economy



Additional benefits has been generated by the BGP grants for the regional economy including support for inclusive growth and wider economic social impacts, e.g.:

- ✓ Increased apprenticeships and training (165 to date)
- ✓ Real living wages and national living wages contribution
- ✓ Contribution to community and employees wellbeing
- ✓ Increased energy efficiency awareness among local businesses
- ✓ Built business confidence within the region



Thank you

Georgia Siora
gsiora@w-ecd.com

This page is intentionally left blank