

BUSINESS INVESTMENT PANEL

**MEETING TO BE HELD AT 10.00 AM ON WEDNESDAY, 2 SEPTEMBER
2020**

TO BE LIVESTREAMED HERE:

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ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWS**

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 and 2 to Agenda Item 5 and Appendix 1 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 11.1 and 11.2 of Agenda Item 5 and paragraph 8.1 and 8.2 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 and 2 to Agenda Item 5 and 1 of 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 11 MARCH 2020**
(Pages 1 - 4)
- 5. BUSINESS GROWTH PROGRAMME**
(Pages 5 - 38)
- 6. GROWING PLACES FUND**
(Pages 39 - 50)
- 7. DATE OF NEXT MEETING 6 OCTOBER 2020**

Signed:

A handwritten signature in black ink, appearing to be 'BDM', with a long horizontal line extending from the bottom of the letters.

**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON WEDNESDAY, 11 MARCH 2020 AT COMMITTEE ROOM A -
WELLINGTON HOUSE, LEEDS**

Present:

Councillor Judith Blake CBE (Chair)
Councillor Shabir Pandor
Councillor Jane Scullion
Michael Allen
Colin Glass OBE
Jonathan King

Leeds City Council
Kirklees Council
Calderdale Council
NatWest Bank
WGN
Medusa Holdings Ltd

In attendance:

Georgia Siora
Phil Cole
Neill Fishman
Bev Foster
Lorna Holroyd
Henry Rigg
Jennifer Robson
Lauren Thomas
Janette Woodcock

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
West Yorkshire Combined Authority

43. Apologies for absence

In the absence of Councillor Judith Blake, who had been delayed, the meeting was Chaired by Councillor Jane Scullion.

Apologies for absence were received from Councillors Graham Swift, Darren Byford, Alex Ross Shaw, Simon Wright, Marcus Mills and Gareth Yates.

44. Declarations of disclosable pecuniary interests

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

45. 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 1,2,3,4 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.

46. Minutes of the meeting of the Business Investment Panel held on 3 December 2019

Resolved: That the minutes of the Business Investment Panel held on 3 December 2019 be approved and signed by the Chair.

47. Strategic Inward Investment Fund

The Panel considered a report to outline the current position regarding the progress in committing grants through the Leeds City Region 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 contents of 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.

48. Business Growth Programme

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

The Panel was asked to consider the applications outlined at 3.1 and detailed in exempt appendices 1 to 4, note the update at 4.1 and attached at exempt Appendix 5 and note the findings of the evaluation as detailed in section 6 and attached at Appendix 6.

Resolved:

- (i) That the progress report be noted.
- (ii) That the Panel agreed that the application for project reference

1107986 be recommended for approval.

- (iii) That the Panel agreed not to recommend for approval the application for project reference 1109942
- (iv) That the update at 4.1 and attached at exempt Appendix 5 be noted.
- (v) That the findings of the evaluation by Giorgia Siora as detailed in section 6 and attached at Appendix 6 be noted.

49. Date of next meeting 2 April 2020

The meeting scheduled for 2 April 2020 has been cancelled.

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Report to: Business Investment Panel

Date: 2 September 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 application outlined at 3.1 and detailed in exempt **Appendices 1 and 2.**
- 1.3 That the Panel notes the updates at 4.1, 5.1, 6.1 and 7.1.

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 provides grants of over £100,000, the small scheme grants of between £10,000 and £100,000 and the Business Flood Recovery Fund grants of £5,000 to £100,000 for businesses affected by the Boxing Day Floods of 2015 (note that this programme is now closed to new applications) and also the floods of February 2020.

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (31/07/20)
Direct jobs	4,100	3,121	2,952	n/a	6,073	4,826
Safeguarded jobs	n/a	152	0	1,541	1,693	1,691
Number of grant awards	765	46	743	69	858	764
Total investment	£168,500,000	£164,921,689	£218,939,207	£13,357,217	£397,218,114	£326,707,385

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (31/07/20)
Programme Spend	£44,316,000	£10,697,704	£25,525,641	£3,062,913	£39,286,258	£35,064,899
Cost per job	n/a	£3,428	£8,647	n/a	£6,469	£7,266
Cost per job (including safeguarded jobs)	n/a	£3,268	n/a	£1,988	£5,059	£5,381

- 2.2 To date commitments of £36.22 million have been made through a combination of the big and small schemes, with a further £3.06 million awarded through the Business Flood Recovery Fund.
- 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 Local Growth Fund.
- 2.4 All grant awards are listed in summary form on the LEP website and updated quarterly.¹

3. New large programme application

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

Project Ref	District	Total Investment	Grant Requested	Proposed New Jobs	Appendices
1114135	York	£1,469,000	£200,000	16	1 & 2
		£1,469,000	£200,000	16	

4 Updated on previously circulated application

- 4.1 Panel members will recall that an grant application from a Leeds-based manufacturer of a range of health care related products was circulated via e-mail towards the end of July 2020. The application was submitted in anticipation of the company receiving a high value, medium to long-term contract from Central Government/NHS to manufacture re-usable surgical gowns in response to the COVID-19 pandemic. This was to follow on from an initial £1.73 million order the company has already received.
- 4.2 Investments included in the application totalled £240,000 and related to purchase of a Computer Numerically Controlled (CNC) machine to cut material and installation of a mezzanine floor to increase storage capacity. The recommendation was to approve the application for £120,000, which

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

represents 50% of cost, as opposed to the standard 20% for small businesses based against the projected creation of 10 new jobs. The higher intervention rate was recommended on the basis that the investments were being made in direct response to the current pandemic, but with the caveat that the company provided written evidence of a contract/programme of future orders. Panel members were supportive of the recommendation on that basis. The company has stated that it has been given a verbal indication that future orders will be forthcoming, but as yet has not received anything formally in writing. As such, it will not commit to the proposed investments until it does, and therefore the application is still pending. Panel members will be kept abreast of any future developments.

5. Update on Productivity Pilot (Rounds 1 and 2)

- 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 were received from businesses across Leeds City Region (the City Region) with a combined grant request of £970,208 against a budget allocation of £750,000. The applications were considered in late February 2020 by a panel with representation from the private sector and academia, with decisions made in March 2020.
- 5.3 Of 15 applications received, 10 were formally approved. The cumulative value of awards was £731,992, contributing towards investments totalling just over £7.5 million. With one exception, all awards were made to businesses within the manufacturing sector. In terms of geographical split, three awards were made to businesses in Leeds, two each in Bradford, Harrogate and Kirklees and one in Barnsley. Encouragingly, six awards were made to small businesses (< 50 employees), with two to medium sized businesses (50 - 249 employees) and the same to large businesses (> 250 employees). All investments being supported through the second round of the pilot are anticipated to be complete by the end of quarter three, 2020/21.
- 5.4 Impact and findings from Productivity Pilot Round 1, which took place in early 2019 and supported seven businesses, are still being gathered and will be reported to the next meeting in October.

6. Business Flood Recovery Fund

- 6.1 In February this year parts of the City Region were badly affected by the impact of Storms Ciara and Dennis. The hardest hit district was Calderdale, along with small parts of Bradford, Kirklees, Leeds and Wakefield. In response to this, and as it did following the Boxing Day Floods of 2015, the LEP has made available a Business Flood Recovery Fund (BFRF). This will support businesses, many of whom are unable to obtain affordable flood insurance cover in high risk areas, with capital related investments that will enable them to return to pre-flood levels of operation and also safeguard employment.

- 6.2 Indicatively, the LEP has made up to £3 million available for the fund, with grants of between £5,000 and £50,000 available on a 50:50 match funding basis. As at 18 August 2020 only eight applications had been received, six from businesses in Calderdale and two in Wakefield. These have a cumulative value of £266,317, of which £241,367 has formally been approved for seven businesses, with £24,950 pending awaiting further information from one applicant. At this stage, it is not anticipated that much above £0.5 million will be spent on the fund.

7. Additional Funding

- 7.1 The Combined Authority/LEP has recently been successful in accessing over £50 million of funding from the Government's 'Getting Building Fund'. £7 million of the allocation will be used to extend the current capital grants programmes into 2021/22, thereby providing existing businesses in the region, and new investors, with ongoing access to funding to support their investments. It is proposed that the new allocation will be managed in a more responsive and flexible manner to meet demand by utilising the full range of current products as required i.e. Business Growth Programme, Access to Capital Grants, Strategic Inward Investment Fund and the two Digital funds (#Welcome and #Grow).

8. Financial implications

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

9. Legal implications

- 9.1 The information contained in **Appendices 1 & 2** 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.

10. Staffing implications

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

11. External consultees

- 11.1 No external consultations have been undertaken.

12. Recommendations

- 12.1 That the Panel notes the progress report.
- 12.2 That the Panel considers the grant application detailed at 3.1 and attached at exempt **Appendices 1 & 2**.
- 12.3 That the Panel notes the updates at 4.1, 5.1, 6.1 and 7.1.

13. Background documents

13.1 None.

14. Appendices

Exempt Appendix 1 - application form for project reference 1114135.

Exempt Appendix 2 - appraisal for project reference 1114135.

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Report to: Business Investment Panel

Date: 2 September 2020

Subject: **Growing Places Fund**

Director: Melanie Corcoran, Director of Delivery

Author: Kate Thompson

1. Purpose of this report

- 1.1 To update the Panel on progress in committing loans through the Growing Places Fund (GPF).

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. The Fund typically sought private sector leverage on the basis of 1:3. Any future loans are currently on hold pending the launch of a new investment strategy which is expected later in 2020.
- 2.2 The total original GPF capital allocation from Government was £33.5 million with a revenue element of £2.7 million. Leeds City Council (who were initially accountable for the fund on behalf of the Leeds City Region Enterprise Partnership [the LEP]) made a decision to revise the figures to £35.5 million capital and £0.7 million revenue. In March 2020 senior officers of the Combined Authority approved reverting back to the original split of funding due to increased revenue demands on the Fund. The revised capital funding allocation for investment into future loan activity has therefore been revised to £1.988 million.
- 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 and options for a new loan fund are being led by the Economic Services directorate.

GPF Capital Position

- 2.4 The capital repaid by GPF loans offered through the programme to 07 August 2020 is £17.960 million.
- 2.5 The capital anticipated in the remaining 2020/21 financial year is £0.41m.
- 2.6 To summarise, the anticipated GPF balance as at 31st March 2021 is £20.356 million from remaining allocation (para 2.2) and returned capital (paras 2.5 and 2.6).
- 2.7 The capital anticipated in 2021/22 is a further £2.38 million.
- 2.8 The total capital expected beyond 31 March 2022 is £4.06 million.

GPF Projects with Changed Circumstances

- 2.9 One GPF project has changed circumstances and detail is provided in **Exempt Appendix 1**.

Project Ref	Total Loan	Recommendation
210	£1.5 million	To Note

GPF Programme Risks

- 2.10 During the prevailing economic conditions and as a result of the Coronavirus pandemic it can be reasonably predicted that businesses in receipt of a Combined Authority loan may seek to vary the conditions of their repayments, e.g. request a repayment holiday and reprofiling of repayments, or payment of interest only for a period with deferral of capital payments until next or final repayment date.

As part of the Combined Authority's continuing economic response and to ensure timely decision making and appropriate support to businesses, the approval has been sought from the Investment Committee to delegate authority to the Section 73 officer, upon receipt of a written request from a loan holder and giving consideration to all relevant matters, to approve and vary any terms of repayment of individual Growing Places Fund loans, with any variations to be subsequently reported to the Business Investment Panel for information.

3. Clean Growth Implications

- 3.1 There are no clean growth implications directly arising from this report.

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 appendices 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 update on progress in committing loans through the GPF be noted.
- 8.2 That the information provided in **Exempt Appendix 1** be noted.

9. Background Documents

None.

10. Appendices

- 10.1 **Exempt Appendix 1 – Loan 201, Changed Circumstances**

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