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**Report to:** Business Investment Panel

**Date:** 5 September 2019

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

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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 To update the Panel on changes to the SIIF criteria as outlined in section 3.
- 1.3 To update the Panel on the launch of a new grant scheme, the Digital Investment Fund (#Grow) as outlined in section 4.

## 2. Information

- 2.1 Spend and outputs for SIIF are detailed below.

Performance indicator	Target	Total commitments	Actual outputs (01/08/19)
Direct jobs	1,245	952	404
Number of enterprises	10	4	3
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. Criteria

- 3.1 Recent reports from the Department for International Trade indicate that Foreign Direct Investment (FDI) levels have fallen nationally along with a significant reduction in the number of new jobs created. In order to make the

fund more flexible and responsive to market needs, particularly in view of uncertainties in the current economic climate, LEP Board approved changes to the programme criteria at its meeting in July 2019. A summary of the revised criteria is included at **Appendix One**.

- 3.2 From 1 July 2019, all successful SIIF applicants are now subject to the Combined Authority's inclusive growth criteria. In addition to creating/safeguarded jobs, successful applicants will be required to undertake additional inclusive growth commitments, for example working with local schools or identifying options for sustainable travel for employees. The inclusive growth criteria are attached at **Appendix Two**.

#### **4. Digital Investment Funds**

- 4.1 A total of £13.45m was awarded to the West Yorkshire Combined Authority through the Growth Deal for use on inward investment grant programmes. £12.45m was allocated to SIIF and £1m to the Digital Inward Investment Fund (#Welcome) which is another inward investment product, offering grants of £10,000-£50,000. This is designed to support small and medium sized businesses from the sector establish new operations in Leeds City Region.
- 4.2 In the context of Channel 4's investment in a new National HQ in Leeds City Region, there is an opportunity to generate enhanced growth in the creative and digital sector. To support this growth, in May 2019 Investment Committee and Combined Authority approved a change to transfer £1.5m from SIIF to #Welcome. A new grant scheme, #Grow, has been developed to support creative and digital businesses with an existing presence in the City Region. The SIIF currently stands at £10.95m, with £2.5m allocated to support #Welcome and #Grow.
- 4.3 To date, £289,000 has been committed through #Welcome to support seven projects, which will lead to the creation of at least 57 new jobs.
- 4.4 #Grow has been developed to complement #Welcome and will be launched at Halifax Digital Festival in September 2019. The priority sub-sectors for the fund are:
- Creative industries (including creative content e.g. TV, film and media and creative services);
  - IT, software and hardware;
  - Cyber securities and data protection technologies;
  - Smart technology, smart cities, Internet of Things and new technologies.
- 4.5 The criteria for #Grow were approved by LEP Board on 18 July 2019. A summary of the criteria is included for information in **Appendix Three**. Grant awards will be approved under delegated authority by the Head of Business Support (for grants of up to £25,000) and the Executive Head of Economic Services (for grants of up to £50,000).

**5. Financial implications**

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

**6. Legal implications**

6.1 There are no legal implications directly arising from this report.

**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 notes the changes to the SIIF criteria as outlined in section 3 and Appendix 1.

9.3 That the Panel notes the launch of the Digital Investment Fund (#Grow) as outlined in section 4.

**10. Background documents**

10.1 None.

**11. Appendices**

**Appendix 1** – SIIF criteria

**Appendix 2** – Inclusive Growth criteria

**Appendix 3** – Digital Investment Fund (#Grow) criteria