

Strategic Inward Investment Fund (SIIF) – Criteria changes

Context and rationale for change

Recent reports from Ernest and Young and the Department for International Trade indicate that Foreign Direct Investment (FDI) levels are down nationally along with a significant reduction in the number of new jobs created.

The characteristics and nature of enquiries into the Trade and Investment team over the past two years have mirrored national trends whereby the large majority of enquiries are emanating from the digital, technology and business services sectors.

The fund is now halfway through delivery and with less than two years remaining until the fund ends in March 2021 there is limited time remaining to approve new projects.

The large scale of SIIF projects means that timescales to approve grant applications takes an average of between 3 - 4 months (to approve applications above £250,000). On this basis, it is anticipated that any further projects would need to come forward before the end of the year (2019) for the projects to be delivered and for the grants to be defrayed before March 2021.

To date, 1,009 jobs have been contracted through SIIF and the Digital Inward Investment Fund (#Welcome), with a further 450 jobs safeguarded (giving a total of 1,459 jobs). 406 of these jobs have been created to date.

At programme level, if all of the contracted jobs materialise, the job outputs for the programme will be exceeded based on existing commitments.

Key changes

- To bring the job creation requirement for UK owned businesses in line with foreign owned businesses, such that projects must create/safeguard at least 50 new jobs.
- To consider projects safeguarding jobs as well as those creating new jobs.
- To consider projects that are nationally mobile, as well as those that are internationally mobile.
- To consider projects bringing new economic activity to the region as a high priority, even where there is an existing presence in the region (for example a business bringing a head office or shared services function to the region where there is an existing manufacturing facility).
- To consider projects from small and medium sized enterprises, as well as those from large businesses.

New criteria

Category	Priority level	Location	Ownership	Jobs Potential	Rationale
A	High	No existing presence in LCR (unless new economic activity)	Foreign owned or UK owned	>50 new additional jobs	Priority opportunity – to attract new economic activity to Leeds City Region, resulting in job creation in priority sectors. Internationally or nationally mobile.
B	High	Existing presence in LCR	Foreign owned	>50 new or safeguarded jobs	<p>Priority opportunity – to support the growth or safeguarding of foreign owned firms in Leeds City Region, creating or safeguarding jobs and leveraging overseas investment. Projects may be internationally or nationally mobile and competitive.</p> <p>Safeguarding projects will be considered if Brexit or other (perhaps unforeseeable) shocks place pressures on businesses, which may be mitigated in part through funding support.</p>
C	Medium	Existing presence in LCR	UK owned	>50 new or safeguarded jobs	<p>In recognition of Brexit and other (perhaps unforeseeable) shocks which may place pressures on businesses, which may be mitigated in part through funding support. Where these firms employ large numbers within LCR and are in a priority sector it may be strategically important to safeguard those roles.</p> <p>Or an existing business with a project to bring new economic activity to the City Region.</p>

Previous criteria

Category	Priority level	Location	Ownership/size	Jobs Potential	Rationale
A	High	No presence in LCR	Foreign owned	>50 new additional jobs	Priority opportunity – to attract new economic activity to Leeds City Region, resulting in job creation in priority sectors. Brand new economic activity at national level.
B	High	Existing presence in LCR	Foreign owned	>50 new additional jobs	Priority opportunity – to support the growth of foreign owned firms in Leeds City Region, creating jobs and leveraging overseas investment. Projects may be internationally mobile and competitive.
C	Medium	No presence in LCR	UK owned	>150 new additional jobs	Priority opportunity – to secure new economic activity to Leeds City Region, resulting in job creation in priority sectors. Must be internationally mobile.
D	Medium	Existing presence in LCR	Large UK owned	>150 new additional jobs	Lower priority given lower additionality, however projects of this type could still meet LCR strategic priorities around job creation, GVA growth and priority sectors. Projects must be internationally mobile.
E	Low	Existing presence in LCR	Foreign owned	>500 safeguarded jobs	Not a current high priority, however it is acknowledged that Brexit and other (perhaps unforeseeable) shocks may place pressures on international businesses, which may be mitigated in part through funding support. Where these firms employ large numbers within LCR and are in a priority sector it may be strategically important to safeguard those roles.