
Report to: Business Investment Panel

Date: 7 November 2019

Subject: **Future Plans, Grants and Loans**

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1. Purpose of this report

- 1.1 To update the Business Investment Panel on the future plans for grants and loans activity which Deloitte are progressing on behalf of the LEP/Combined Authority.

2. Information

- 2.1 Following discussions at the Business Investment Panel on 30 April, 12 July 2019 and 5 September, 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.
- 2.2 The launch of a new fund is expected to be in early 2020/21 to ensure there is enough time to agree, finalise and implement new governance arrangements through the LEP Board / Combined Authority.
- 2.3 A key deliverable from this phase of Deloitte's commission is the production of an Investment Strategy. The purpose of the strategy is to guide the implementation and operation of the Leeds City Region's future funding programme. It is proposed that the future funding programme will start with an initial launch of products and will grow over time to expand with an increased product offer.

The draft strategy:

- Identifies and defines new products forming part of the future funding programme

- Sets out for consideration agile decision making structures which appraise commercial investment proposals
- Details requirements for undertaking robust due diligence for the investment of specific capital funds
- Defines the governance and monitoring arrangements, and sets out parameters for ongoing management arrangements of a future investment portfolio; and
- Builds in scalability for future growth in investment products, or for new products

2.4 A draft version of the strategy is included in **Exempt Appendix 1**.

3. Financial implications

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

4. Legal implications

4.1 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 appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

5. Staffing implications

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

6. External consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the Investment Strategy provided in **Exempt Appendix 1** be noted, discussed and feedback given.

8. Background documents

8.1 None.

9. Appendices

9.1 **Exempt Appendix 1** – Draft Investment Strategy for future funding operation.