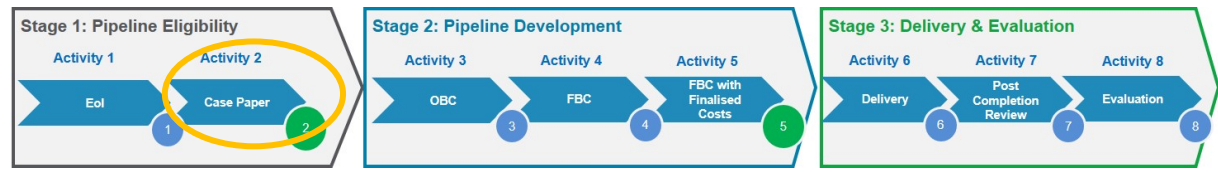


Scheme Summary

Name of Scheme:	Strategic Inward Investment Fund
PMO Scheme Code:	GD-PA1-009
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	David Shepherd
Lead Promoter Contact:	Sam Lewis
Applicable Funding Stream:	Growth Deal
Growth Fund Priority Area (if applicable):	Priority 1 Growing Business
Forecasted Full Approval Date (Decision Point 5):	21 July 2017
Forecasted Completion Date:	31 March 2021
Total Scheme Cost (£):	£12.45m + match funding
WYCA Funding (£):	£12.45m
Total other public sector investment (£):	None
Total other private sector investment (£):	£104.81m (match funding)
Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	N/A
Current Funding Allocation:	£13.45m of Growth Deal 3 funding, of which £12.45m will be allocated towards the Strategic Inward Investment Fund.

Current Assurance Process Activity:



Scheme Description:

This is a scheme to support inward investing businesses to locate in Leeds City Region. The scheme was outlined in the Leeds City Region submission to Growth Deal 3 and £12.45m of funding was allocated towards the Strategic Inward Investment Fund.

A scheme will be designed subject to the applicable State Aid regulations which will enable the region to compete against UK and international locations to win ‘mobile’ projects from eligible inward investor businesses. Applicants will be required to complete full business case applications demonstrating strong claims for additionality and the incentive effect. Specialist advice has been obtained on the State Aid Regulations that will be used in order to establish the scope of the offer to businesses.

The scheme is specifically intended to support larger companies with projects which will make a substantial impact in terms of job creation and wider economic outputs. For this reason we expect applications to be for funding support larger than £0.25m and, in the main, lower than £1m. However, there will be no upper limit on the size of applications. This will directly complement the Business Growth Programme which provides grants of up to £0.25m.

The scheme will run until 2021 and we will support the creation of over 600 net new jobs to the Leeds City Region, supporting 15 strategic inward investing businesses in the City Region’s priority sectors.

Business Case Summary:

Strategic Case	The project addresses Priority 1 of the SEP through supporting new investment into the region in priority sectors that will boost business growth and productivity, and is likely to support export growth as international companies are more likely to export goods or services or to have international networks.
Commercial Case	<p>Leeds City Region is competing both nationally and internationally to win new investment from businesses either expanding or relocating mobile operations.</p> <p>Increasingly we have found that the region is unable to compete against regions with greater devolved funding powers including other city regions and the Devolved Administrations of Scotland, Wales and Northern Ireland</p> <p>In these cases the ability of these regions to help to financially de-risk projects by inward investors can be critical in winning the business case for investment</p> <p>There is an opportunity to use the money allocated under Growth Deal 3 as a scheme to help win the business case for critical new investment projects in priority sectors (to be introduced to strategic inward investors where a funding or business case gap exists).</p>

Economic Case	<ul style="list-style-type: none"> • Successful inward investment projects - 15 • New jobs created - 600 • Take up of office or industrial space – 50,000 sq ft • Match funding of at least £104,809,500 (assuming private sector leverage of 9:1)
Financial Case	<p>The majority of funding will be used for grants with only £0.155m retained to support the costs of specialist or legal advice on individual application forms.</p>
Management Case	<p>We have a pipeline of c.90 projects of which around 16 are likely to create over 100 new jobs. This is the profile of investment we are seeking and almost all of these current projects are likely to meet the selection criteria for the fund.</p> <p>We receive new investment enquiries on a regular basis and this fund will significantly transform the competitiveness of our region in seeking to secure these projects.</p> <p>Our team has a staff of 9 who deal directly with investors on a daily basis and are well positioned to hold discussions of this nature and to drive take-up of the grant scheme.</p> <p>We will utilise external resource where there is a necessity for specialist advice – this will either be drawn from the scheme funding or will be procured by the applicant business. We will also seek external legal advice on State Aid on a case-by-case basis as relevant.</p> <p>Application forms are currently in the process of being designed and will in many ways match those of the current Business Growth Programme.</p> <p>The appraisal and approval process will also broadly match those of the Business Growth Programme, minimising the need to convene additional panels, groups or develop additional expertise.</p> <p>There will be no active marketing for this scheme as the purpose is to support selective inward investment enquiries, which will already be live contacts for the inward investment team. Meeting the selection criteria will depend upon the criticality of the grant support – i.e. the incentive effect and the additionality argument. We will be seeking to support high value and high job projects.</p> <p>We expect to be operational from July and have allocated internal resource to ensure that the necessary work can be undertaken to this timescale.</p>