

Public Document Pack



Tuesday, 21 June 2022

To: Members of the MCA - Business Recovery and Growth Board and Appropriate Officers

You are hereby invited to a meeting of the South Yorkshire Mayoral Combined Authority to be held at **South Yorkshire MCA, 11 Broad Street West, Sheffield, S1 2BQ**, on: **Thursday, 30 June 2022 at 2.00 pm** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read 'D. Smith'.

Dr Dave Smith
Chief Executive/ Head of Paid Service



You can view the agenda and papers at www.sheffieldcityregion.org.uk or use a smart phone camera and scan the QR code

Member Distribution

Mayor Ros Jones CBE (Co-Chair)
Neil MacDonald (Co-Chair)

Councillor Denise Lelliott
Councillor Chris Lamb
Councillor Martin Smith
Sharon Kemp
Richard Stubbs

Jim Dillon

Doncaster MBC
Private Sector LEP Board
Member
Rotherham MBC
Barnsley MBC
Sheffield City Council
Rotherham MBC
Private Sector LEP Board
Member
SYMCA Executive Team

MCA - Business Recovery and Growth Board

Thursday, 30 June 2022 at 2.00 pm

Venue: South Yorkshire MCA, 11 Broad Street West, Sheffield,
S1 2BQ



Agenda

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Date of next meeting: Thursday, 1 September 2022 at 2.00 pm			
At: South Yorkshire MCA, 11 Broad Street West, Sheffield, S1 2BQ			

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MCA - BUSINESS RECOVERY AND GROWTH BOARD**MINUTES OF THE MEETING HELD ON:****THURSDAY, 10 FEBRUARY 2022 AT 2.00 PM****VIRTUAL MEETING****Present:**

Neil MacDonald (Chair)	Private Sector LEP Board Member
Mayor Ros Jones CBE (Co-Chair)	Doncaster MBC
Alexa Greaves	Private Sector LEP Board Member
Councillor Glyn Jones	Doncaster MBC
Sharon Kemp	Rotherham MBC
Councillor Denise Lelliott	Rotherham MBC
Richard Stubbs	Private Sector LEP Board Member
Councillor Paul Turpin	Sheffield City Council

In Attendance:

Jim Dillon	Interim Director of Business and Skills	South Yorkshire MCA
Rachel Clark	Assistant Director Trade & Investment	South Yorkshire MCA
Paul Mitchell	Senior Programme & Performance Manager	South Yorkshire MCA
Muz Mumtaz	Assistant Director - Development and Business Support	South Yorkshire MCA
Joseph Quinn	Innovation Project Director	South Yorkshire MCA
Sue Sykes	Assistant Director - Programme and Performance Unit	South Yorkshire MCA
Charli Taylor	Head of Controls	South Yorkshire MCA
Bev Foster	Development Manager (Development Hub)	South Yorkshire MCA
Andrew Armstrong	Development Manager (Special Projects)	South Yorkshire MCA
David Moore	Senior Business Development Manager-International Markets	South Yorkshire MCA
Stephen Burrows	Senior Business Development Manager	South Yorkshire MCA
Kate Cole-Hamilton	PA to Jim Dillon, Interim Director of Business & Skills	South Yorkshire MCA
Andrew Shirt	Minute Taker	Joint Authority Governance Unit

Apologies:

Councillor Jim Andrews BEM	Barnsley MBC
Gareth Sutton	South Yorkshire MCA

1 **Welcome and Apologies**

The Chair welcomed everyone to the meeting.

Jim Dillon, Interim Director of Business and Skills at the MCA was also welcomed by the Chair to his first formal meeting of the Business Recovery and Growth Board. Jim provided the Board with an overview of his previous employment history and said that he looked forward to working with the Board.

Apologies for absence were noted as above.

2 **Declarations of Interest by individual Members in relation to any item of business on the agenda.**

Members declared interests in respect of item 7 regarding schemes in their own council areas.

3 **Urgent items / Announcements**

None.

4 **Public Questions of Key Decisions**

None.

5 **Minutes of the Previous Meeting**

RESOLVED – That the minutes of the meeting held on 12 January 2022 be agreed as a true record.

6 **Business Advisor Proposal (Verbal)**

M Mumtaz provided the Board with a verbal update on the Renewal Action Plan (RAP) Business Advisors proposal.

At its January meeting, the MCA Board had approved the virement of funds to continue the provision of RAP Business Advisors for a further 12 months.

The Board noted that a Delivery Implementation Plan had been developed.

B Foster reported that one-to-ones had been held with all of the RAP Business Advisors to discuss funding for the next 12 months, KPIs, outputs and updating contracts with Bloom.

In addition, a mapping exercise was being undertaken to obtain a database of knowledge around the expertise of the Business Advisors, which could then be used when supporting businesses further across the region.

Councillor Turpin reported that both CRM and City Region Forms were currently being completed when reporting-back. He asked if this inefficient method could be addressed.

M Mumtaz replied that active discussions were taking place with the local authorities around how the CRM data could be managed and shared more effectively with the aim of arriving at a conclusion that avoided duplication.

In response to a query from Councillor Turpin, M Mumtaz said that the findings from the mapping exercise would be presented to the Growth Hub Board within the next month for examining and further discussion. It was confirmed that the mapping exercise would be undertaken rigorously and independently. The findings would also be assessed by the Business Support Delivery Agents.

In response to a question from Mayor Jones, it was confirmed that each local authority would retain its four individual RAP Advisors.

RESOLVED – That the Board noted the report.

7 **Business Growth Projects Update**

This item was exempt by virtue of Paragraph 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

A report was submitted which provided an update as to the current approved Business Development projects and wider Investment team activity to stimulate interest in the South Yorkshire region. Changes in project status and additions since the October update were highlighted.

R Clark informed the Board that the MCA were currently working with a number of projects, where either, there was no financial ask, or no support ask. It was reported that there had been a minor change in the MCA's assurance process, to allow projects to be presented at future Board meetings earlier to provide Members with details of the projects which the Team were currently working on, prior to a financial ask being presented for the Board's approval.

It was noted that an Assurance Update would be presented at the Board's next formal meeting.

ACTION R Clark.

Following discussion, the Board requested that G Sutton provides the Board with further details of the proposals and the timeframe for developing an Investment Fund.

ACTION: J Dillon via G Sutton.

RESOLVED – That the Board noted the report.

8 **India Programme Progress Update**

A paper was presented which provided the Board with an update on activity within the India Programme, following papers presented to the Board in March 2021 which outlined the key activities for the year, including the establishment of the South Yorkshire India Advisory Board.

The Board was reminded that, in 2017, the SYMCA commissioned the UK India Business Council (UKIBC) to develop an India Engagement Strategy for the City Region to grow trade and investment. The task set by the SYMCA was to produce a Strategy for 2025 and beyond that:

- Increase FDI inflows by 10% into SYMCA from India;
- Increase exports by 10% from SYMCA to India;
- Increase in number of Indian students by 10% studying at both Sheffield Universities; and
- Increase in Indian tourism to Sheffield by 10%.

The Board noted that all activity undertaken during 2020/21 and 2021/22 had been aimed at contributing to these outcomes.

Whilst restrictions brought about through the COVID-19 pandemic had impacted on some of the planned activity, progress had been made across the key five themes that underpin the four strategic objectives. Updates were presented in the paper and noted by the Board.

In addition, the paper also provided the Board with details of other activity undertaken during the year and upcoming activities in planning scheduled to take place over the next several months.

In response to a question from Councillor Turpin, S Burrows confirmed that discussions were currently taking place around hosting the Indian High Commissioner, her team and a business delegation to South Yorkshire in March. This would provide a high-profile opportunity to showcase the region and its key assets.

The Board commented that the paper only contained one option for consideration. J Dillon acknowledged the Board's comment and said that the MCA Executive Team was currently in the process of reviewing the format of the report template.

RESOLVED – That the Board consider the information in the paper and how this continues to support key outcomes in terms of raising profile, encouraging investment and creating jobs in South Yorkshire.

9 International Plan Strategy Update

A paper was submitted to update the Board on the project activity being undertaken to develop the International Plan.

The Board noted that the SYMCA had commissioned an International Plan to identify actions which could be undertaken to improve the region's performance across a range of themes, including:

- Enterprise and commercialisation propensity;
- Location and destination development;
- Investment/business/talent attraction and graduate retention;
- Inclusive growth and optimisation of existing assets and institutions;

- Perception of 'place' brand and perception of promoted specialisms among target audiences.

The Board noted that an important element for realising the Plan, would be to improve the understanding of 'what good looks like': gaining better insights and monitoring across key indicators of success.

The paper provided the Board with details of Phase 1 work, which included the development of a gap analysis to determine the SYMCA's performance compared to peer regions and a SWOT analysis to establish the regions strengths and weaknesses in performance and potential investor perception.

Phase 2 work would include the consultants conducting a literature review and stakeholder consultations to understand international activity. This also included a review of existing policy and practice using the peer comparator regions in Phase 1 to understand best practice and how the SYMCA could work to develop a more attractive position on the international stage.

Workshops would be arranged with the SYMCA and stakeholders to present the findings and recommendations.

It was confirmed that there would also be an opportunity for all Board Members to be interviewed by the consultants.

S Kemp requested that the Economic Development Officers from the four local authorities be engaged in the workshops to help provide their knowledge and expertise.

The Board noted that a paper would be presented at the next formal meeting to report on the completion of the project together with the findings and recommendations.

RESOLVED – That the Board noted the contents of the discussion paper.

10

Innovation Projects Update

A paper was presented to provide an update on the progress of Innovation focussed business support and outlined upcoming activity that would be undertaken to deliver the innovation-led growth aspirations of the Strategic Economic Plan.

As previously requested by the Board, the paper provided Members with key updates in relation to:

- Made Smarter Programme;
- Sheffield Innovation Programme;
- The Advanced Manufacturing Innovation District; and
- Formation of the South Yorkshire Innovation Board.

In relation to the Made Smarter Programme, it was expected that further government funding for the continuation of the Made Smarter Programme would become available and this would allow the SYMCA to further scale the interventions to support more businesses across Yorkshire and the Humber. As this formalises a further update would be provided to the Board on progress.

Following discussion, the Board considered that there needed to be a joined-up approach with regards to all the digital projects.

The Board discussed the formation of the South Yorkshire Innovation Board and queried how feedback would be provided to the Business Recovery and Growth Board. The Board also considered that there needed to be improved communications between all the SYMCA Thematic Boards.

J Quinn replied that he would be responsible for providing feedback from the South Yorkshire Innovation Board to this Board and ensuring that links are being made.

P Clifford provided the Board with a verbal update on Barnsley MBC's new plans for 'The Seam' digital campus.

The Board noted that public consultation on The Seam would run throughout February, with the results then feed into the next stage of the design works. Further details were available at: www.barnsley.gov.uk/seamconsultation

Councillor Turpin asked if the Board could receive a comprehensive update at a future meeting in relation to all of the current innovation projects.

ACTION: J Quinn.

RESOLVED – That the Board noted the on-going activity to support South Yorkshire businesses to become more productive and the progress towards the formation of a South Yorkshire Innovation Board.

11 **Performance Report**

S Sykes presented a paper to provide the Board with the latest performance information on Business Recovery and Growth programmes being delivered on behalf of the MCA.

The Board noted that the MCA currently has thirty-eight projects which fall within the remit of the Business Recovery and Growth Board. The schemes are funded from various funding streams with a total value of £83.93m.

The expenditure baseline for 2021/22 was initially set at £19.49m with the latest forecasts suggesting outturn expenditure of £22.10m. This level of expenditure would be generating a material overspend of £2.61m. The slight increase was due to the addition of new capital projects.

Of this value, £3.04m (13%) was funded from conditional grant from government, and consents would likely to be required to roll-forward the funding to future periods.

A table at paragraph 2.1 of the paper presented highlights of the forecast full-year expenditure profiles set against the baseline targets and the current forecast against claims received to date.

Due to the COVID-19 pandemic, the Capital Schemes had experienced delays in Job creation outputs, with delays of up to 12 months currently being experienced.

In addition, there had been slower than forecast pace of the Gainshare and Made Smarter schemes. The MCA was proactively engaging government on the status of the programmes, seeking flexibilities where they may be available.

The Board noted that close monitoring was on-going. Full programme reviews, where they had not already commenced, would be undertaken.

S Sykes provided assurances that the MCA did not currently foresee any serious issues with regards to project spend claims for the financial year 2021/22.

A graphic at paragraph 2.4 of the paper highlighted that, of the thirty-eight projects in the portfolio, 50% are in delivery with a value of £23.01m with six schemes with a value of £22.36m approved and in contract negotiation.

Appendix A to the paper provided the Board with an update on progress of these schemes.

Councillor Turpin asked if the Board could be provided with details of all the thirty-eight projects (segmented to show capital and revenue projects) which fall within the remit of the Business Recovery and Growth Board.

ACTION: S Sykes.

Councillor Turpin raised concerns that the Employers RAP funding stream was making slow progress. He queried if the underspends could be utilised to fund a further round of capital schemes.

In response, S Sykes said that the funding stream was a revenue fund and that, the MCA's Business Team were currently reviewing current RAP projects and working on proposals for the use of this funding stream.

Following discussion, the Board requested G Sutton to provide a full overview of the current funding position at the next formal Board meeting.

ACTION: S Sykes via G Sutton.

The Co-Chairs raised concerns and expressed frustration around the delays in the MCA's internal approval processes when the Board had approved a clause in a project contract. S Sykes agreed to feedback to the MCA Executive Team.

ACTION: S Sykes.

The Chair asked if further details could be provided in relation to 'Overage Clauses', which the Board were being asked to agree.

ACTION: S Sykes.

RESOLVED – That the Board considered the performance information provided.

12 Programme Approvals

A paper was considered which requested the Board to consider acceptance onto the pipeline for four schemes and provided details on the Made Smarter 2 Programme.

In relation to the four pipeline projects, the Board noted that work was being undertaken in close dialogue with the businesses to develop strategic business cases required to fulfil the requirements of submitting a funding application, enabling these growth projects to be “oven-ready” for consideration for public funding.

The 4 projects were forecasting to realise c£8.5bn of private investment.

The projects combined, would create a minimum of 8,600 jobs. It was noted that the businesses operate across the spectrum in the Energy, Advanced Manufacturing, Scientific Research, and the Automotive sectors.

Councillor Turpin stated that he did not support the approval of ‘Project Alpha’ on to the programme pipeline.

The Board noted that the Department of Business, Energy, and Industrial Strategy (BEIS) was seeking to grant the SYMCA c£5.4m for a 3 year Made Smarter 2 (MS2) programme.

The future project would mirror the pilot with the SYMCA as the lead partner, supported by a delivery partner and West Yorkshire Combined Authority for the administration of Capex awards.

The report requested that the Board approve a recommendation to the SYMCA to accept the BEIS funding, begin a procurement exercise for a partner to deliver MS2 and delegated authority to enter into agreements for the programme.

RESOLVED – That the Board considered and approved -

- (i) Progression of the schemes detailed in section 2 and Appendix A of the report on to the programme pipeline, noting that the projects will only be supported if future funding is received and assurance requirements are met.

All Board Members voted in favour to approve progression of the schemes detailed in section 2 and Appendix A of the report on to the programme pipeline, with the exception of Councillor Turpin, who voted against approving ‘Project Alpha’ on to the programme pipeline.

Progression to the SYMCA for approval to accept c£5.5m grant for the Made Smarter programme from the Department of Business, Energy, and Industrial Strategy (BEIS).

13 **Any Other Business**

Mayor Jones requested that the four local authorities be kept informed of any SYMCA engagement being undertaken with local companies in their district. The request was acknowledged by J Dillon.

The Chair raised concerns around the future schedule of formal Board meeting dates. He highlighted that, the next formal Board meetings had been scheduled for 1st March 2022 and then again in late June 2022.

Following discussion, the Co-Chairs agreed that, if required, arrangements would be made to hold a Board meeting prior to the meeting arranged for June 2022.

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed

Name

Position

Date

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Open and Recently Completed Actions

Meeting Date	Minute No	Action	Action Owner	Update	Status
10/02/22	7	Business Growth Projects Update Minute: It was noted that an Assurance Update would be presented at the Board's next formal meeting.	R Clark	Contained within Item 11 - Business Development Projects – Status Update.	Item 11
	7	Business Growth Projects Update Minute: Following discussion, the Board requested that G Sutton provides the Board with further details of the proposals and the timeframe for developing an Investment Fund.	G Sutton	G Sutton attended the 14/03/2022 informal meeting and presented to the board.	Closed
	10	Innovation Projects Update Minute: Councillor Turpin asked if the Board could receive a comprehensive update at a future meeting in relation to all of the current innovation projects.	J Quinn	No updates from previous meeting, currently awaiting the launch of the Innovation Board.	Ongoing
	11	Performance Report Minute: Councillor Turpin asked if the Board could be provided with details of all the thirty-eight projects (segmented to show capital and revenue projects) which fall within the remit of the Business Recovery and Growth Board.	S Sykes	16/06/2022 - Contained within Item 11, Programme Performance Report Appendix A – 30/06/22 meeting	Item 11

Meeting Date	Minute No	Action	Action Owner	Update	Status
	11	<p>Performance Report</p> <p>Minute: Following discussion, the Board requested G Sutton to provide a full overview of the current funding position at the next formal Board meeting.</p>	G Sutton	G Sutton attended the 14/03/2022 informal meeting and presented to the board.	Closed
	11	<p>Performance Report</p> <p>Minute: The Co-Chairs raised concerns and expressed frustration around the delays in the MCA's internal approval processes when the Board had approved a clause in a project contract. S Sykes agreed to feedback to the MCA Executive Team.</p>	S Sykes		
	11	<p>Performance Report</p> <p>Minute: The Chair asked if further details could be provided in relation to 'Overage Clauses', which the Board were being asked to agree.</p>	S Sykes	16/06/2022 - Contained within Item 11, Programme Performance Report – 30/06/22 meeting	Item 11

Completed Actions

Meeting Date	Minute No	Action	Action Owner	Update	Status

Business Recovery and Growth Board

30 June 2022

Create Growth Programme

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan?	No

Director Approving Submission of the Report:

Jim Dillon, Director of Business and Skills

Report Author(s):

Joseph Quinn

Joseph.Quinn@southyorkshire-ca.gov.uk

Executive Summary

The Department for Digital, Culture, Media & Sport (DCMS) is inviting local area partnerships in England to submit expressions of interest (EOIs) to participate in the Create Growth Programme (CGP). Each successful local area partnership will be awarded approximately £1.275 million in grant funding for business support aimed at connecting existing clusters of creative industry with the finance required to support their growth and development.

What does this mean for businesses, people and places in South Yorkshire?

Fundamental to the Strategic Economic Plan is the ambition to provide the enabling conditions that underpin the transformation of the South Yorkshire economy. Increasing the volume of Creative start-ups and scale-ups and supporting existing businesses to generate routes to secure financial investment will help deliver a thriving business eco-system where businesses, entrepreneurs and individuals are engaged and inspired to create and develop new business opportunities.

Recommendations

That the Business Growth and Recovery Board notes the Create Growth EOI process and endorse the work underway to investigate the potential for a submission from South Yorkshire.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Non-Applicable

1. Background

1.1 During 2021 the South Yorkshire Mayoral Combined Authority (SYMCA) commissioned the Fifth Sector to research and map the creative sectors in South Yorkshire. The work had two primary objectives:

- To **provide evidence for policy** by:
 - Addressing gaps in evidence.
 - Providing a robust evidence base that would both, “Support, develop and advocate for this sector in the future” and “Inform the development of a wider South Yorkshire Arts, Culture and Heritage strategy.”
- To **identify opportunities for new investment**, including:
 - Arts Council England and DCMS priorities.
 - Other public sector “levelling up” funds.
 - Increased employer investment in training and skills.
 - Business start-up, scale-up and inward investment.

1.2 The initial (to date unpublished) research has demonstrated that South Yorkshire’s creative industries comprise over 4,000 companies and a workforce of over 31,000 people. Both these figures are larger than suggested by national statistics. The region demonstrates clustering of some creative sectors, including Architecture, Crafts, Design and Publishing, mostly centred in Sheffield; but overall, it has a smaller creative and digital business base than other core cities and city regions.

1.3 Whilst the research undertaken by the Fifth Sector clearly indicates that the sector is larger than previously understood it is also clear that there is a significant shortfall in investments over the last decade, both in absolute terms and relative to competitor cities and city regions across the North. The Create Growth Programme could play an important role in redressing this balance.

This paper provides an overview of the Create Growth programme and activities underway across South Yorkshire to consider developing a proposal for submission. Note: it should not be considered a firm commitment of entering a submission.

2. Key Issues

2.1 The Creative Scale Up pilot commissioned by Government in 2019 delivered a bespoke package to support creative businesses at the scaling stage and to build investor networks. The pilot was undertaken by three Combined Authorities (Greater Manchester, West of England and West Midlands). SYMCA have been

exploring the programme with the West Midlands Combined Authority team to understand the key facets of success.

2.1.1 Evaluation of the three pilots indicates that recipient businesses on average experienced increases in turnover of £91,000 (per business) and employment growth of 23%. UK Business Angels Association have estimated that the approximate investment capacity to date of investors registered to the toolkit developed in the pilot is in the range of £149 million and £303 million.

2.1.2 **The Create Growth Programme:**

Following from the learning of the Creative Scale Up DCMA are now looking to commission further activity in the following areas:

- Business Support – Targeting high-growth potential creative businesses, to support improved management skills and a greater understanding of the routes to financial support. The offer must include a suite of workshops, one-to-one mentoring and peer-learning covering intellectual property, business models and access to new markets.

A national delivery provider will be appointed to deliver two additional elements of the programme:

- Investor Capacity Building - Increasing the number of private investors willing to invest in creative businesses outside London. This will include a combination of pitching events, investor outreach and an investor toolkit.
- Finance - Targeted finance will be provided to selected businesses to act as a stimulus for growth and investment, through leveraging in further private investment.

2.1.3 Applicants must be either a Combined Authority, Local Authority or Local Enterprise Partnership (LEP). In the case of a consortium application, the lead organisation must be either a Combined Authority, Local Authority or LEP.

2.2 **Progress to Date:**

2.2.1 Early discussion between SYMCA, Barnsley Council, Sheffield Council, Doncaster Council and Rotherham Council along with a selection of key partners have been engaged in discussion to understand the appetite for a consortia proposal.

2.2.2 The Fifth Sector research will provide a foundation for targeted activity and further discussion will take place with the initial group on Thursday the 23rd of June to understand if a viable proposition can be developed in the timeframe required.

2.2.3 In the event of a positive result from the workshop on the 23rd of June an expression of interest will need to be completed in relatively short order. Note: This expression of interest does not commit the combined authority to submitting a full application to the fund.

3. **Options Considered and Recommended Proposal**

3.1 N/A – discussion paper

4. Consultation on Proposal

4.1 N/A – discussion paper

5. Timetable and Accountability for Implementing this Decision

5.1 The EOI opened for applications on Thursday 9 June 2022. The closing date for submitting EOI applications is Thursday 7 July 2022. This is a relatively short application (c1000 words). If successful we will be invited to submit a full application during August, formal approval for a full submission will be sought before the work is undertaken.

6. Financial and Procurement Implications and Advice

6.1 N/A – discussion paper

7. Legal Implications and Advice

7.1 N/A– discussion paper

8. Human Resources Implications and Advice

8.1 N/A– discussion paper

9. Equality and Diversity Implications and Advice

9.1 N/A– discussion paper

10. Climate Change Implications and Advice

10.1 N/A – discussion paper

11. Information and Communication Technology Implications and Advice

11.1 N/A – discussion paper

12. Communications and Marketing Implications and Advice

12.1 N/A – discussion paper

List of Appendices Included*

None

Background Papers

None

Business Recovery and Growth Board

30 June 2022

Programme Performance Report

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Monitoring / Assurance
Is this a Key Decision	No
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:
 Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):
 Paul Mitchell – Programme Controls Manager
 paul.mitchell@southyorkshire-ca.gov.uk

Executive Summary

This paper provides the Board with the latest performance information on Business Recovery and Growth programmes being delivered on behalf of the MCA.

What does this mean for businesses, people and places in South Yorkshire?

Through the delivery of these programmes the MCA is investing in the people and businesses of South Yorkshire which support the MCA's aspirations. Performance information supports the robust oversight and management of this delivery.

Recommendations

That Board members:

- Consider the performance information provided to identify future performance deep-dives or significant areas of risk.

Consideration by any other Board, Committee, Assurance or Advisory Panel

None

1. Background

- 1.1 The South Yorkshire Mayoral Combined Authority currently has twenty-one projects which fall within the remit of the Business Recovery and Growth Board.

The schemes are funded from various funding streams with a total value of £46.10m.

This report gives an overview on the performance of programmes and the projects within them, highlighting management actions being taken to mitigate risks.

- 1.2 The expenditure baseline for 22/23 was initially set at £33.16 with the latest forecasts suggesting outturn expenditure of £32.71m. This level of expenditure will be generating a material underspend of £0.45m. The variance in the funding lines is due to the re-design of projects within the renewal action plan allocation.
- 1.3 Of the total projects value £0.37m is funded from conditional grant from government for the Made Smarter programme. The MCA is awaiting final confirmation for a further 3-year programme. BEIS have agreed to fund £375k of Made Smarter 2 monies to bridge the gap between the pilot programme and the commencement of the full programme.

2. Current Position by Funding Stream

- 2.1 The table presented below highlights the forecast full-year expenditure profiles set against the baseline targets.

Funding Stream	2022/23 Baseline	2022/23 Forecast	22/23 Variance
	£m	£m	£m
Legacy Capital	£8.67	£8.67	£0.00
Gainshare Capital	£21.55	£21.55	£0.00
Gainshare Revenue	£2.57	£2.12	-£0.45
BEIS - Made Smarter 2	0.37	£0.37	£0.00
	£33.16	£32.71	-£0.45

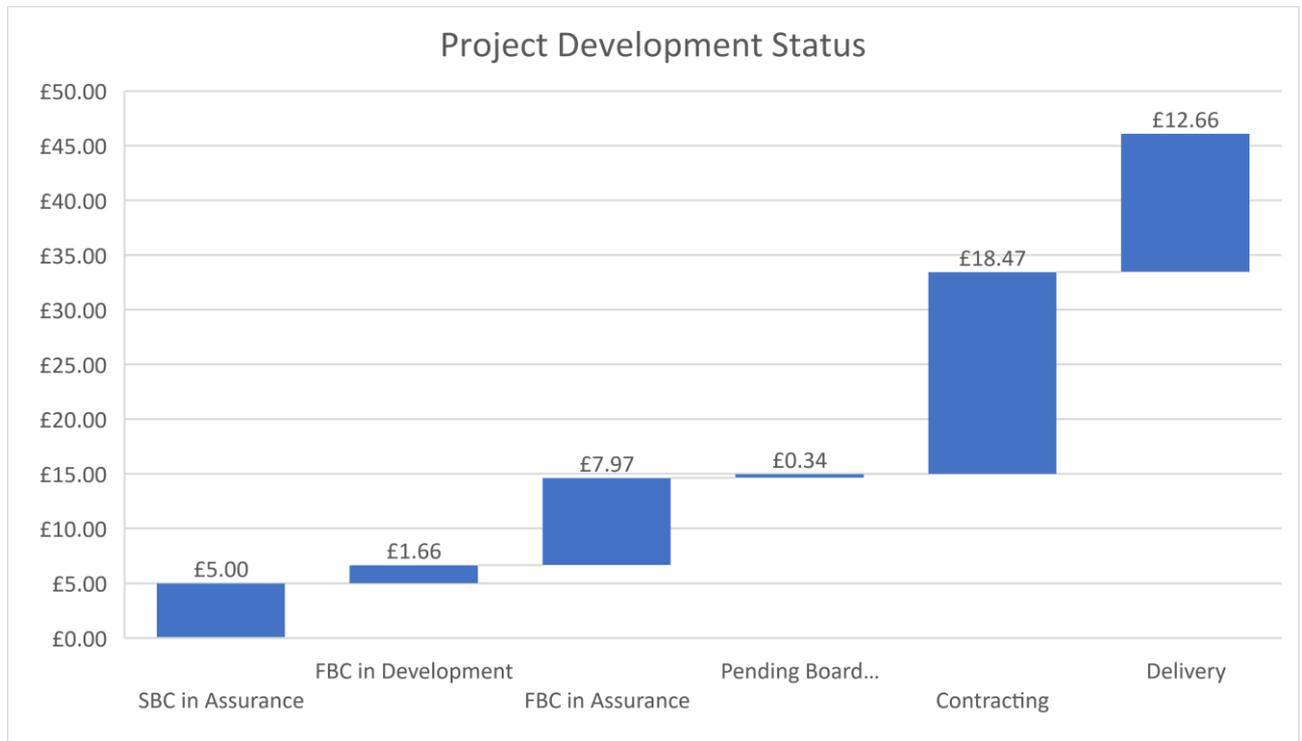
The table below shows 2022/23 current forecast against claims received to date

Funding Stream	2022/23 Baseline	2022/23 Claims	22/23 Claims
	£m	£m	%
Legacy Capital	£8.67	£1.98	23%
Gainshare Capital	£21.55	£0.00	0%
Gainshare Revenue	£2.12	£0.11	5%
BEIS - Made Smarter 2	£0.37	£0.37	0%
	£32.71	£2.09	28%

Made Smarter 2 baseline targets are set by government, requiring in-year allocations to be fully defrayed within the financial year. There is no comparative grant conditionality timeline pressure on gainshare and the legacy activity.

2.2 Development Status of Projects

2.3 The graphic below exemplifies the milestone status of projects by value.



2.4 The graphic highlights that of the twenty-one projects in the portfolio at a total of £46.10m.

27% of total value (seven schemes) are in the delivery phase with a value of £12.66m, this includes two legacy programmes coming towards the end of their delivery.

40% (six schemes) are approved and in contract negotiation phase with a value of £18.47m approved.

1 scheme is pending board approval and is included in item 10

32% (seven schemes) are progressing through the development stages at a total value of £14.63m.

3. Management Actions

3.1 Following a previous request from members, Appendix A shows all projects that currently fall within the Boards remit, the information details the split between Capital and Revenue funding.

3.2 Close monitoring is on-going and full programme reviews, where they have not already commenced will be undertaken. This will reaffirm delivery status and inform remedial actions required to address risk. In this context schemes recommended for approval will be made to the board highlighting the risks on a scheme-by-scheme basis. Appendix B details actions taken to date

3.3 In March 2021 the MCA board approved a set of principles in relation to the South Yorkshire Renewal Fund. One of these principles was sustained investment, the board agreed that where possible and appropriate, the MCA would seek a financial return on investments to enable evergreening of funds and to help deliver a sustained programme of activity. Within the capital schemes that fall within the remit of the Business Growth and Recovery Board five schemes have been fully approved since March 21 with a total value of £20.64m. £5.17m (25%) has been taken as loan, and two projects have entered into profit sharing agreements with the authority.

4. Consultation on Proposal

4.1 Project sponsors are required to publish business cases on their own websites (or an appropriate summary of the submission) and must consider all comments received and reflect this in the next stages of the application process.

5. Timetable and Accountability for Implementing this Decision

5.1 Updates to the Board will continue to be made throughout the year.

6. Financial and Procurement Implications and Advice

6.1 This report notes the slower than forecast pace of the Gainshare.

7. Legal Implications and Advice

7.1 The funding agreement for the schemes provide that any failure to make adequate progress against the spend profile identified may result in the reduction or withdrawal of further funding.

8. Human Resources Implications and Advice

8.1 None

9. Equality and Diversity Implications and Advice

9.1 Appropriate equality and diversity considerations are taken into account as part of the assurance of project business cases.

The premise of the engagement is based upon a deal where greater social value is negotiated and the business commits to supporting local supply chains, local labour market, training and taking on apprenticeships, for example.

10. Climate Change Implications and Advice

10.1 Climate change impact is assessed as part of the assurance process for any proposed activity.

11. Information and Communication Technology Implications and Advice

11.1 None

12. Communications and Marketing Implications and Advice

12.1 None

List of Appendices Included

- A. Appendix A – Project List
- B. Appendix B – Liability List

Background Papers

None

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Appendix A – Business Project List

Project	Cap/Rev	Total Allocation (£m)	Spend to date (£m)	2022/23	2023/24	2024/25	2025/26
Rap Advisors (Business)Extending regional accesss to Tech Sector support body for sectoral engagement	Rev	£4.80	£0.79	£0.98	£3.03	£0.00	£0.00
Supply Chain Programme (RAP)	Rev	£0.45	£0.00	£0.00	£0.45	£0.00	£0.00
Marketing (Business RAP)	Rev	£0.43	£0.08	£0.35	£0.00	£0.00	£0.00
Creative UK support for Sector	Rev	£0.24	£0.00	£0.24	£0.00	£0.00	£0.00
Tech Welcome & Entrepreneurial Spark	Rev	£0.05	£0.00	£0.05	£0.00	£0.00	£0.00
RAP Uncommitted - TBC	Rev	£0.34	£0.00	£0.34	£0.00	£0.00	£0.00
D0012 - Portwest	Rev	£0.60	£0.00	£0.50	£0.55	£0.00	£0.00
D0012 - Portwest	Cap	£1.75	£0.00	£1.75	£0.00	£0.00	£0.00
D0033 - Still in Development	Cap	£6.00	£0.00	£6.00	£0.00	£0.00	£0.00
Bipolar Battery Manufacturing, Research and Development	Cap	£5.20	£3.20	£2.00	£0.00	£0.00	£0.00
AML Accelerate	Cap	£1.98	£0.48	£1.50	£0.00	£0.00	£0.00
The Floop R&D 2025	Cap	£4.83	£0.00	£1.36	£1.72	£1.76	£0.00
Yorkshire Lending Pod	Cap	£3.20	£0.00	£3.20	£0.00	£0.00	£0.00
Glide Acceleration Project	Cap	£1.97	£0.00	£0.74	£0.56	£0.44	£0.23
D0033 - Still in Development	Cap	£5.00	£0.00	£5.00	£0.00	£0.00	£0.00
Lontra Smart Factory	Cap	£7.13	£1.97	£5.16	£0.00	£0.00	£0.00
Gene Therapy & Manufacturing Centre	Cap	£1.50	£0.00	£1.50	£0.00	£0.00	£0.00
Conductive Transfers	Cap	£0.17	£0.05	£0.02	£0.00	£0.00	£0.00
Bag it Don't Bin it	Cap	£0.08	£0.06	£0.02	£0.00	£0.00	£0.00
Made Smarter 2	Cap	£0.37	£0.00	£0.37	£0.00	£0.00	£0.00
		£46.10	£6.63	£31.08	£6.31	£2.20	£0.23

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Business Recovery and Growth Board

30 June 2022

Programme Approvals

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Funding Decision
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

Sue Sykes – AD, Procurement, Contracts & Programme Controls
Sue.sykes@southyorkshire-ca.gov.uk

Executive Summary

The paper seeks progression to full approval and award of £0.34m for the Tech Welcome pilot project.

What does this mean for businesses, people and places in South Yorkshire?

This report is seeking approval for a proposal which will support the MCA's aspirations.

Recommendations

The Board consider and approve:

- Progression of the Tech Welcome pilot to full approval subject to the conditions in the Assurance Panel Summary attached at Appendix.
- Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme covered above.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Assurance Panel

09 May 2022

1. Background

- 1.1 In March 2021 the Mayoral Combined Authority (MCA) board allocated funding in response to the pandemic to support business. The funding was for a range of interventions including provision of specialist advice, access to digital adoption and upskilling support as well as supply chain development which would help business to innovate, grow and create opportunities for employment .
- 1.2 In addition to these measures to support economic recovery, it is vital that these ambitions are also considered in the medium term. The adoption of digital technologies across all industry sectors and markets is increasing and has moved dramatically as a response to the Covid -19 restrictions transforming the way people, businesses and places work. It is becoming increasingly critical that South Yorkshire maximises its opportunities to grow the digital/tech ecosystem.
- 1.3 These behaviour shifts have the potential to act as a driver of productivity regionally. Strong progress has been made through the Team South Yorkshire (Team SY) provision (80 start-ups and scale ups have been supported with a further 100 in the pipeline) and the recently commissioned supply chain activity. The development of the tech welcome package will compliment Team SY, Launch Pad and Digital Innovation grants by effectively supporting access to incubator space to ensure programme beneficiaries remain located in South Yorkshire
- 1.4 The pilot offers scaling grants for inwardly investing companies bringing business and jobs into South Yorkshire. It offers a grant to cover accommodation costs paid directly to the business in arrears, subject to presentation of invoices and proof of payment. As a condition of the grant, companies will be expected to commit to a minimum period in the region. £0.30m is allocated to Tech Welcome, administrated by Barnsley Metropolitan Borough Council (BMBC) and the remaining £0.04m will be used for the procurement of Transform SY as part of the Team SY programme.
- 1.5 Team SY will work across the South Yorkshire region to support early-stage entrepreneurs and tech start-ups to establish and scale their businesses here. Programmes will range from pre-accelerators, to venture builders and full accelerator programmes as well as funding readiness programmes. The project is based on a successful model delivered by Capital Enterprise in London, CASTS, and is their first programme outside of the capital, designed to reflect the regional landscape and opportunity.

2. Key Issues

- 2.1 The most significant risks highlighted in the business case include ongoing pandemic related absence, overly complex business support eco-system, poorly designed evaluation approach and more generous offer in competing regions.

3. Options Considered and Recommended Proposal

3.1 Option 1

Approve all recommendations

3.2 Option 1 Risks and Mitigations:

Approval of the investment proposition would require a commitment being made against the Renewal Action plan gainshare allocation.

3.3 Option 2

Reject the recommendations

3.4 Option 2 Risks and Mitigations:

Rejection of the recommendations in this report would mean the region foregoing the forecast benefits arising from the investment

3.5 Recommended Option

Option 1

4. Consultation on Proposal:

4.1 The Tech Welcome programme directly responds to the following recommendation of the Department for Digital, Culture, Media & Sport: 'Assessing the UK's Regional Digital Ecosystems'

5. Timetable and Accountability for Implementing this Decision

5.1 Subject to the approval of the recommendations, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into legal agreements with BMBC and Transform SY.

6. Financial and Procurement Implications and Advice:

6.1 The projects presented for approval today are profiled to draw down up to £0.34m from Gainshare.

7. Legal Implications and Advice:

7.1 The legal implications of the project have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed within the Assurance Summaries as presented in the Appendices. Projects have taken full legal advice regarding subsidy control.

7.2 The level of grant that will be given to the recipients will be below the minimal financial assistance levels. Records must be kept about the amount of Subsidy they are receiving over a rolling three-year period. Provided the recipients has not received other minimal financial assistance taking their total receipt above the threshold there will not be a Subsidy Control issue.

8. Human Resources Implications and Advice

8.1 N/A

9. Equality and Diversity Implications and Advice

9.1 Appropriate equality and diversity considerations are taken into account as part of the assurance of the project business cases

10. Climate Change Implications and Advice

10.1 Appropriate climate change considerations will be taken into account as part of the assurance of the project grant application process.

11. Information and Communication Technology Implications and Advice

11.1 N/A

12. Communications and Marketing Implications and Advice:

12.1 The approvals provide positive opportunities to highlight the difference the MCA's investments will make to people and passengers, businesses and places across South Yorkshire and how Members are taking action to support the region's recovery from COVID

List of Appendices Included

A Assurance Summary – Tech Welcome

Background Papers

None

Appendix A - Assurance Summary

VERSION 1 24.11.2021



1 – SCHEME DETAILS

Project Name	Tech Welcome	Type of funding	Grant
Grant Recipient	SYMCA	Total Scheme Cost	£340k
MCA Executive Board	Business Growth	MCA Funding	£340k
Programme name	Business Growth	% MCA Allocation	100%
Current Gateway Stage	BJC	MCA Development costs	n/a
		% of total MCA allocation	n/a

2 – PROJECT DESCRIPTION

The pilot offers scaling grants for inwardly investing companies bringing business and jobs into South Yorkshire. It offers a grant to cover accommodation costs paid directly to the business in arrears, subject to presentation of invoices and proof of payment. As a condition of the grant, companies will be expected to commit to a minimum period in the region. The MCA allocated funding part of the RAP response and this project is part of that intervention programme. £300k is allocated to Tech Welcome and the remaining £40k will be used for the procurement of Transform SY as part of the TEAM SY programme.

Team SY will work across South Yorkshire to support early-stage entrepreneurs and tech start-ups to establish and scale their businesses here. Programmes will range from pre-accelerators, to venture builders and full accelerator programmes as well as funding readiness programmes. The project is based on a successful model delivered by Capital Enterprise in London, CASTS, and is their first programme outside of the capital, designed to reflect the regional landscape and opportunity.

Businesses supported via Tech Welcome will be beneficiaries of the wider provision in place to ensure that both businesses accessing support locate in the South Yorkshire geography and where they are not accessing support by supporting them to locate in the region, we will be able to ensure they access the wrap around provision. This support will be provided from the Growth Hub, Business Sheffield's tech advisors, and Barnsley MBC, and aims to help digital and tech businesses explore new ideas and markets, set-up or scale-up their tech companies and create

high-value jobs. Enterprise Barnsley will deliver this project on behalf of the SYMCA for South Yorkshire.

3. STRATEGIC CASE

<i>Options assessment</i>	A viable option with half of the funding is presented. It would lessen the impact and reduce the scope for evaluation for lessons learned to help shape future delivery. Given the small scale of the pilot, the preferred way forward is a sensible approach.
<i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i>	The projects closely align with the SEP’s overarching ambition of focusing on innovation-led growth to create more high-value jobs and increase opportunities for all people. Supporting entrepreneurs and attracting businesses to the region with the potential for creating high-value jobs is critical to what the SEP aims to achieve. Both projects are small-scale pilots which have the potential to illustrate how we could invest more funding in the future to shift the dial in the economy that the SEP sets out to achieve.

4. VALUE FOR MONEY

Value for Money Statement

Given the small-scale nature of this pilot scheme, the applicant has not been able to monetise benefits and costs in establishing the value for money position. However, a qualitative assessment of the project outcomes has been presented along with a rationale for the choice of the preferred option. This approach is considered proportionate to the level funding request and adequately demonstrates the choice of the preferred option.

Additionally, grants given to fund accommodation costs will be allocated on the basis of staff relocating / new jobs created, as presented in the table below:

Number of staff relocating / new jobs created	Maximum grant	Maximum duration
Up to 3 staff	£5000	12 months
4-7 staff	£7500	12 months
7+ staff	£10000	12 months

Based on the above criteria the applicant estimates a total of 141 jobs could delivered by this component of the project.

The project is very likely to provide acceptable value for money. An evaluation will be commissioned to explore further.

5. RISK

The most significant risks highlighted in the business case include ongoing pandemic related absence, overly complex business support eco-system, poorly designed evaluation approach and more generous offer in competing regions. All risks appear to have been adequately assessed with appropriate mitigation measures in place.

6. DELIVERY

Barnsley MBC will deliver the bulk of the activity on behalf of SYMCA. The Transform SY element of the scheme will be administered via the SYMCA contracts team as a direct award.

Cost certainty is stated as 100%. This appears reasonable, given the project has commenced and is constrained by the available budget and strict funding criteria, which provides a high degree of certainty regarding the project outcomes in terms of jobs created or relocated.

The day-day management of the pilot will be undertaken by Tracey Johnson. Bev Foster will have day to day oversight for SYMCA and the Business Growth and Recovery Board will scrutinise on-going performance of the pilot. All posts are currently in place except for the part time project officer. This recruitment will be undertaken by Barnsley MBC on receipt of funding.

The business case lacks detail on how the project will be monitored or evaluated. Barnsley MBC will lead on this evaluation and budget has been allocated to support this process. However, the evaluation procedure is still to be designed.

Evaluation is programmed to start March 2023 and final report will be delivered within 60 days of pilot completion.

7. LEGAL

Subsidy control confirmed with the Legal team.

The level of grant that will be given to the recipients will be below the de minimis levels, so as long as records are kept about the amount of Subsidy they are receiving over a rolling three year period there should not be a Subsidy Control issue

8. RECOMMENDATION AND CONDITIONS

Recommendation	Full grant award
Payment Basis	Payment on defrayal

Conditions of Award (including clawback clauses)

To be included in the contract <ul style="list-style-type: none">• Evaluation to be undertaken starting March 2023 and final report will be delivered within 60 days of pilot completion• Businesses supported must have a SY postcode and be new businesses
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