

# Public Document Pack



Tuesday, 23 August 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, 1 September 2022 at 3.00 pm** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink that reads 'Martin Swales'.

Martin Swales  
**Chief Executive and Head of Paid Service**

## Member Distribution

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

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

Jim Dillon

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

## MCA - Business Recovery and Growth Board

Thursday, 1 September 2022 at 3.00 pm

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

SOUTH YORKSHIRE  
**SYMCA**



MAYORAL  
COMBINED  
AUTHORITY

### Agenda

Agenda Ref No	Subject	Lead	Page
1.	Welcome and Apologies	Chair	
2.	Declarations of Interest by individual Members in relation to any item of business on the agenda.	Chair	
3.	Urgent items / Announcements	Chair	
4.	Public Questions of Key Decisions	Chair	
5.	Minutes of the Previous Meeting	Chair	5 - 16
6.	Matters Arising / Action Log	Chair	17 - 22
7.	Business Investment Pipeline Update	Stephen Burrows	23 - 28
8.	Project Mandate Sign-Off 1	Rachel Clark	29 - 46
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10.	Programme Performance Report	Sue Sykes	65 - 72
11.	Programme Approvals	Sue Sykes	73 - 92
12.	UK Shared Prosperity Fund (Verbal Update)	Joseph Quinn	Verbal
13.	Any Other Business	Chair	

**Date of next meeting:** Thursday, 27 October 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, 30 JUNE 2022 AT 2.00 PM****SOUTH YORKSHIRE MCA, 11 BROAD STREET WEST,  
SHEFFIELD, S1 2BQ****Present:**

Neil MacDonald (Co-Chair)	Private Sector LEP Board Member
Councillor Glyn Jones (Reserve)	Doncaster MBC
Councillor Chris Lamb	Barnsley MBC
Councillor Denise Lelliott	Rotherham MBC
Councillor Martin Smith	Sheffield City Council
Jim Dillon	SYMCA Executive Team

**In Attendance:**

Andrew Armstrong	Development Manager (Special Projects)	SYMCA Executive Team
Rachel Clark	Assistant Director Trade & Investment	SYMCA Executive Team
Bev Foster	Development Manager (Development Hub)	SYMCA Executive Team
Muz Mumtaz	Assistant Director - Development and Business Support	SYMCA Executive Team
Ken Nettleship	Senior Business Development Manager	SYMCA Executive Team
Joseph Quinn	Innovation Project Director	SYMCA Executive Team
Sue Sykes	Assistant Director – Procurement, Contracts and Programme Controls	SYMCA Executive Team
Sarah Pugh	Minute Taker	SYMCA Executive Team

**Apologies:**

Sharon Kemp	Rotherham MBC
Richard Stubbs	Private Sector LEP Board Member
Alexa Greaves	Chair of Growth Hub Board

**14 Welcome and Apologies**

The Chair welcomed everyone to the meeting.

Apologies for absence were noted as above.

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

None.

**16 Urgent items / Announcements**

None.

17 **Public Questions of Key Decisions**

None.

18 **Minutes of the Previous Meeting**

**RESOLVED:** That the minutes of the meeting held on 8 February 2022 be agreed as a true record.

The Board noted that informal meetings of the Board had also taken place since the 8 February meeting.

19 **Matters Arising / Action Log**

The Board noted that all matters arising were either closed or would be addressed within the business of the meeting.

20 **Progress of UK Shared Prosperity Fund**

The Innovation Project Director gave a verbal update on the progress of the Share Prosperity fund, noting that the fast-changing situation prevented a formal written update being presented.

The board were informed that £38.9 million had been allocated to the region. An investment plan must be submitted to Government outlining planned interventions. Consultation is underway with Local Authority partners in the form of workshops, webinars, the formation of a partnership board and steering group, and information has been provided online.

The investment plan priorities will be approved by the MCA and Local Authorities at the end of July.

Clarification was sought regarding whether this funding would for a smaller amount than the EU funding it replaced; it was confirmed that the total amount was less than previous ESIF provision.

The board enquired about the extent of consultation to be undertaken with local communities. The Innovation Project Director replied that due to a tight timeline stakeholder engagement had been limited, however, investment delivery following would be shaped through stakeholder consultation.

The board asked whether when the funding would be received and whether it would be clawed back if it was not spent within the year. The board were informed that funding would be received from 1 October 2022 and that there would be clawback limited to circumstances where an underspend could not be justified.

The Innovation Project Director informed the board that the investment plan documentation would be shared with board and potentially published on the SYMCA website.

**ACTION: J Quinn to share final UK Shared Prosperity Fund document**

**with the Board when completed, and an update to be provided at the September meeting of this Board.**

**RESOLVED:** That the Board noted the update.

## 21 **Create Growth Programme**

The Innovation Project Director presented a paper regarding a possible expression of interest for the region to participate in the Create Growth Programme (CGP). The programme would entail a £1.2million award.

The Board is asked to endorse the submission of an expression of interest which may lead to a formal bid.

The board asked if the Board would have sight of the expression of interest.

**ACTION: J Quinn to share the expression of document with the Board when completed, for information only.**

**RESOLVED:** Members note the Create Growth Expression of Interest process and endorse the work underway to investigate the potential for a submission from South Yorkshire.

## 22 **Programme Performance Report**

The Assistant Director of Procurement, Contracts and Programme Controls presented a paper on the latest performance information on Business Recovery and Growth programmes being delivered on behalf of the MCA.

There are currently 21 live projects and the total funding for all projects is £46.1million. The current forecasted spend is £32.71million. The underspend here is attributed to unconstrained gainshare funding. 27% of projects are in full delivery, and claims made to date are currently at £2million, which is to be expected for this quarter.

Funding of £1.75million awarded by the Government for the Made Smarter 2 Programme is also not included in the paper as this was unconfirmed until more recently.

The appendices show a full breakdown of projects, and where funding has been clawed back.

**ACTION: New Committee Members sign Non-Disclosure Agreements**

The board were informed that the MCA had grown significantly in size in recent years, and that as a lender of last resort each award was made on a case-by-case basis. In addition, the nature of funding projects had changed, meaning that companies can now show market failure to obtain a loan or equity aligned with the Strategic Economic Plan. Work is being undertaken to ensure good relationships with banks to ensure more funding options were available to borrowers.

The board requested an update on the Growth Hub marketing plan and asked how the availability of business support is communicated in the region. The board will receive updates on the provision of business support and were informed that new and innovative ways of adding value are always being explored.

**ACTION: S Sykes & Muz Mumtaz to provide an update to the next Board meeting on marketing of business support.**

**RESOLVED:** That the Board noted the update.

## 23 Programme Approvals

The Assistant Director of Programme and Performance Unit presented a paper seeking progression of the Tech Welcome pilot to full approval.

It was explained that this project would work across the region and companies must commit to working for an extended period within the region. Conditions in the contract are that an evaluation must be undertaken and reported on, and that the business must have a South Yorkshire postcode.

A discussion took place with regard to how many centres there would be and that the aim was to wrap around existing provisions in the region, however, a central hub would be based in Barnsley addressing concerns about the number and provision of incubation spaces in the region.

The board welcomed the initiative and encouraged stronger visibility for the project. The Innovation Project Director confirmed that this grant would be available to Local Authorities throughout the region.

**ACTION: J Quinn to speak with the Capital Enterprise team to ensure this work is as visible as possible.**

**RESOLVED:** To approve Option 1: Approve all recommendations.

## 24 Business Development Projects - Status Update

The Senior Business Development Manager presented a paper seeking agreement to add one new business development project to the pipeline and provided an update on current Business Growth projects.

The Chair welcomed the receipt of early decisions such as this one by the Board.

It was confirmed that energy efficiency and net zero targets were included in the assessment process for companies once on the pipeline.

**RESOLVED:** to approve Option 2: Approve the request

The Senior Business Development Manager then provided an update on projects already on the pipeline, noting that work is also being undertaken to ensure external stimulation of the market.



**RESOLVED:** to note the update on current Business Growth projects.

25 **Any Other Business**

The board were informed that the Development Manager (Development Hub) and the Senior Business Development Manager would be leaving the MCA shortly.

The Board thanked both for their work and wished them well for the future.

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	10	<p><b>Innovation Projects Update</b></p> <p><b>Minute:</b> Councillor Turpin asked if the Board could receive a comprehensive update at a future meeting in relation to all of the current innovation projects.</p>	J Quinn	No updates from previous meeting, currently awaiting the launch of the Innovation Board.	Ongoing
30/06/22	20	<p><b>Progress of UK Shared Prosperity Fund</b></p> <p><b>Minute:</b> The Chair also asked whether the investment plan document would be publicly available. J Quinn responded that it would likely be shared on the SYMCA website, and that the final document will also be shared with the Board.</p> <p>J Quinn: to share final UK Shared Prosperity Fund document with the Board when completed, and an update to be provided at the September meeting of this Board.</p>	J Quinn	This will be shared ahead of the meeting. Submission was completed on the 1 <sup>st</sup> Aug 2022	Ongoing
30/06/22	21	<p><b>Create Growth Programme</b></p>	J Quinn	I will share this ahead of the next meeting.	Ongoing

Meeting Date	Minute No	Action	Action Owner	Update	Status
		<p><b>Minute:</b> Councillor Chris Lamb asked if the Board would have sight of the expression of interest.</p> <p>ACTION J Quinn: to share the expression of document with the Board when completed, for information only.</p>			
30/06/22	22	<p><b>Programme Performance Report</b></p> <p><b>Minute:</b> ACTION S Sykes: New Committee members to sign Non-Disclosure Agreements due to discussion of projects which are not yet public.</p>	S Sykes	This has been taken forward by relevant colleagues.	Ongoing
30/06/22	22	<p><b>Programme Performance Report</b></p> <p><b>Minute:</b> The board requested an update on the Growth Hub marketing plan and asked how the availability of business support is communicated in the region. The board will receive updates on the provision of business support and were informed that new and innovative ways of adding value are always being explored.</p> <p>ACTION: S Sykes &amp; Muz Mumtaz to provide an update to the next Board meeting on marketing of business support.</p>	S Sykes and Muz Mumtaz	<p>Growth Hub marketing is made available on the Growth Hub website.  <a href="https://www.scrgrowthhub.co.uk/">https://www.scrgrowthhub.co.uk/</a>  The website is in the process of being merged into the corporate website, so that it is not stand alone, and the social media estate for targeted business marketing is underway.</p> <p>Social channels such as the South Yorkshire Community on LinkedIn  <a href="https://www.linkedin.com/groups/3256687/">https://www.linkedin.com/groups/3256687/</a>  are increasing in members with over 7,000 and the interaction across this site by the business community is also increasing.  <a href="https://www.linkedin.com/company/10393879">https://www.linkedin.com/company/10393879</a>  South Yorkshire Business Support LinkedIn, and other social feeds are constantly populated with a social media schedule, that</p>	Ongoing

Meeting Date	Minute No	Action	Action Owner	Update	Status
				<p>includes wider LA run initiatives and the core programmes that the Growth Hub run, such as BEIS's Leadership Help to Grow, Digital Help to Grow, Made Smarter, Ownership Hubs, Sheffield Innovation Programme, Export Academy, Skills Bank, Working Win to name a few. The Business Support Advisors, Skills Advisors and Supply Chain advisors are all marketed inviting enquiries to come forward and in most cases told in case study format, whether that be by graphic promotion, video or written case study PR. With a constant push to review the event calendar, list a business on the directory or self-serve with the Business Support Finder tool</p> <p><a href="https://www.scrgrowthhub.co.uk/business-resources/business-support-finder/">https://www.scrgrowthhub.co.uk/business-resources/business-support-finder/</a>.</p> <p>The Growth Hub team have a schedule of engagement, attending events to network. A Business and Skills marketing and communications strategy is pending, due to align with updates from the Skills Strategy, and Mayoral Manifesto agenda items, expected to be revised November December.</p>	

## Completed Actions

Meeting Date	Minute No	Action	Action Owner	Update	Status
30/06/22	23	<p><b>Programme Approvals</b></p> <p><b>Minute:</b> Councillor Glyn Jones welcomed the initiative, and encouraged stronger visibility for the project. J Quinn confirmed that this grant would be available to Local Authorities throughout the region.</p> <p>ACTION J Quinn: speak with the Capital Enterprise team to ensure this work is as visible as possible.</p>	J Quinn	I have spoken to Darren B at Cap Enterprise to discuss concerns	Closed
10/02/22	7	<p><b>Business Growth Projects Update</b></p> <p><b>Minute:</b> It was noted that an Assurance Update would be presented at the Board's next formal meeting.</p>	R Clark	Contained within Item 11 - Business Development Projects – Status Update.	Closed
	7	<p><b>Business Growth Projects Update</b></p> <p><b>Minute:</b> 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.</p>	G Sutton	G Sutton attended the 14/03/2022 informal meeting and presented to the board.	Closed
	10	<p><b>Innovation Projects Update</b></p> <p><b>Minute:</b> Councillor Turpin asked if the Board could receive a comprehensive update at a future meeting in relation to all of the current innovation projects.</p>	J Quinn	No updates from previous meeting, currently awaiting the launch of the Innovation Board.	Ongoing
	11	<p><b>Performance Report</b></p> <p><b>Minute:</b> Councillor Turpin asked if the Board could be provided with details of all the thirty-eight projects (segmented to show capital and revenue projects)</p>	S Sykes	16/06/2022 - Contained within Item 11, Programme Performance Report Appendix A – 30/06/22 meeting	Closed



Meeting Date	Minute No	Action	Action Owner	Update	Status
		which fall within the remit of the Business Recovery and Growth Board.			
	11	<p><b>Performance Report</b></p> <p><b>Minute:</b> 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><b>Performance Report</b></p> <p><b>Minute:</b> 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		Closed
	11	<p><b>Performance Report</b></p> <p><b>Minute:</b> 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	Closed

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**Committee/Board Name and Date of Meeting:**  
Business Recovery and Growth Board

**Meeting Date:**  
01 September 2021

**Report Title**  
South Yorkshire Supply Chain Programme

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

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**Director Approving Submission of the Report:**  
Jim Dillon, Director of Business and Skills

**Report Author(s):**  
Lee Beevers  
[Lee.beevers@southyorkshire-ca.gov.uk](mailto:Lee.beevers@southyorkshire-ca.gov.uk)

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**Executive Summary**

Help with developing supply chains is a key ask of South Yorkshire businesses post COVID-19. Lack of new business, the inability to engage with potential customers and suppliers on a global scale and a need to reduce costs has become a real concern for businesses.

Building on a successful pilot scheme we are looking to address this by the provision of a three-year regional wide supply chain growth programme, focussed on opportunity development, capability building and regional mapping which can be accessed by all SME businesses competing in priority sectors within the South Yorkshire economy.

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

The programme will encourage the development of strong local supply chains, enabling green and sustainable growth in the region, and will encourage inward investment. The programme will equip businesses with wrap around support enabling them to confidently bid for and be successful in winning tenders, increasing turnover, expanding their workforce and increase regional resilience to economic shocks.

## **Recommendations**

To accept the Mandate and allow it to progress further through SYMCA's assurance process.

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

Mayoral Combined Authority Board

14 November 2022

### **1. Background**

- 1.1 Since the UK left the European Union, the South Yorkshire Mayoral Combined Authority has been aware of potential supply chain issues and the importance of local supply chain development. Supply chain issues were made even more apparent during the Covid-19 pandemic which enhanced the need for a regional supply chain support programme in reaction to global supply chain problems. This has been even further exacerbated by the war in Ukraine which has added to the supply chain difficulties that Brexit and Covid-19 has created globally and nationally.

### **2. Key Issues**

- 2.1 To consider this Mandate and progress to Strategic Business Case stage of SYMCA's assurance process.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Investigate the programme further and review the strategic business case for the programme.

#### **3.2 Option 1 Risks and Mitigations:**

None: Risks will be fully mitigated by the SYMCA assurance process.

#### **3.3 Option 2**

Reject the Mandate application and do not investigate the programme further.

#### **3.4 Option 1 Risks and Mitigations:**

Risk is that without an intervention focused on developing local supply chains, the region will be less appealing to inward investors, risk falling behind nationally, and risk missing out on potential increased economic activity resulting in more resilient businesses and larger work forces.

#### **3.5 Recommended Option**

Option 1

**4. Consultation on Proposal**

4.1 Early engagement has been undertaken with Barnsley, Doncaster, Rotherham, and Sheffield councils. Engagement will continue as the proposal goes through SYMCA's assurance process.

**5. Timetable and Accountability for Implementing this Decision**

5.1 Decision to be taken at this Board meeting on accepting the Mandate.

**6. Financial and Procurement Implications and Advice**

6.1 None at this stage.

**7. Legal Implications and Advice**

7.1 None at this stage.

**8. Human Resources Implications and Advice**

8.1 N/A.

**9. Equality and Diversity Implications and Advice**

9.1 Not at this stage.

**10. Climate Change Implications and Advice**

10.1 Not at this stage.

**11. Information and Communication Technology Implications and Advice**

11.1 None at this stage.

**12. Communications and Marketing Implications and Advice Please also refer to consultation undertaken as per Section 4**

12.1 None at this stage.

**List of Appendices Included**

A South Yorkshire Supply Chain Programme Mandate

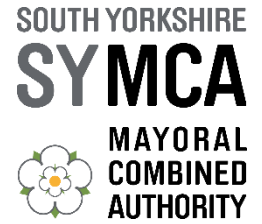
**Background Papers**

None
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# Appendix A - Project Mandate

VERSION 6 20.01.2022



1 - PROJECT DETAILS	
Project Name:	South Yorkshire Supply Chain Programme
Project Location/ Address, including Post Code and Local Authority Area:	Barnsley, Doncaster, Rotherham, Sheffield
Organisation Name, Size & Company Registration Number (if applicable):	Doncaster Metropolitan Borough Council (DMBC)
Is your organisation an SME? If so, state size of organisation (Micro, Small or Medium)	
Contact Name and Role:	Chris Dungworth (DMBC) Victoria Poppleton (DMBC) Lee Beevers (SYMCA) Stephen Burrows (SYMCA)
Address:	Civic Office Waterdale Doncaster South Yorkshire DN1 3BU
Email:	<a href="mailto:chris.dungworth@doncaster.gov.uk">chris.dungworth@doncaster.gov.uk</a>
Telephone:	07909 934259
Other Delivery Partners and Roles:	Victoria Poppleton – Supply Chain Manager (Business Doncaster)
Estimated total project cost	£1.3m

2 – SOCIAL VALUE ELIGIBILITY CONDITIONS
<b>2.1 Please confirm how you intend to comply with the eligibility conditions for accessing support from the Mayoral Combined Authority. Full details of the conditions, why they are important and examples of how they can be achieved</b>

and measured can be found here <https://governance.southyorkshire-ca.gov.uk/mgConvert2PDF.aspx?ID=10630>

**The conditions and your current position (taking into account your organisation size and level of funding sought) will be discussed and will form part of your contractual obligations**

<b>Conditions</b>	<b>How is your organisation currently delivering against these conditions? (e.g. have you achieved, are you working towards or is it not yet something you are doing?)</b>	<b>What evidence do you have for your current position? How will you measure future change?</b>	<b>Please provide any further details here</b>
1. Pay Real Living Wage to full and part time employees, for regularly contracted hours and overtime	DMBC is a Real Living Wage employer.	N/A	N/A
2. Ensure secure work for employees, with zero hours contracts only for those who want them	This is ensured.	N/A	N/A
3. Spend more with local suppliers in South Yorkshire, particularly with SMEs and the Voluntary, Community and Social Enterprise (VCSE) sector	South Yorkshire Supply Chain Programme will enhance this activity.		
4. Empower employees to be informed about the business and involved in decision-making	N/A	N/A	N/A
5. Enhance workforce diversity	This will be considered at recruitment stage.	N/A	N/A
6. Offer more pathways into employment through work experience, placements, internships and apprenticeships	Graduate Apprenticeships will be considered when recruiting for the delivery team.		



7. Support staff progress in the organisation through training and development	Yes	N/A	N/A
8. Engage with local communities	Yes	N/A	N/A
9. Achieve Net Zero	South Yorkshire Supply Chain Programme will support the regions Net Zero ambitions.	N/A	N/A
10. Create a healthy workplace	Yes	N/A	N/A

## 3 – PROJECT SUMMARY

### 3.1 – Tell us about the project

*Please provide a summary description of your project and what you intend to achieve. Why are you looking to embark on this project? What do you want to achieve? What is the problem you want to address or what is the opportunity? What is the project about?*

Since the UK left the European Union, the South Yorkshire Mayoral Combined Authority has been aware of potential supply chain issues and the importance of local supply chain development. Supply chain issues were made even more apparent during the Covid-19 pandemic which enhanced the need for a regional supply chain support programme in reaction to global supply chain problems. This has been even further exacerbated by the war in Ukraine which has added to the supply chain difficulties that Brexit and Covid-19 has created globally and nationally.

The South Yorkshire Supply Chain Programme is important strategically and will mitigate global supply chain issues on a local and regional scale. The programme will encourage the development of strong local supply chains, enabling green and sustainable growth in the region, and will encourage inward investment. The programme will equip businesses with wrap around support enabling them to confidently bid for and be successful in winning tenders. The activity undertaken via full time Supply Chain Managers, Meet the Buyer events, Specialist Masterclasses and a Web Portal will enable South Yorkshire to explore opportunities and threats in its supply chain. Plugging in to the wider Yorkshire and Humber supply chain, potential investors will be informed of the supply chain development and support that the MCA is providing.

Once delivered the South Yorkshire Supply Chain Programme will be able to demonstrate whether this type of intervention helps South Yorkshire businesses supply and deliver a larger share of products and services in the UK economy, and if the business ecosystem will be more resilient, competitive, greener, and create a desirable environment for inward investment.

Gaps in the South Yorkshire supply chain will be identified, providing intelligence that will inform and encourage prioritisation in relation to inward investment or indigenous industry development opportunities.

Over the course of 39 months (January 2023 – March 2026) the South Yorkshire Supply Chain Programme will support:

#### **Outputs:**

- 600 businesses to attend meet the buyer events.
- 360 of which will attend specialist supply chain masterclasses delivered by experts in the field.
- 6 meet the buyer events.
- 18 supply chain masterclasses.

- 12 peer to peer events.
- Web Portal

**Outcomes:**

- Additional jobs created and jobs protected because of increased revenue from opportunities identified, showcased at the project evaluation stage of the programme.
- Local supply will reduce the impact of transportation costs and costs to the environment.
- Increased contracts awarded to South Yorkshire Based Businesses.
- Business growth and increased turnover of recipient businesses.
- Diversification of markets businesses can penetrate will increase resilience to economic shocks.

## 4 – STRATEGIC ALIGNMENT

### 4.1 – Using the table below, please set out which of the MCA’s Core Strategic Outcomes (Stronger, Fairer and Greener), as set out in the Strategic Economic Plan and Renewal Action Plan, your programme/project will contribute to.

Projects that deliver against at least one indicator from all three of Strategic Outcomes (Stronger, Greener, Fairer) are more likely to be prioritised for investment.

**Useful links:**

For details of the Strategic Economic Plan (SEP)

[https://southyorkshire-ca.gov.uk/getmedia/4256c890-d568-42c8-8aa5-c8232a5d1bfd/SCR\\_SEP\\_Full\\_Draft\\_Jan\\_21-\(accesssible\).pdf](https://southyorkshire-ca.gov.uk/getmedia/4256c890-d568-42c8-8aa5-c8232a5d1bfd/SCR_SEP_Full_Draft_Jan_21-(accesssible).pdf)

For details of the Renewal Action Plan (RAP)

<https://southyorkshire-ca.gov.uk/getmedia/bf2c27b2-a5c7-4ac5-ac64-b4f8798df095/Sheffield-City-Region-Renewal-Action-Plan-Document-Final.pdf>

Theme	Indicator	Outcome	Contribution from this Programme/Project  e.g. increase in [outcome] of x [number/%] by y [year]. Please be specific as you possibly can be at this stage of the project.
<b>Stronger –</b> Achieve sustained, inclusive growth,	<b>Productivity per hour worked</b>	A higher productivity workforce	A web portal will encourage a simplified process for supply chains to collaborate and communicate.

underpinned by productivity gains that matches the UK average	<b>High growth business</b>	A larger proportion of high growth businesses	Important opportunity to identify and directly support high growth businesses.
	<b>Business density</b>	More businesses in the area, relative to population	The programme will add to the existing business support offer encouraging inward investors that their supply chain issues can be solved if identified.
<b>Greener</b> – Drive forward environmental sustainability to achieve our net-zero carbon target by 2040	<b>Flooding</b>	Better protect over 17,000 homes and businesses, and regionally significant infrastructure across South Yorkshire	No direct benefit identified, however there is potential to deliver innovative solutions with more robust supply chains.
	<b>Carbon emissions</b>	Reduced carbon emissions	Locally sourced and produced products/materials feeding into a more local supply chain will reduce carbon emissions.
	<b>Carbon intensity of transport network</b>	Improved carbon intensity	Opportunity to improve/expand low carbon transport network based on evidence of higher growth businesses and development of priority sites.
<b>Fairer</b> – Unlock prosperity by eliminating the wage gap and other inequalities (particularly health) with South Yorkshire and between South Yorkshire and the national average and by improving standards of	<b>Economic inactivity &amp; unemployment</b>	Fewer people are economically inactive and unemployed	Opportunity to encourage economic activity by seamlessly connecting industries and enabling companies to win tenders to deliver more activity locally.
	<b>Wage levels</b>	A lower proportion of employees on low earnings	Real living wages and career progression will be encouraged by Supply Chain Managers.
	<b>Qualifications &amp; skills</b>	A higher proportion of working-age population possess higher qualifications, indicating	Skills and knowledge gaps will be identified via the programme enabling interventions from Skills Bank and AEB.

living for disadvantaged communities		progression in education and employment.	
	<b>Personal Wellbeing</b>	Improved personal wellbeing (as measured by indicators on feeling life is worthwhile, life satisfaction, happiness, and anxiety).	No impact identified.

## 5 – SYMCA SUPPORT REQUIRED

### 5.1 How can the South Yorkshire MCA support the delivery of the project?

The Strategic Economic Plan (SEP) identifies that developing supply chains in the region is fundamental to economic growth. Therefore, we ask that the MCA reallocate £1.3m of the £2.6m Renewal Action Plan (RAP) funding, originally allocated for ‘Specialist Framework for Intensive Support’.

Built into this programme will be a £100,000 Barrier Breaker Fund. The initial pilot has identified that unlocking flexible finance is important. As a fund of last resort it can be used as a way of providing loans or grants to businesses that access the scheme. While the support programme is free to access, the project team can think carefully and respond rapidly about the gaps in the South Yorkshire supply chain. The Barrier Breaker Fund will be a flexible and tailored loan or grant offer. Detailed terms of eligibility can be determined and agreed based on need and commercial or strategic factors.

Anticipated costings of the scheme are:

Anticipated costings					Jan 23 - Mar 23	Apr 23 - Mar 24	Apr 24 - Mar 25	Apr 25 - Mar 26		
<b>Workstream 1 Opportunity developments</b>					Year 1	Year 2	Year 3	Year 4	Total	
	No of Companies	Number of events	Per year	Cost						
Meet the buyers events	600	6	2	£5,000	£ -	£10,000	£10,000	£10,000	£30,000	£30,000
Supply Chain Masterclasses (specialist)	360	18	6	£3,000	£ 3,000.00	£18,000	£18,000	£18,000	£54,000	£54,000
Peer to Peer events		12	4	£750	£ 750.00	£3,000	£3,000	£3,000	£9,000	£9,000
Supply Chain Managers 1 x per authority				£60,000	£ 80,000.00	£240,000	£240,000	£240,000	£720,000	£720,000
Project Marketing and Support Officer				£27,000	£ -	£27,000	£27,000	£27,000	£81,000	£81,000
Marketing and Admin costs					£ 3,000.00	£20,000	£20,000	£20,000	£60,000	£60,000
Subscription to Go For Growth				£8,000	£ 8,000.00	£32,000	£32,000	£32,000	£96,000	£96,000
Development of web portal				£50,000	£ -	£50,000	£5,000	£5,000	£60,000	£60,000
Regional Mapping exercise				£45,000	£ -	£15,000	£15,000	£15,000	£45,000	£45,000
Barrier Breaker Fund				£100,000	£ -	£33,000	£33,000	£33,000	£99,000	£99,000
<b>TOTAL</b>	<b>960</b>	<b>24</b>	<b>8</b>		<b>£ 94,750.00</b>	<b>£448,000</b>	<b>£370,000</b>	<b>£370,000</b>	<b>£1,282,750</b>	

### 5.2 Please provide details of any funding secured and/or details of other funders you are approaching.

N/A

### 5.3 What additionality will MCA investment bring?

What would happen with MCA intervention that wouldn't happen without it?

Work completed under the successful pilot phase of the project, developed as part of the Covid-19 RAP, has evidenced demand for the service. As supply side pressures on costs increase sourcing local is of significant advantage, whilst entering local supply chains will enable South Yorkshire businesses to increase revenue opportunities protecting jobs and standards of living.

A review of a similar project in West Yorkshire that has run for three years has shown that proactive intervention has a positive impact, increasing skills, generating new jobs as a result of increased revenue, providing local solutions to supply side challenges.

There would be a Supply Chain Support Scheme in South Yorkshire helping to mitigate global issues.

What would happen without MCA intervention?

There would be no supply chain support interventions for South Yorkshire businesses to access. This would be a risk to the region as potential benefits could be transformational.

## 6 - CONSULTATION

### 6.1 – Who have you consulted with about the project idea?

<b>Please insert South Yorkshire MCA</b>	Inward Investment and Growth Hub teams.
<b>Local Authority</b>	Barnsley, Doncaster, Rotherham, Sheffield.
<b>Other consultees, for example:</b>	
<b>Local community</b>	
<b>Relevant businesses</b>	University of Huddersfield. Doncaster Chamber of Commerce. RTC North.

<b>Environment Agency</b>	
<b>Planning Authority</b>	
<b>Highway Authority</b>	
<i>Please insert others as appropriate</i>	

## 7 – TIMESCALES FOR DELIVERY

**7.1 – What is the preferred date that the project can commence delivery? If this is currently unknown, please set out your proposed next steps below**

Once approved by the BRGB and MCA. December 2022 would be realistic.

**6.2 – If currently known, please outline the key milestones required to deliver the project and provide forecast dates for achievement.**

*[e.g. complete outline design, secure all funding, procurement complete, statutory processes complete]*

<b>Complete outline design</b>	Complete
<b>Project mandate BRGB approval</b>	01/09/2022
<b>SBC submitted to assurance for review.</b>	W/C 19/09/2022
<b>SBC to assurance panel</b>	WC 03/10/2022
<b>SBC to BRGB for approval</b>	27/10/2022
<b>SBC to MCA for approval to reallocate RAP funding. TBC internal management board.</b>	14/11/2022
<b>FBC submitted to assurance for review.</b>	WC 07/11/2022
<b>FBC to assurance panel</b>	WC 21/11/2022
<b>FBC to BRGB for approval</b>	15/12/2022
<b>Procurement</b>	N/A
<b>Development of web portal</b>	Not yet commenced 2022/23
<b>Regional mapping exercise</b>	Not yet commenced 2022/23

<b>Meet the buyer/peer to peer events and supply chain master class events calendar</b>	Not yet commenced 2022/23
<b>Year 1 Check Point</b>	2023
<b>Year 2 Check Point</b>	2024
<b>Year 3 Check Point</b>	2025
<b>Project close out</b>	March 2026

## 8 – DEPENDENCIES

### 8.1 – Is the project linked to or dependent on any other project or activity, especially one the MCA may be involved in?

The project is linked to the overall business support offer and ecosystem in South Yorkshire.

### 8.2 – Are there any statutory processes required for you to deliver the project?

Not at this stage.

**Please attach any document(s) or provide links to reference material that support any of the information presented above.**



## Document Sign Off

### 9 – DECLARATION AND SIGN OFF

*On signing the Project Mandate Form the project sponsoring organisation agrees to the following:*

- 1. The South Yorkshire (SY) Mayoral Combined Authority (MCA) is a public body and is therefore subject to information/transparency laws and the Local Government Transparency Code 2015. This Project Mandate Form will be shared with the appropriate SYMCA Boards including the MCA and Local Enterprise Partnership (LEP). In line with legislation, papers to the MCA and LEP meetings are published in advance and made publicly available. These papers will detail the applicant and summarise the Mandate Form in sufficient detail to allow the members to take an informed decision. At this point, under Local Government access to information provisions, the Mandate Form may have to be made available for inspection to any member of the public who requests it.*

*Once a project is admitted onto our programme pipeline, in line with MCA's Assurance and Accountability Framework and Freedom of Information Act (FOI) Publication Project, the Mandate Form must be published on the applicant's and the SYMCA website.*

*For this purpose, you may wish to also send a redacted copy stating any exemption or exception applied under FOI or Environmental Information Regulations. We will consider any requested redaction. Any comments received after publication are required to be reflected in SOBC, the OBC and FBC if the project progresses further. MCA will require evidence of this through the assurance process.*

- 2. MCA support is not allocated to a project at this stage. The Project Mandate Form is the means by which the MCA can accept project ideas into the Programme Pipeline. Further project development and submission of SOBC, OBC and FBC or BJC in line with the Assurance Framework will be required.*
- 3. To the best of your knowledge all the information provided in this Project Mandate Form is true and correct. You acknowledge that the information provided will inform any future contract should a decision be made to support the project.*
- 4. You will comply with due diligence requirements appropriate to this project. This will be conducted by the SYMCA Executive Team and further details will be provided if the project progresses further.*

**Person responsible for the application (Chief Executive or relevant Executive Director in your organisation)**

Name:	
Role:	
Date:	
<b>Counter signatory – Director of Finance</b>	
Name:	
Role:	
Date:	

<b>Signature of the appropriate thematic Director in the SYMCA</b>	
Name:	
Role:	
Date:	

<b>For MCA Use Only</b>	
Programme/Project Reference Number:	
Date Received/ Accepted:	
Version Number:	
Summary of Amendments: (if applicable)	
Resource implications for the MCA	<i>Key staff resources or functional team involvement required to deliver the project. These could be expert consultants (external) or internal functions (e.g. procurement team, HR, Tram Concession Manager, Active Travel team etc).</i>



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## Business Recovery and Growth Board

01 September 2022

### Programme Performance Report

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

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

**Report Author(s):**  
Sue Sykes – Assistant Director – Programme and Performance Unit  
Sue.Sykes@SouthYorkshire-ca.gov.uk

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#### 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 two hundred and forty-eight projects of which twenty-three fall within the remit of the Business Recovery and Growth Board.

The schemes are funded from various funding streams with a total value of £60.7m.

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 2022/23 was initially set at £33.16m with the latest forecasts suggesting outturn expenditure of £42.42m. This level of expenditure will be generating a material overspend of £9.26m. This increase is due to the addition of new capital projects and final confirmation from BEIS for the Made Smarter programme. One project has withdrawn from the programme.
- 1.3 Of the total projects value £1.7m (19.7%) is funded from conditional grant from government, and consents will likely be required to roll-forward the funding to future periods

## 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	£27.15	£5.60
Gainshare Revenue	£2.57	£4.90	£2.33
BEIS - Made Smarter 2	£0.37	£1.70	£1.33
	<b>£33.16</b>	<b>£42.42</b>	<b>£9.26</b>

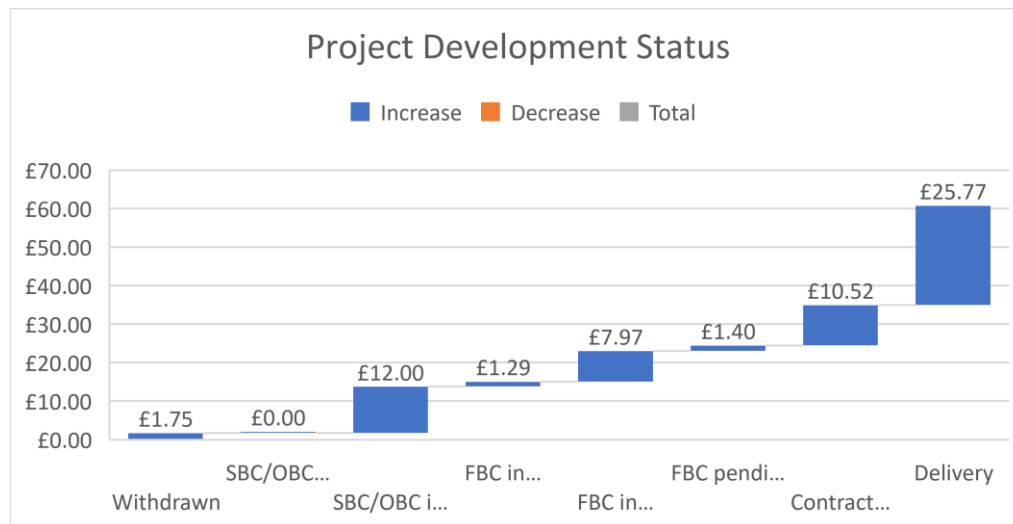
The table below shows 2022/23 current forecast against claims received to date

Funding Stream	2022/23 Forecast	2022/23 Claims	22/23 Claims
	£m	£m	%
Legacy Capital	£8.67	£1.99	22.9%
Gainshare Capital	£27.15	£1.47	5.41%
Gainshare Revenue	£4.90	£1.51	30.8%
BEIS - Made Smarter 2	£1.70	£0.37	21.8%
	<b>£42.42</b>	<b>£5.34</b>	<b>12.59%</b>

The Made Smarter 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 LGF activity.

### 2.3 Development Status of Projects

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



2.5 The graphic highlights that of the twenty three projects in the portfolio 43% are in delivery with a value of £25.77m with three schemes with a value of £11.92m either awaiting full approval or in contract negotiation. Appendix A gives an update on progress of these schemes.

### 3. Management Actions

3.1 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.

3.2 In this context schemes recommended for approval will be made to the board highlighting the risks on a scheme by scheme basis.

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 seven 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. The MCA is also currently entering into its first equity agreement with a project.

### 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 and Made smarter schemes. The report notes the potential implications for funding. The report further notes the work being undertaken within the MCA with local partners and national government to mitigate this risk.

## **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**

Appendix A – Capital Scheme Progress

### **Background Papers**



None

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Scheme	Job Creation Target	Offer of support		Progress
		Grant	Loan	
The Floow	110	£4.8m		In Delivery
AML	50	£1.98m		In Delivery
UBC	495	£2m	£3.2m	In Delivery
Lontra Phase 2	300	£5.16	1.97m	One approval condition still to be met relating to match funding. Grant and loan agreements in development.
Portwest	120	£1.75m		Withdrawn
GTI&MC	35	£1.5m		In Delivery
Yorkshire Lending Pod	15	£3m		Approved MCA 06/06/2022 - Contract Negotiation
D0035 - Canon Diagnostic Suite and Arena	140	£1.4m		Due for approval 01/09/2022





## Business Recovery and Growth Board

01 September 2022

### Programme Approvals

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

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#### **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

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#### **Executive Summary**

The paper seeks progression to full approval and award of £1.4m grant for the Canon Diagnostic Suite and Arena project and progression of a Strategic Business Case (SBC) to Full Business case (FBC)

#### **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 "Canon Diagnostic Suite and Arena" project to full approval and award of £1.4m grant to Canon Medical Systems Ltd subject to the conditions in the Assurance Panel Summary attached at Appendix A.
- Progression of D0036 Strategic Business Case (SBC) to the MCA Board for approval to proceed to Full Business Case (FBC)
- 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.

## **1. Background**

1.1 This report details the results of the assurance process of one currently unfunded proposed capital investment totalling c. £1.4m. The report recognises that the proposal meets the threshold for investment – subject to a number of conditions – and in line with previous decisions recommends that the Board consider resourcing the project from the gainshare funding made available in 2022/23. .

### **1.2 Progression of schemes to full approval and award of funding**

#### **Canon Diagnostic Suite and Arena**

This investment is for £1.4m to Canon Medical Systems Ltd with total project costs of £14.2m

The project will build the UK's first sustainable and affordable community based multi-purpose arena with an integrated Sports Diagnostic and Medical Suite ("SDMS"). Over time, the facility will have an outstanding reputation for delivering a service that supports professional athletes and complements the health needs of the city's residents. This will be an integral part of the major complementary developments on the Olympic Legacy Park in Sheffield.

#### **Sports Diagnostic and Medical Suite**

Canon Medical, together with its UK R&D Division based in Edinburgh, will install the latest technology in imaging systems, data management and artificial intelligence solutions, to deliver the best patient outcomes for today and the future. Innovations developed here will be included in Canon's systems delivered around the world. The SDMS will include Canon Medical's state-of-the-art diagnostic and scanning facilities that will be available to elite performance athletes through to NHS patients.

Canon will be partnering with other establishments in and around the OLP where there will be a need for imaging as part of any research and data gathering. Some of this research will be as part of a collaboration with Canon Medical Research Europe, but with a facility located at the SDMS.

The SDMS will be a showcase for Canon Medical's latest products and a hub for its research and development division which will complement the AWRC. Canon Medical Systems are a global company, domiciled in Japan for most manufacturing but with multiple Research & Development hubs around the world including. The ambitions are to help the NHS be the first in the World to benefit from a comprehensive implementation of AI, especially in diagnostics, and our partnership with Academia and Healthcare in Sheffield, through this project, is key.

#### **Arena**

Park Community Arena Ltd has developed the project to date and is in the process of handing the ongoing development of the Arena to Canon Medical Systems. Upon completion, PCA Ltd will operate the new sustainable, multi-purpose and flexible small community arena (up to 2500 seats with 3 full-size basketball courts amongst other facilities) on the emerging, high profile Olympic Legacy Park in Sheffield, forming an accessible unique sporting, leisure and wellness campus. The project will offer the wider community, in a deprived area, affordable, quality, and flexible indoor facilities for a range of sporting, leisure, entertainment, health and educational services.

In addition, it will offer and support a range of research programmes that the Advanced Wellness Research Centre will seek to deliver around improving peoples' health and education through sport and physical activity.

Canon already have a national cryo-warehouse for MRI Scanners, which is also a training centre for its engineers nationally, based in Dinnington, Rotherham. This is also a base for the storage and maintenance of a fleet of mobile MRI and CT Scanners which require very high-power supplies and high indoor space to work in and on the trucks. Canon see the OLP development as an opportunity to develop the foundational footprint in South Yorkshire.

The MCA is being asked to support with grant funding to cover cost increases in relation to the Canon Diagnostic Suite and Arena, with build costs having increased from £11.9m to £14.2m due to increased cost of materials and labour as a result of the Covid-19 pandemic and other global factors. This is despite extending the repayment period of the loan to PCA from 15 to 20 years whilst maintaining a 3-year interest only period. This still leaves a funding gap of £1.4m to realise the full benefits of the project. This £1.4m funding gap is what is being requested from MCA.

Further details of the schemes and risks are included in the Assurance Summary at **Appendix A**.

## 1.2 Progression of scheme from SBC to FBC

### **D0036**

D0036 is a pre-authorisation financial services firm that is seeking an equity investment of £5m to support the set-up of a new national challenger bank, based in central Sheffield. The bank will focus on the provision of targeted residential mortgage lending at a high Loan-to-Value (LTV) rate (eg. 5% deposit) and retail savings products to people in secure but lower paid jobs (specifically public sector and key workers), older consumers and first time buyers who may struggle to access mortgages from high-street lenders. Potentially, the bank will also design products specifically for South Yorkshire residents only, such as mortgages with reduced fees for first time buyers and savings accounts paying higher rates of interest, as well as 'later life' products that will free up capital for older homeowners with large capital assets but small pensions. The bank aims to commence trading in late 2022/early 2023.

D0036 is being set-up by a group of former banking professionals. The applicant estimates that the bank will grow in employment from less than 10 employees in its first year of operation, to employing 226 employees in ten years, including apprentices and paid internships, with profits secured within the first three years of trading.

The applicant has estimated a Return on Investment for SYMCA of circa £50m gross by year 10. This is based on an assumed loan book value of approximately £2.3bn and total balance sheet assets of £2.5bn by year 5; funded by retail deposits and capital funding. The MCA's £5m equity stake would secure a shareholding in the equity of around 26%.

Grant Thornton conducted a Financial Assessment of the proposal in July 2022. As the applicant is a start-up business without a trading history, the assessment is based on forecast and assumed financial performance and is therefore significantly. It is also important to note that SYMCA would be the sole investor at this stage, as the £2m match-funding would not be raised until the bank commences trading.

Further details of the scheme and risks are included in the Assurance Summary at **Appendix B**.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Approve all recommendations

#### **3.2 Option 1 Risks and Mitigations:**

Approval of the investment propositions would require a commitment being made against the MCA's 2022/23 gainshare allocation.

#### **3.3 Option 2**

Reject the recommendation

#### **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 Discussions for these projects has continued with thematic boards during project development.



## **5. Timetable and Accountability for Implementing this Decision**

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

## **6. Financial and Procurement Implications and Advice:**

- 6.1 The project presented for approval today are profiled to draw down up to £1.4m 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.

## **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 – D0035 - Canon Diagnostic Suite and Arena  
B Assurance Summary - D0036

## **Background Papers**

None

## 1 – SCHEME DETAILS

<b>Project Name</b>	Canon Diagnostic Suite and Arena	<b>Type of funding</b>	Grant
<b>Grant Recipient</b>	Canon Medical Systems Ltd	<b>Total Scheme Cost</b>	£14.2m
<b>MCA Executive Board</b>	Business Growth	<b>MCA Funding</b>	£1.4m
<b>Programme name</b>	Business Growth	<b>% MCA Allocation</b>	9.9%
<b>Current Gateway Stage</b>	FBC	<b>MCA Development costs</b>	n/a
		<b>% of total MCA allocation</b>	n/a

## 2 – PROJECT DESCRIPTION

The project will build the UK's first sustainable and affordable community based multi-purpose arena with an integrated Sports Diagnostic and Medical Suite ("SDMS"). Over time, the facility will have an outstanding reputation for delivering a service that supports professional athletes and complements the health needs of the city's residents. This will be an integral part of the major complementary developments on the Olympic Legacy Park in Sheffield.

### **Sports Diagnostic and Medical Suite**

Canon Medical, together with its UK R&D Division based in Edinburgh, will install the latest technology in imaging systems, data management and artificial intelligence solutions, to deliver the best patient outcomes for today and the future. Innovations developed here will be included in Canon's systems delivered around the world. The SDMS will include Canon Medical's state-of-the-art diagnostic and scanning facilities that will be available to elite performance athletes through to NHS patients.

Canon will be partnering with other establishments in and around the OLP where there will be a need for imaging as part of any research and data gathering. Some of this research will be as part of a collaboration with Canon Medical Research Europe, but with a facility located at the SDMS.

The SDMS will be a showcase for Canon Medical's latest products and a hub for its research and development division which will complement the AWRC. Canon Medical Systems are a global company, domiciled in Japan for most manufacturing but with multiple Research & Development hubs around the world including. The ambitions are to help the NHS be the first in the World to benefit from a comprehensive implementation of AI, especially in diagnostics, and our partnership with Academia and Healthcare in Sheffield, through this project, is key.

### **Arena**

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In addition, it will offer and support a range of research programmes that the Advanced Wellness Research Centre will seek to deliver around improving peoples' health and education through sport and physical activity.

Canon already have a national cryo-warehouse for MRI Scanners, which is also a training centre for its engineers nationally, based in Dinnington, Rotherham. This is also a base for the storage and maintenance of a fleet of mobile MRI and CT Scanners which require very high-power supplies and high indoor space to work in and on the trucks. Canon see the OLP development as an opportunity to develop the foundational footprint in South Yorkshire.

The MCA is being asked to support with grant funding to cover cost increases in relation to the Canon Diagnostic Suite and Arena, with build costs having increased from £11.9m to £14.2m due to increased cost of materials and labour as a result of the Covid-19 pandemic and other global factors. This is despite extending the repayment period of the loan to PCA from 15 to 20 years whilst maintaining a 3-year interest only period. This still leaves a funding gap of £1.4m to realise the full benefits of the project. This £1.4m funding gap is what is being requested from MCA.

<p><i>Options assessment</i></p>	<p>The applicant sets out a range of potential options, including a Do Minimum, one Viable Alternative (£1.2m shortfall made up through MCA grant) and the Preferred Option (£1.4m shortfall made up through MCA grant).</p> <p>The rationale supporting the choice of the preferred option is that without grant funding, the quality and functionality of the Arena and associated facilities would have to be compromised. This would result in the removal of the Endoscopy Unit to save £1.2m and a reduction in the Arena seating to save £0.2m. As a consequence, 15 Endoscopy Nurses and 5 Healthcare assistants and an additional 5FTEs per annum associated with the arena hosting larger events would not be employed, as well as endoscopy capacity not being delivered, and AI capabilities not being realised when compared with the Do Minimum.</p> <p>The Preferred Option is also more advantageous than the Viable Alternative due to the inclusion of the Arena seating, which will deliver more bed nights as the expected larger events, leading to higher employment.</p> <p>Given these aspects of the options appraisal, it is clear why the preferred option has been chosen.</p>
<p><i>Statutory requirements and adverse consequences</i></p>	<p>The applicant states that full planning permission has been received for the project and all pre-planning conditions have been discharged. As previously mentioned, the tree-planting program as a means to offset carbon has been accepted as a condition of the Planning Approval.</p> <p>In terms of transport routes, the applicant has stated that a transport plan was previously submitted with the Planning Application for the entire OLP, developed by ARUPS. Parking and road infrastructure in the area is already developed/submitted, and the arena is served by bus and tram.</p> <p>No adverse consequences have been identified by the scheme promoter. Carbon offsetting is a key aspect of this scheme's carbon neutrality, and therefore, the implementation of these measures should be a key outcome measured through the Monitoring and Evaluation process.</p>
<p><i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i></p>	<p>The project aligns with the “<b>Stronger</b>” outcome through supporting increased productivity, creating 62 jobs by the end of 2023/24, including 4 in management roles and 41 in professional occupations. The project has a strong emphasis on research, which helps to contribute to the MCA's aim of increasing investment in R&amp;D in South Yorkshire. The Enterprise indicator will be supported through the research elements of the project, which aims to support between 2 and 5 projects from 2023-2028.</p>

The project also aligns with the “**Fairer**” strategic outcome through its delivery of education and community-based programmes through the arena’s Study Support Centre, with the applicant stating that 50 schools will be supported in South Yorkshire by 2025. The scheme will aim to help young people at risk in their own communities to gain skills and enhance their employment prospects in collaboration with the UTC College. All jobs will be at the Living Wage or above, whilst the diagnostic suites and affordable access to the arena will improve health journeys and outcomes. This will also meet the MCA’s target for the population to “live increasingly long, healthy lives”. In terms of health indicators, the applicant states that there will be 38,400 appointments per annum attended by local Sheffield residents to the medical centre, however this is not a direct link to improving health outcomes for the area.

This project will also contribute to the “**Greener**” strategic outcomes in the SEP, with the arena carbon emissions being offset through Canon’s Carbon Zero initiative. The carbon used in the project, including building materials, fit out and the energy usage of the diagnostic equipment, will be offset through programmes in Kenya and Uganda. The building is to be constructed to BREEAM standard Good.

#### 4. VALUE FOR MONEY

##### Monetised Benefits:

<i>VFM Indicator</i>	<i>Value</i>	<i>R/A/G</i>
<i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i>	5.25	G

##### Value for Money Statement

The costs and benefits are calculated over a 10-year appraisal period, with costs and benefits discounted by 3.5% per annum. Based on this, a BCR of 5.25 is calculated, representing good value for money. A similar calculation for the Reasonable Alternative Option (Option 2) was also undertaken and resulted in a BCR of 2.41, demonstrating that the Preferred Option offers higher value for money.

There are also many non-monetisable benefits resulting from the scheme. Through the Preferred Option, there will be the ability to offer more community support through Arena facilities, however this is not quantified. Other important non-monetised benefits focus on engagement “*across a wide range of partners and collaborators including the Universities and other occupiers on the OLP. AI development is expected to result in the set-up of a least 10 early stage AI businesses, which will be based on or around the OLP.*”

#### 5. RISK

The applicant has included 5 main risks within the business case, with 24 risks identified in the Risk Log in Appendix A.3.

The greatest risk relates to the supply chain delays and constraints, with the mitigation that key items are being purchased in advance, and the building is phasing its opening. However, delays may consequently increase the overall cost of the project. COVID-19 and a shortage of labour is also identified as a key risk. While no mitigations are identified for the risk in the text, the applicant previously clarified that *“Project partners have good networks in various sectors and will use these as well as other means to start the recruitment process. The relatively long lead time gives more opportunity to recruit.”*

Two of the risks presented are related to delays in the project. Further delays leading to higher costs are mitigated by the project commencing prior to Christmas, with preliminary costs, such as legals and other professional fees, were incurred before Christmas but not the building work. As clarified by the applicant, site preparation and clearance commenced in April 2022. Further delays to the programme are also to be mitigated through managing expectations for the public and communities involved. However, this could also lead to reduced revenues for a short period after the construction period, so should be considered a minor temporary risk for the project.

An additional high priority risk within the FBC body is the financial viability of anchor tenants, which while a low likelihood would have a high impact on the project. However, this is mitigated by anchor tenants having passed due diligence criteria set by Canon’s corporate parent in Japan to release the authorisation to invest.

Although the majority of costs should be fixed once the JCT Fixed Price contract is signed in Feb 22, given the evidence of previous cost increases and potential for further value engineering/cutbacks noted in the business case, it would be advised for the MCA to introduce clawback conditions on the grant funding to ensure the delivery of the community elements/social value outcomes as part of the grant agreement.

No funding risks have been identified for this project as the only unsecured funding source required is from MCA.

As noted, the procurement process is now complete, which will mean that some risks are now greatly reduced. However, there are still risks associated with project partners and the works to be undertaken.

The applicant has supplied a risk register drafted for Canon Diagnostic Suite and Arena, detailing these risks. Firstly, there is a risk of B&E Boys not being able to supply the correct materials to meet the programme specification. This will be mitigated by B&E Boys reviewing the specification and limiting changes to this specification such that early ordering of materials can be processed. Another risk highlighted is the final build, and achieving a good BREEAM standard, which is considered a low risk and will be monitored by the applicant. Finally, there is a risk associated with construction issues due to restricted access from adjacent developments, which will be mitigated through communication and co-operation with adjacent developments.

It is also noted by the applicant that B&E Boys have previously delivered a similar project with Leicester Arena which was delivered on time and on budget which was a key determinant of the approach to procurement.

## 6. DELIVERY

The delivery timetable represents a relatively ambitious programme of activity which aims to complete construction by August 2023, as outlined by the applicant. Procurement has been completed and the Statutory process is now completed with no dependencies identified. The lease has also been signed for this project. The applicant has also clarified that some aspects of the scheme have begun, stating in clarification responses that *“UXO clearance [took place] in April 2022, grouting to mitigate the mine shafts beneath [in] May 2022 and concrete pouring into the foundations and site preparation [during] June and July 2022.”* Collectively, this reduces the level of uncertainty regarding the project and its milestones, though the programme remains ambitious to complete the project within 16 months.

The procurement process was initially by negotiated tender using the company that built the Leicester Riders Basketball Arena (B&E Boys Construction). An alternative contractor, GMI was also asked to provide a quote, which was approximately £1m higher than those provided by Boys. The procurement process is now complete, and the contract has been awarded to B&E Boys, with full RIBA stage 4 drawings and a JC Fixed price contract in place. The only aspect not covered by B&E Boys is the Diagnostic Suite, where works *“will be undertaken by Canon’s preferred supplier as they have specialist experience in this area.”*

Therefore, the procurement strategy is clear in this application.

The level of cost certainty is stated as 95% within this business case. Given that RIBA Stage 4 designs have been developed and the signing of the JCT Fixed Price contract is in place between Canon Medical and Boys Construction (as explained in the commercial case and subsequent clarifications), this represents a high degree of cost certainty.

The applicant notes that the building work is being procured through a JCT contract to limit any potential cost over-runs. Should there be any increase in associated cost this will be covered by support from Canon Medical Systems Ltd (CMS), value engineering if any further opportunities available or cutbacks to the project. Subsequent clarifications note that any cost increases are expected to be marginal and that the applicant would *“try and identify cost savings not impacting on the deliverables of the project. If this is not possible CMS will review and potentially increase a small amount of additional funding. There will be limited impact on social outcomes from any cost increases and so the social value outcomes within the MCA will not be affected”*.



The applicant has identified a clear governance structure for the operation of the project, provided in the project organogram. Canon Arena and Canon Medical Systems UK will be the developers and funders, with Park Community Arena Ltd as the operating company. Upon the operational stage of the scheme commencing, the anchor tenants will be Living Care in the Diagnostic Medical Suite, Sheffield Sharks Basketball Franchise and MLS Contracts Ltd.

The applicant has noted that key team members overseeing project delivery are in place. The SRO identified is Canon Medical Systems Ltd represented by their Chief Executive, Mark Hitchman and the Director of Commercial Solutions, Ian Watson. Further detail regarding the governance/oversight in relation to project delivery and reporting lines and procedures would further benefit this business case.

The applicant notes that the project is supported by the Olympic Legacy Board and its Chairman, Richard Caborn. Subsequent clarifications highlighted that the Canon Diagnostic Suite and Arena has been subject to public consultation as part of the wider Olympic Legacy Park project. Within this, the Arena is considered an integral part of the Olympic Legacy Park development and has received support from schools and the University Technical College on site. Sheffield City Region are also supportive of the project and have provided assistance for planning permission for the scheme. Therefore, it is fair to assume that there is public support for this project.

At the time of writing, the applicant has not developed the monitoring and evaluation procedures for this scheme nor outlined how this would be resourced, with this element still to be determined between Canon and the MCA. Canon as project lead will be monitoring outputs through the scheme, however, it is unclear if these will be directly reported, and other elements are considered out of scope for the applicant. The applicant has also stated that there are no monitoring obligations for other funders.

## 7. LEGAL

The applicant originally sought advice from DLA Piper, whose advice was *“that the provision of funding to MRC does not infringe UK subsidy control law”*. The applicant states that due to the change in funding ask since this point (£1.4m funding compared to £1.2m previously) that this advice may need updating. However, no issues are foreseen in completing this minor change.

## 8. RECOMMENDATION AND CONDITIONS

<b>Recommendation</b>	Full grant award subject to conditions
<b>Payment Basis</b>	Payment on defrayal

## Conditions of Award (including clawback clauses)

### ***The following conditions must be satisfied before contract execution.***

1. Provision of a suitable subsidy control legal opinion. Clarity should be sought on subsidy control compliance, to confirm that the increase in the funding ask still complies with subsidy control laws.
2. Confirmation of planning approval
3. Confirmation of other funding in place
4. Confirmation of how any cost overruns will be funded without further recourse to the taxpayer. Although the majority of costs should be fixed once the JCT Fixed Price contract is signed in Feb 22, given the evidence of previous cost increases and potential for further value engineering/cutbacks noted in the business case, it would be advised for the MCA to introduce clawback conditions on the grant funding to ensure the delivery of the community elements/social value outcomes as part of the grant agreement.
5. Provision of current employment baseline and proposed phasing of headcount expansion, with evidence showing proportion of SY residents recruited
6. The MCA should confirm the monitoring and evaluation plans for the scheme with the applicant to determine how this will be resourced and confirm outputs and outcomes to be monitored in order to evidence the impact of the scheme.
7. Evidence of long-term hire agreements with principal partners should be provided to the MCA once signed.
8. Confirmation of how project delivery will be monitored

### **The following conditions must be included in the contract**

9. Agreed schedule of inclusive and environmental commitments
10. Clawback on outcomes, including both jobs and social value commitments, at MCA's discretion
11. Suitable overage clause to be considered for inclusion in agreement
12. Confirmation the Applicant will cover cost overruns without reducing outcomes

By virtue of paragraph(s) 4 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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