

SCR - BUSINESS GROWTH BOARD

MINUTES OF THE MEETING HELD ON:

WEDNESDAY, 17 JULY 2019 AT 10.00 AM

11 BROAD STREET WEST, SHEFFIELD S1 2BQ



Present:

Neil MacDonald (Chair)	Private Sector LEP Board Member
Councillor Sir Steve Houghton CBE (Co-Chair)	Barnsley MBC
Lucy Nickson	Private Sector LEP Board Member
Councillor Denise Lelliott	Rotherham MBC
Councillor Bill Mordue	Doncaster MBC
Sharon Kemp	Rotherham MBC
Dr Ruth Adams	SCR Executive Team

Officers in Attendance:

Helen Lazarus Assistant Director - Business Growth SCR Executive Team

Apologies:

Councillor Mazher Iqbal Sheffield City Council

1 **Welcome and Apologies**

Members' apologies were noted as above.

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

None.

3 **Urgent items / Announcements**

R Adams reported that there would be a further item of business for informal consideration at today's meeting relating to an inward investment scheme.

4 **Public Questions of Key Decisions**

None.

5 **Governance Arrangements, Terms of Reference and Forward Plan**

A report was received to summarise the approved governance arrangements for the Business Growth Board, approved by the Mayoral Combined Authority and the Local Enterprise Partnership.

Members' attention was drawn to the 8 week meeting cycle (compared to the 6 weekly cycle of the previous iteration of the Board).

In relation to quoracy, it was noted the current requirement for 7 Members to be present was currently under evaluation, noting that this was originally based on the added attendance of non-Constituent district council representatives and that these seats were currently not being filled.

It was noted that Board Members could nominate a deputy to attend meetings of the Board in their absence. The deputy for an elected member has to be another elected member and not an officer. All deputies needed to be named and complete a Register of Interests Form.

Members considered the option to develop a broader advisory members' network through the engagement of businesses or business membership organisations, Universities, or colleges.

Following discussion, the Board agreed that at this early stage of the Board's establishment, advisory members (businesses and Universities) be invited to attend the Business Growth Board Workshop proposed to be held during September 2019.

The report also outlined a suggested forward plan / work programme and proposed schedule of dates for future meetings and workshop for the Board's information.

Members stated that the business to be considered at future Board meetings needed to reflect the Board's Terms of Reference and include standing agenda items.

ACTION: R

Adams

It was noted that officers would carry out work to produce a detailed high level programme tracker, which would be circulated to Board Members by email for consideration and agreement at the next meeting.

ACTION: R Adams

RESOLVED – That Board Members:-

- Noted the approved governance arrangements.
- Noted the proposed future scheduling of Business Growth Board meetings.
- Noted the potential to engage a wider membership on an advisory basis.
- Considered the draft forward plan and the option for the suggested workshop.

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SCR Current Business Support Arrangements

A report was presented to provide the Board with details on the current business support and business investment activity being undertaken at the city

region level, directly by local partners and outlined the key contextual and national frameworks that the Board need to be cognisant of as it sets the agenda for the coming years.

Consideration was given regarding the continuing role of the Growth Hub Operational Board following the implementation of the new governance arrangements. It was agreed that the Growth Hub Operational Board, chaired by a LEP Board Member should continue to meet to conduct detailed monitoring of Growth Hub business activities and performance of the Growth Hub. It was suggested that the Chair of the Growth Hub Operational Board be invited to attend future meetings of the Business Growth Board.

RESOLVED – That Board Members:-

1. Noted the current arrangements for the delivery of business support in SCR.
2. Considered the context set out in section 3 of the report as background discussions to develop the future work plan.

7 Business Investment Fund (Background and Current Position)

A report was received to provide Board Members on the background and performance to date of Sheffield City Region's Business Investment Fund and context to two further reports seeking approvals to the BIF fund and the Made Smarter / Productivity fund.

Members noted that to the end of Q1 2019/20 the Business Investment Fund had supported 55 companies, created 1,625 jobs, safeguarded 721 jobs and levered over £49m in private investment.

In March, the LEP Board approved the creation of two new categories within the Business Investment Fund – Productivity Challenge and Made Smarter.

The Board noted that under the revised LEP Board and MCA governance arrangements, the Business Growth Board had delegated authority to consider and approve projects up to £2million. Applications of £2million plus needed to be considered by the Combined Authority.

Applications for the Business Investment Fund were received on an ongoing basis. The BIF Productivity Challenge and Made Smarter had been promoted as a time bound call for projects. It was noted that some applicants for the Made Smarter and Productivity Challenge had not provided enough detail particularly on the outcomes of their project and it was not possible to conclude the value for money assessment.

Consideration was given by the Board to meeting outside of the 8 week cycle in order to take decisions on the projects deferred at this meeting awaiting additional information and any other projects that may arise in the intervening period on an exceptional basis or as an ongoing arrangement.

Following discussion, the Board agreed that they would be prepared to

consider BIF projects by exception and requested that information be sent to Board Members regarding how exceptions would be considered by the Board.

ACTION: R

Adams

Board Members agreed that they would consider BIF Productivity Challenge and Made Smarter projects by written procedure.

RESOLVED – That Board Members:-

1. Considered the background to the Fund and its performance to date.
2. Agreed that they would be prepared to consider BIF projects by exception.
3. Agreed that they would consider BIF Productivity Challenge and Made Smarter projects by written procedure.

8 **Business Investment Fund (Project Approvals)**

A report was received requesting the approval for 4 schemes with a total value over all years of £488,252 and seeks delegated authority to be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

The following schemes were presented for the Board's consideration:-

BIF Approval - Company Ref. 99, Barnsley

A report was received to enable the Board to take a decision whether to support the proposal of a BIF (LGF) grant of £121,000 to a Barnsley based company to support a £1,200,000 project to relocate into the SCR. The company, headquartered in the South East and operating in the security sector, requires larger and higher specification premises.

The move would create a Northern hub for the company and result in 35 jobs which equates to a cost per job of £3,474, considered acceptable value for money for the LGF investment.

BIF Approval – Company Ref.100, Rotherham

A report was received to enable the Board to take a decision whether to support the proposal of a BIF (LGF) grant of £100,000 to a Rotherham based company to support a £300k project to secure the development of innovation new software. The company operates in the IT sector and is seeking BIF investment to secure additional resources for R&D.

The investment will create 9 new jobs which equates to a cost per job of £11,758, considered acceptable value for money for the LGF investment.

BIF Approval – Company Ref.101, Sheffield

A report was received to enable the Board to take a decision whether to support the proposal of a BIF (LGF) grant of £100,000 to a Sheffield based manufacturing company to support a £1,606,000 project. In response to securing a significant contract the company needs more production space which will be satisfied at a temporary site initially with later investment in existing production sites.

The investment will create 10 new jobs which equates to a cost per job of £10,288, considered acceptable value for money for the LGF investment.

BIF Approval – Company Ref. 102, Barnsley

A report was received to enable the Board to take a decision whether to support the proposal of a BIF (LGF) grant of £167,252 to a Barnsley based company to support a £445,572 project for a new production line facility, equipment and internal building works to support installation.

The innovative company operates in the textiles sector. The equipment will double output and ensure continuous production runs.

The investment will create 6 new jobs which equates to a cost per job of £25,810, considered acceptable value for money for the LGF investment.

RESOLVED – That Board Members considered and approve:-

1. Award of £121,000 grant to Company 99 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix A.
2. Award of £100,000 grant to Company 100 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix B.
3. Award of £100,000 grant to Company 101 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix C.
4. Award of £167,252 grant to Company 102 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix D.
5. Delegated authority be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes covered in 1-4 above.

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Business Investment Fund (Project Approvals - Productivity Challenge and Made Smarter)

A report was received requesting the approval for 13 schemes with a total value over all years of £900,915 and seeks delegated authority to be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

The following BIF Made Smarter schemes were presented for the Board's consideration:-

BIF Made Smarter Approval – Company Ref. 47, Sheffield

A report was received to enable the Board to take a decision whether to support the proposal of a BIF Made Smarter (LGF) grant of £40,000 to a Sheffield based company to create a new data platform prototype to drive new business.

The investment will create 3 new jobs which equates to a cost per job of £13,333, considered acceptable value for money for the investment.

BIF Made Smarter Approval – Company Ref. 46, Chesterfield

A report was received to enable the Board to take a decision whether to support the proposal of BIF Made Smarter (LGF) grant of £42,555 to a Chesterfield based company to improve process control utilising electronic sensors and a bespoke software control system.

The company is forecasting cost savings and will create 4 new jobs which equates to a cost per job of £10,639, considered acceptable value for money for the LGF investment.

BIF Made Smarter Approval – Company Ref. 30a, Rotherham

A report was received to enable the Board to take a decision whether to support the proposal of BIF Made Smarter (LGF) grant of £35,000 to a Rotherham based company to install a data integration system to support operational improvements.

The project will support winning additional orders and safeguarding 5 jobs which equates to a cost per job of £7,000, considered acceptable value for money for the investment.

BIF Made Smarter Approval – Company Ref. 19, Sheffield

A report was received to enable the Board to take a decision whether to support the proposal of BIF Made Smarter (LGF) grant of £36,584 to a Sheffield based company towards a paperless warehouse management system enabled with WiFi technology to improve efficient stock management.

The project is forecast to result in 6 new jobs in 2020. This would represent a gross cost per job of £6,097, considered acceptable value for money for the investment.

BIF Made Smarter Approval – Company Ref. 40a, Sheffield

A report was received to enable the Board to take a decision whether to support the proposal of BIF Made Smarter (LGF) grant of £50,000 to a Sheffield based company to invest in specialist robotic equipment to improve the quality of the product, improve consistency and reduce waste.

The project will create 2 jobs within 24 months. This would represent a gross cost per job of £25,000, considered acceptable value for money for the

investment.

The following BIF Productivity Challenge schemes were presented for the Board's consideration:-

BIF Productivity Challenge Approval – Company Ref. 6, Chesterfield

A report was received to enable the Board to take a decision whether to support the proposal of BIF Productivity Challenge (LGF) grant of £89,000 to a Chesterfield based company towards purchasing machinery that will reduce set up time and increase production capacity.

The project is estimated to result in an increase in productivity of 199% and create 2 new jobs. This would represent a gross cost per job of £44,500, which was considered acceptable value for money considering the increase in productivity expected.

BIF Productivity Challenge Approval – Company Ref. 7, Sheffield

A report was received to enable the Board to take a decision whether to support the proposal of BIF Productivity Challenge (LGF) grant of £75,000 to a Sheffield based company to invest in a digital printing machine to double printing speeds and eliminate material costs.

The project will result in a 31% increase in productivity and 4 new jobs created by 2020. This would represent a gross cost per job of £18,750, considered good value for money.

BIF Productivity Challenge Approval – Company Ref. 4, Barnsley

A report was received to enable the Board to take a decision whether to support the proposal of BIF Productivity Challenge (LGF) grant of £100,000 to a Barnsley based company to support automation and reduce lead times.

The project will result in an increase in productivity of 25% and has indicated it will support safeguarding existing jobs, with GVA per worker forecast to increase from £51,252 to £63,958. The project will provide acceptable value for money.

BIF Productivity Challenge Approval – Company Ref. 3, Rotherham

A report was received to enable the Board to take a decision whether to support the proposal of BIF Productivity Challenge (LGF) grant of £32,788 to a Rotherham based company who is looking to develop a new product that will deliver better patient care and user experience.

The project is forecast to result in a 32% increase in productivity and result in 10 new jobs, with a cost per job of £3,279, considered good value for money.

BIF Productivity Challenge Approval – Company Ref. 49, Sheffield

A report was received to enable the Board to take a decision whether to

support the proposal of BIF Productivity Challenge (LGF) grant of £100,000 to a Sheffield based company towards investment in a semi-automated machining cell.

The project will result in an estimated 25% increase in productivity, with GVA per worker forecast to increase from £20,680 to £25,773. The project will provides acceptable value for money.

BIF Productivity Challenge Approval – Company Ref. 2, Sheffield

A report was received to enable the Board to take a decision whether to support the proposal of BIF Productivity Challenge (LGF) grant of £99,988 to a Sheffield based company to purchase additional equipment to respond efficiently to increased demand.

The project is forecast to result in a 15% increase in the company's productivity and result in 4 jobs, representing a gross cost per job of £24,997. The project provides acceptable value for money.

BIF Productivity Challenge Approval – Company Ref. 30b, Sheffield

A report was received to enable the Board to take a decision whether to support the proposal of BIF Productivity Challenge (LGF) grant of £100,000 to a Sheffield based company to invest in equipment to incubate technology related to the aerospace sector.

The project is forecast to result in a 9% increase in productivity and 2 new jobs by 2020, with a cost per job of £50,000. The project provides moderate value for money.

BIF Productivity Challenge Approval – Company Ref. 40b, Sheffield

A report was received to enable the Board to take a decision whether to support the proposal of BIF Productivity Challenge (LGF) grant of £100,000 to a Sheffield based company to purchase a new machine to significantly improve productivity, the quality of products and support growing demand from local businesses and consumers.

The project had been estimated to result in a productivity increase from £25,625 GVA per worker to £33,484 in 2019 and £44,797 in 2021.

The project will also result in the creation of 3 jobs within 12 months of project completion and a further 2 jobs within 24 months of completion. In total this represents a gross cost per job to of £20,000. The project provides acceptable value for money.

RESOLVED – That Board Members considered and approved:-

1. Award of £40,000 to company 47 as set out in appendix A.
2. Award of £42,555 to company 46 as set out in appendix B.

3. Award of £35,000 to company 30a as set out in appendix C.
4. Award of £36,584 to company 19 as set out in appendix D.
5. Award of £50,000 to company 40a as set out in appendix E.
6. Award of £89,000 to company 6 as set out in appendix F.
7. Award of £75,000 to company 7 as set out in appendix G.
8. Award of £100,000 to company 4 as set out in appendix H.
9. Award of £32,788 to company 3 as set out in appendix I.
10. Award of £100,000 to company 49 as set out in appendix J.
11. Award of £99 988 to company 2 as set out in appendix K.
12. Award of £100,000 to company 30b as set out in appendix L.
13. Award of £100,000 to company 47 as set out in appendix M.
14. Delegated authority be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes covered in 1-13 above.

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Any other business

- a) The Board was informed of a potential inward investment project which was seeking £1.2m of BIF grant, towards a £12.4m project in Sheffield.

It was noted that the application had missed the publication date of agenda papers and was therefore not included within the agenda pack for today's meeting. Members were asked to consider the application outside of the Board's 8 week meeting cycle by written procedures.

An overview of the scheme was presented along with the Appraisal Panel's deliberations.

It was agreed that a paper (including an options analysis) be circulated by email to all Board Members for their consideration.

ACTION: M Dei Rossi

- b) Members asked is they could be informed of the BIF schemes which were likely to come forward at a future date.

ACTION: M Dei Rossi

- c) Members asked if they could be provided with a note on the proposed Business Growth Workshop.

ACTION: J Holmes

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 _____