

SCR - BUSINESS GROWTH BOARD

MINUTES OF THE MEETING HELD ON:

WEDNESDAY, 23 OCTOBER 2019 AT 10.00 AM

11 BROAD STREET WEST, SHEFFIELD S1 2BQ



Present:

Neil MacDonald (Co-Chair)
Lucy Nickson
Sharon Kemp
Dr Ruth Adams
Councillor Chris Furness

Private Sector LEP Board Member
Private Sector LEP Board Member
Rotherham MBC
SCR Executive Team
Derbyshire Dales DC

Officers in Attendance:

Rachel Clark	Director - Inward Investment	SCR Executive Team
Jonathan Guest	Senior Economic Policy Manager	Sheffield City Region
Felix Kumi-Ampofo	Assistant Director - Programme Assurance	SCR Executive Team
Sue Sykes	Assistant Director - Operational Contracts	SCR Executive Team

In Attendance

Councillor Dominic Beck	Rotherham MBC
Andrew Shirt (Minute Taker)	

Apologies:

Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Denise Lelliott	Rotherham MBC
Councillor Bill Mordue	Doncaster MBC
Councillor Mazher Iqbal	Sheffield City Council

1 Welcome and Apologies

The Chair welcomed everyone to the October meeting of the SCR Business Growth Board.

Introductions were made and apologies for absence were noted as above.

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

Councillor Furness declared an interest in relation to Agenda Item 8 – Company 18 on the agenda entitled ‘Business Investment Fund’ (Appendix K).

3 **Urgent items / Announcements**

None.

4 **Public Questions of Key Decisions**

None received.

5 **Minutes of the Previous Meeting**

The minutes of the previous meeting held on 28 August 2019 were agreed to be an accurate record and approved for signing by the representative of the Head of Paid Service.

6 **Matters Arising**

A precis of matters arising from the previous meeting was provided for information.

In relation to Brexit, it was noted that the SCR were currently attempting to obtain data sets of business intelligence from Government in respect of companies that only trade in the EU.

It was noted that work on the Brexit survey was ongoing, however, the survey required updating following the Government's new Brexit deal.

It was agreed that the results of the latest Brexit survey be collated and circulated to the Board prior to its January meeting. **ACTION: Paul Johnson**

7 **Strategic Economic Plan**

A paper and presentation was received to provide Board Members with an update following discussion at the LEP Board which provided a steer on the vision and objectives for the emerging Strategic Economic Plan.

Members were provided with an update on the vision, objectives and draft outcomes and emerging broad policy areas.

An early draft of the plan was provided to inform a discussion of priorities for the economic plan.

It was noted the evidence base had been signed off by the LEP Board and was now publicly available to inform wider research.

The Board was informed of the extensive means of engagements undertaken.

It was noted the latest iterations of the plan have more of a 'place' feel.

Reference was given to the additional changes made to the SEP, which ensured that it now focused upon inclusive growth, prosperity and opportunity, together with more holistic targeting with a greater emphasis on relationship

building with other agencies whilst understanding how long term investments could be made.

Members noted that representatives from each local authority would provide text for the spatial context information.

In relation to business interdependencies, the Board stated that each area in South Yorkshire had separate roles and specialisms. It was felt that the SEP needed to align business clustering in certain areas to acknowledge their specialisms.

Councillor Furness queried why non-constituent Authorities had not been included in the spatial context at 7.1 of the presentation.

In response, Members were informed that officers would look to include in the next iteration of the SEP. It was noted that focus would remain on the four South Yorkshire district council areas, as agreed by the LEP Board.

The Board noted that the SEP focused on inclusion and people, rather than business sectors. Members asked if officers were confident of the cultural change.

In response, officers were confident in the SCR's ability to match its resources and hopefully, businesses would engage with the SCR.

The Board asked that the key role of urban centres (skills, growth and liveability) within place be included in the SEP.

The Board also asked that, in relation to research and development commissioned, the SEP should state what impact this has on the economy.

In relation to productivity and GVA, the Board asked if they could be combined.

F Kumi-Ampofo acknowledged the above comments and agreed to include in the next iteration of the SEP.

Members queried if health-related barriers to employment was featured in the SEP.

In response, it was noted that officers were currently working with Public Health and Health partners' on a piece of work around key measures for a healthy workforce.

RESOLVED – That Board Members:-

1. Noted the revised vision and objectives agreed by the LEP (9th September 2019).
2. Discussed the draft outcomes and emerging broad policies, and provided their input for the development of these in the draft SEP.

A report was received requesting the approval for 14 Business Investment Fund schemes with a total value of £881,397 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.

Members requested that a paper be presented at a future Board meeting and to the LEP Board setting out a headline summary of all of the approved BIF schemes. **ACTION: Sue Sykes.**

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

8a BIF Approvals - Company 28c

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Made Smarter and Productivity Challenge grant of £96,372 to a company that supplies pure metals and recycles superalloy revert, sorting, testing, processing and certifying for re-use.

The grant would allow the company to automate the testing process of small pieces or components to allow for better recovery of valuable materials and purchase new equipment to increase productivity.

The project estimates that it will create between 3 and 5 new jobs by 2020. This represents a gross cost per job of between £32,124 and £19,274 (average £24,093), considered acceptable value for money for the BIF Made Smarter and Productivity Challenge investment.

8b BIF Approvals - Company 37c

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Made Smarter and Productivity Challenge grant of £74,455 to a company that operates in the traditional manufacturing sector.

The grant would allow the company to install a semi-automatic arm robot cell which would allow increased production volumes and install sensors and updated systems to allow rapid responses to production or downtime issues.

The company estimates it will create 8 FTE's by 2021. In total this represents a gross cost per job of £9,307, considered acceptable value for money for the BIF Made Smarter and Productivity Challenge investment.

8c BIF Approvals - Company 38

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Made Smarter grant of £50,000 to a company which provides specialist service and maintenance teams with mechanical handling knowledge to support clients for the long-term stability of their systems.

The grant would allow the company to develop an all-in-one, remote software and hardware condition monitoring solution, cost-effectively managing and maintaining clients' assets, and requires support to fast track commercialisation.

The project is estimated to create 5 FTE's by 2020. This represents a gross cost per job of £10,000, considered acceptable value for money for the BIF Made Smarter investment.

8d BIF Approvals - Company 42

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Made Smarter grant of £30,000 to a company which is involved in the first stage machining of high temperature/corrosion resistant alloys which are used within the oil/gas and aerospace industries.

The grant would allow the company to fit existing machines with more modern control systems to enable quicker and easier programming / set up and to enable the company to tackle more complex jobs more efficiently.

The project is estimated to create between 1 and 2 FTE's by 2020. This represents a gross cost per job of £30,000 to £15,000, considered acceptable value for money for the BIF Made Smarter investment.

8e BIF Approvals - Company 52

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Made Smarter grant of £50,000 to a company that manufactures high end windows and doors, selling primarily to other window fabricators, installers and trade customers on a supply only basis.

The grant would allow the company to automate elements of production and introduce new digital to improve interaction with customers.

The project is estimated to create 5 FTE's by 2021. This represents a gross cost per job of £6,000, considered acceptable value for money for the BIF Made Smarter investment.

8f BIF Approvals - Company 53

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Made Smarter grant of £30,000 to a company that designs, develops and manufactures a wide range of components and finished products using in-house powder coating, CNC machining and assembly facilities, with finishing, design and prototyping capabilities.

The grant would allow the company to introduce a fully integrated ERP system across all seven manufacturing process areas within the business.

The project is estimated to create 5 FTE's by 2022. This represents a gross cost per job of £6,000, considered acceptable value for money for the BIF Made Smarter investment.

8g BIF Approvals - Company 08

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Productivity Challenge grant of £29,136 to a technical distribution company for a wide range of sensors and instrumentation.

The grant would allow the company to create a vibration test facility for the calibration of accelerometers and transducers, providing the ability to test and calibrate sensors directly in the UK in-house.

The project is estimated to result in a 42% increase in productivity, with GVA per worker forecast to increase from £50,335 to £71,429, and creation of 1 FTE by 2020, considered acceptable value for money for the BIF Productivity Challenge investment.

8h BIF Approvals - Company 10

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Productivity Challenge grant of £80,315 to a manufacturing, product developing, distribution and marketing company, with a globally recognised audio brand within the Audio industry.

The grant would allow the company to purchase 2 CNC machines, 1 studio machine, two 3D printers, building modifications and compressed air electrical installations to leverage the expertise within the company and provide a solution to the existing and growing demand from the global market.

The project is estimated to result in a 95% increase in productivity, with GVA per worker forecast to increase from £29,694 to £58,030, and creation of 7 FTE's by 2020, considered acceptable value for money for the BIF Productivity Challenge investment.

8i BIF Approvals - Company 12

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Productivity Challenge grant of 45,479 to a c company that manufactures environmental products to be used in the construction / spill industry.

The grant would allow the company to purchase of a new textile laminator machine to allow production of bespoke sizes of the product to meet different market requirements.

The project is estimated to result in a 30% increase in productivity, with GVA per worker forecast to increase from £112,500 to £145,833, and creation of 2 FTE's by 2020, considered acceptable value for money for the BIF Productivity

Challenge investment.

8j BIF Approvals - Company 15

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Productivity Challenge grant of £30,640 to a company that provides IT solutions and support to SME's and charitable organisations.

The grant would allow the company to develop software and integrated tools to assess and manage client infrastructure, to improve client service, productivity, management reporting, process automation and streamlining of other software to reduce cost.

The project is estimated to result in an 85% increase in productivity, with GVA per worker forecast to increase from £22,659 to £42,000, safeguarding of 4 FTE's and creation of 2 new FTE's by 2021, considered acceptable value for money for the BIF Productivity Challenge investment.

8k BIF Approvals - Company 18

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Productivity Challenge grant of £80,000 to a company that supplies slurry and submersible pumps to the mining and quarrying industry. The company has recently invested a considerable amount in its engineering ability and redesign to improve customer experience, reduce weight and speed up the production process.

The grant would allow the company to purchase of laser cutting and welding equipment which enables the set-up of a full end-to-end manufacturing facility.

The project is estimated to result in a 16% increase in productivity, with GVA per worker forecast to increase from £94,692 to £110,000, and creation of 2 FTE's by 2020, considered to provide acceptable value for money for the BIF Productivity Challenge investment.

8l BIF Approvals - Company 23

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Productivity Challenge grant of £100,000 to a company that manufactures self-adhesive labels, mainly sold via brokers, and is developing a new technology to manufacture short run pouches and sachets.

The grant would allow the company to construct an extension to the existing factory to house digital print and finishing machinery.

The project has been estimated to result in a 36% increase in productivity, with GVA per worker forecast to increase from £36,686 to £50,061, and creation of 4 FTE's by 2020, considered acceptable value for money for the BIF Productivity Challenge investment.

8m **BIF Approvals - Company 35**

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Productivity Challenge grant of £100,000 to a company that operates in the Transport Equipment Manufacturing sector, specialising in electric vehicles with fully electric systems, providing the components, software, and vehicle integration abilities.

The grant would allow the company to fund the reorganisation of the electrical and mechanical assembly areas to enable a ramp up in production output and efficiencies.

The project has been estimated to result in a 137% increase in productivity, with GVA per worker forecast to increase from £29,850 to £70,748, and creation of 24 FTE's by 2020, considered acceptable value for money for the BIF Productivity Challenge investment.

8n **BIF Approvals - Company 0104**

A report was received to enable the Board to take a decision whether to support the proposal of a Business Investment Fund (BIF) Indigenous grant of £85,000 to an environmental print business who would like to expand and purchase new machinery.

The project is estimated to deliver 10 gross and 4 net additional full time equivalent (FTE) jobs, representing an LGF cost per net additional job of £20,988. The 4 net additional jobs will yield additional GVA of circa £1.4m (present value) over ten years, which equates to a return of £16.97 for every £1 of LGF investment. The project is therefore considered to provide acceptable value for money for the BIF Indigenous investment.

Board Members asked if the cotton bags sold by company 0104 were biodegradable.

S Sykes agreed to obtain confirmation when the contract was issued to Company 0104. **ACTION: Sue Sykes.**

RESOLVED – That Board Members considered and approve:-

1. Award of £96k grant to Company 28c subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix A.
2. Award of £74k grant to Company 37c subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix B.
3. Award of £50k grant to Company 38 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix C.
4. Award of £30k grant to Company 42 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix D.

5. Award of £50k grant to Company 52 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix E.
6. Award of £30k grant to Company 53 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix F.
7. Award of £29k grant to Company 08 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix G.
8. Award of £80k grant to Company 10 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix H.
9. Award of £45k grant to Company 12 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix I.
10. Award of £30k grant to Company 15 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix J.
11. Award of £80k grant to Company 18 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix K.
12. Award of £100k grant to Company 23 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix L.
13. Award of £100k grant to Company 35 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix M.
14. Award of £85,000 grant to Company 0104 subject to the conditions set out in the Appraisal Panel Summary table attached at Appendix N.

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 1-14 above.

9 **Neutral Vendor Framework Acceptance**

A report was presented to seek approval to join the national “Specialist Professional Services (NEPRO3)” neutral vendor framework for the provision of Specialist expertise.

Members noted that, in 2015 Sheffield City Region joined the National NEPRO Neutral Vendor framework which provides access to a range of specialists as and when they may be required.

The framework had been accessed and used predominantly by the SCR Growth Hub and the Inward Investment functions.

The Board noted that Business Growth Specialists, Sector Advisors and SCR required intelligence was currently provided through this neutral vendor system, to enable a breadth of experience to be provided for a range of

projects with differing financial requirements and time periods, without the requirement of employing staff members on a full or part time basis.

The current framework term expires on 30th November and there is a requirement for an ongoing neutral vendor framework to be available to the SCR to access specialist support.

RESOLVED – That the Board endorse the progression of Neutral Vendor Framework acceptance to the MCA for a decision to sign up to the national “Specialist Professional Services (NEPRO3)” neutral vendor Framework for the use of contracting with specialist provision.

10 **Forward Plan**

The Forward Plan was presented for information.

The Board noted that the development of the Strategic Economic Plan would feature as a main topic on future Board meeting agendas.

An update on the Growth Hub would be presented at the January meeting.

11 **Any Other Business**

The Board was informed of a potential inward investment project which was seeking £8m of grant funding from the SCR, towards a £80m project in Sheffield.

An overview of the scheme was presented for Members’ endorsement to submit the scheme to the LEP Board and MCA for approval.

Board Members discussed the scheme and noted the number of jobs which would be created during the first phase of the scheme. The risks associated with the second phase of the scheme were also discussed and considered by the Board.

RESOLVED – That Board Members endorsed the scheme for LEP Board and MCA approval.

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