

SCR - BUSINESS RECOVERY AND GROWTH BOARD

MINUTES OF THE MEETING HELD ON:

WEDNESDAY, 21 OCTOBER 2020 AT 10.00 AM

VIRTUAL MEETING



Present:

Mayor Ros Jones CBE (Co-Chair)	Doncaster MBC
Neil MacDonald (Co-Chair)	Private Sector LEP Board Member
Sharon Kemp	Rotherham MBC
Councillor Bill Mordue	Doncaster MBC
Councillor Mazher Iqbal	Sheffield City Council
Councillor Denise Lelliott	Rotherham MBC
Richard Stubbs	Private Sector LEP Board Member
Dr Dave Smith	SCR Executive Team

In Attendance:

Rachel Clark	Assistant Director Trade & Investment	SCR Executive Team
David Grimes	Assistant Director - Growth Hub	SCR Executive Team
Emily Hickey	Governance and Compliance Officer	MCA Executive Team
Carl Howard	Senior Programme Manager	MCA Executive Team
Gareth Morgan	Senior Business Development Manager	MCA Executive Team
Andrew Shirt (Minute Taker)		

Apologies:

None

1 Welcome and Apologies

The Chair welcomed everyone to the meeting. An extended welcome went to new Board Members Mayor Jones and Richard Stubbs.

Apologies for absence 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

None.

4 **Public Questions of Key Decisions**

None.

5 **Minutes of the Last Business Growth Board**

The minutes of the previous meeting held on 2nd September 2020 were agreed to be an accurate record and approved for signing by the representative of the Head of Paid Service.

6 **Terms of Reference & Meeting Arrangements**

A report was submitted which detailed the governance arrangements for the Business Recovery and Growth Board, approved by the Mayoral Combined Authority on 21st September 2020 and the Local Enterprise Partnership on 10th September 2020. Appendix A to the report set out the Terms of Reference for the Business Recovery and Growth Board and summarised the key changes and arrangements.

Members noted that the principle role of the Business Recovery and Growth Board is to:

- Shape future policy development and priorities on issues related to business recovery, innovation, enterprise and growth.
- Develop new business recovery and growth programmes.
- Monitor programme delivery and performance on business recovery and growth.
- Monitor the performance of services provided to support business and develop trade and investment opportunities.
- Receive reports from the Growth Hub Board.

Paragraphs 2.2 and 2.3 of the report summarised the Board's delegations and transparency arrangements. Both of which remained unchanged from those previous arrangements in place.

The Board was reminded that, decisions were to be legally taken by the Head of Paid Service (or their nominated representative) in consultation with the co-Chairs of the Board. By protocol, decisions would not be taken unless there is Board consensus for the decision. Where consensus cannot be reached the issue will be escalated to the MCA and/or the LEP as appropriate for final decision.

It had been agreed that the Growth Hub Board would be a formal advisory board to the Business Recovery and Growth Board.

Members noted that the Board would continue to meet on (at least) an 8-week cycle aligned to the 8-week MCA meeting schedule. This remained unchanged from the arrangements previously in place. Additional meetings, dependent on business need, could be agreed with co-Chairs and will observe publication requirements for papers, minutes and key decisions.

The Board may also determine to have informal intermediate meetings where

discussion is required mid-cycle.

The schedule of future Board meetings agreed to date was noted as follows:

- 6th January 2021
- 3rd March 2021

Meeting dates further than March 2021 were currently in the process of being identified.

Anyone wishing to observe Board meetings could do so by invitation only and this would need to be agreed in advance of the meeting by the co-Chairs.

Elected Members could nominate a deputy to attend Board meetings in their absence. All deputies must be named, and Elected Members must complete a Register of Interests Form.

There was currently no provision in the Board's Terms of Reference for LEP Board Members to nominate a deputy to attend Board meetings in their absence.

RESOLVED – That Board Members:-

1. Noted the approved governance arrangements and identify any issues.
2. Noted the schedule of Business Recovery and Growth Board meetings.

7 **RAP Draft Implementation Plan**

A report was delivered to provide the Board with the draft plan of the implementation plan for the Employer section of the Renewal Action Plan.

Following the progress update at the last Board meeting of the Employer section of the Sheffield City Region (SCR) Renewal Action Plan (RAP), a consolidated draft implementation plan was presented which brings together the areas highlighted in the RAP for progressing. It included proposals that had been developed to address the key changes under the employer section specifically:

1. Flexible investment and Re-capitalisation
2. Access to Specialist Advice
3. Supply Chain and Procurement Support
4. Leadership Support
5. Digital Upskilling and Technology Adoption

Appendix A to the report outlined the agreed delivery interventions under the Employer section of the RAP, to be delivered across a 3 year timeline, with some interventions delivered within 6-12 months providing essential relief, with some delivered over 3 years. All interventions were focussed primarily on providing relief and essential support to employers and businesses.

The resulting initiatives for delivery of the Employer section were set out in paragraph 2.3 of the report, together with details on the investment required,

projected and total outputs, together with overall targets and outcomes.

The initiatives had been agreed by separate Task and Finish Groups and reported into a wider Delivery Group for discussion and agreement chaired by a LEP Board Member, which collectively agreed and discussed the relevant plans and tracked progress.

The Board was informed that the total intervention cost for the Employer section of the draft document totalled £149,328,040 supporting up to 25,845 businesses. Due to the nature of the document still being finalised, it was noted that, some elements may change slightly.

A range of investment programmes across five categorised interventions were proposed to support organisations to adapt, grow and unlock significant multipliers for the local and national economy.

The Delivery Group had identified the most immediate priorities as being:

- Priority 1 - A Relief Fund, providing financial support to businesses.
- Priority 2 - Extending regional access to advisory and specialist support.
- Priority 3 - Access to Digital adoption and upskilling support.
- Priority 4 - Supply Development support - Mapping and opportunity development.
- Priority 5 - Marketing Activity - Positive messaging and communications on initiatives.

The Board discussed and supported the five immediate priorities set out above

It was highlighted that consistent feedback had been received from local businesses that, immediacy was required with regards to the Relief Fund and access to specialist support and advice.

It was reported that the SCR Team were currently identifying elements within each of the theme sections, where work could commence.

For example, under the 'advice' element, some resources had started to be implemented within existing budgets. Work would take place to identify the key priorities with the separate Task and Finish Groups developing implementation plans for each of the separate priorities.

Due to the agreement reached by the Mayor and Local Authority Leaders' around the Tier 3 Covid-19 restrictions, the SCR would have in effect the Relief Fund to provide immediate relief and support, (albeit not to the full amount required).

It was reported that work would take place to develop a Scheme and set of rules around how the Relief Fund would be deployed. It was agreed that the outcome of this work be presented to the Board. It was also suggested that the impact of the Relief Fund would be monitored through the Board.

In relation to priorities 2-5, D Smith said with the Board's support he would take these to the MCA to identify if there are available funds to meet these priorities. He agreed to provide feedback to the Board on the outcome of the discussions.

ACTION: D Smith.

The Board supported the suggestions.

Summarising discussions, the Chair requested D Grimes to develop a document summarising the priorities (with the exception of the Relief Fund), with potential 'asks' from gainshare to be presented at the LEP Board on 5th November 2020 and MCA on 16th November 2020. **ACTION: D Grimes / D Smith.**

RESOLVED – That Board Members consider and endorsed the overall package of support detailed in the paper and agreed the priorities as identified in paragraph 2.5.

8 LGF Programme Approvals

This item was a restricted item by virtue of paragraph 3 of Schedule 12a of the Local Government Act 1972.

A report was presented requesting approval of one scheme with a total value of £1.58m Local Growth Fund (LGF) and sought delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

The Appraisal Panel Summary Table attached at Appendix A to the report asked the Board to take a decision whether to support the proposal of a LGF grant of £1.58m.

The application focused on a £3.25m Research and Development project, which formed part of a larger £15m+ project to set up a 'smart' factory in Sheffield.

The project was estimated to deliver 48 net additional jobs at a cost per job of £32,767. The project was estimated to generate net additional GVA of approximately £15.6m over a 10-year period for the SCR economy. This equated to a return of £10.58 for every £1 of LGF, which provides acceptable value for money.

Potential wider benefits would be realised but most of these would not materialise in the SCR unless the smart factory is delivered in the city region.

A range of conditions had been included in the Appraisal Panel's Summary and noted by the Board. In particular, the Board noted that a clawback clause would be included in the contract stating the full LGF grant would remain in scope for clawback until all 53 gross fte jobs had been created in the SCR.

The Board noted that discussions were also taking place with the company in relation to a future phase of manufacturing work, which could potentially be located in the Sheffield City Region.

The Board noted that the SCR were exploring options via the contracting process for an additional clawback clause condition of the £1.6m grant to be

included in the contract should the company decide to locate the potential future manufacturing centre outside of the Sheffield City Region.

The Board supported the inclusion of the additional clawback clause and approved the request.

RESOLVED – That the Board considered and approved:

1. Progression of the Project to full approval and award of £1,582,500 grant from the Local Growth Fund subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix A to the report.
2. 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 scheme.

NB. At this point in the meeting Mayor Jones and Councillor Iqbal left the virtual meeting and took no further part in the discussions or voting thereon.

9 **Joint working with the Department of International Trade**

A report was delivered to update the Board on the joint working that is happening with the Department for International Trade (DIT) with the purpose of securing new and further investment into South Yorkshire from Foreign Owned Businesses and to develop opportunities for Businesses located in South Yorkshire to Trade and Export into overseas markets.

R Clark provided an overview of the joint activity undertaken or planned in collaboration with DIT as part of the NP11. Updates were provided on:

- The on-going Northern Powerhouse (NPH) Key Account Management Programme (KAM).
- The development of dedicated International Trade Account Support for the MCA.
- The development of the Overseas Champions Programme, by the NP11 to promote trade and investment opportunities across the North.

The Board suggested that it would be appropriate to establish an industry specific Export Advisory Group or Task and Finish Group that could work to support business needs and how they would export their services and goods in a post-Brexit environment.

Following discussion, the Board requested R Clark to explore options around a specific Export Advisory Group or Task and Finish Group and present an update to the January Board meeting how this work could be progressed.

ACTION: R Clark to explore options in consultation with R Stubbs.

RESOLVED – That Board Members noted the work of the MCA/LEP with DIT as part of its programmes in the Northern Powerhouse.

10 **India Trade and Investment Programme**

A report was presented to update the Board on the progress made on the work of the India Trade and Investment Programme.

R Clark reported that she was currently preparing a briefing note for Mayor Jones setting out details on the India Trade and Investment Strategy. If any other Members of the Board wished to receive the briefing note, then this could be arranged.

Councillor Lelliott requested that a copy of the briefing note and original India Trade and Investment Programme report be sent to her. **ACTION: R Clark.**

The Board was reminded that, in 2017, the SCR had commissioned The UK India Business Council to undertake detailed market research on India for boosting trade and investment opportunities. There were 5 clear recommendations arising from the report which the SCR had been processing over the last 6 months. Updates were provided within paragraph 1.1 of the report and noted by the Board.

The India Growth Champions pilot Programme had been launched at the beginning of April 2020. Nine South Yorkshire businesses had been recruited to the programme, which were not first time exporters or SMEs, but were looking to expand to the Indian market, either for the first time or wishing to expand.

As part of the original programme, either led by the Mayor or the Mayor's Trade and Investment Advisor there was a proposal to lead a Trade Mission to Pune (India) during the first quarter in 2021. Due to the current Covid crisis options were being considered with regards to arranging a virtual Trade Mission with the nine businesses involved in the India Growth Champions Programme. This could potentially lead to a full Trade Mission next year, or in the first quarter of 2022. Further details would potentially be presented at the March 2021 Board meeting together with an India Road Map, which was currently being developed by the UK India Business Council.

The Board was reminded that there was also an action from the original India Trade and Investment Programme report to establish an India Forum consisting of both public and private sector representatives.

RESOLVED – That Board Members:-

1. Acknowledged the progress made on the India Trade and Investment Programme.
2. Support the continuation of the programme and further development.

Business Investment Pipeline

A report was delivered which followed on from the last Board meeting where an overview was given on the pipeline of projects that are currently being worked on both in growth of business already located in South Yorkshire and in brand new investment projects where businesses don't have a base within the region

and the rationale for the approach.

The report also described how the Business investment pipeline fits into the ambitions of the Strategic Economic Plan (SEP) and forms the basis of the SCR's ask within the Comprehensive Spending Review submission (CSR).

The Board noted that a number of initiatives supporting business growth and investment had been proposed which aligned to the key themes of the CSR and provided South Yorkshire with the resources to advance the economy by investing in a pipeline of businesses with high growth potential, delivering supply chains, improving leadership and adopting a digital and industry 4.0 technologies.

Paragraphs 2.1.1 to 2.1.3 of the report set out further details aligned to 3 key CSR themes and the proposed initiatives to support each theme.

Appendix A to the report provided the Board with details of the Scale Up Business Pipeline growth projects which the SCR had been working with which were transformational.

There were currently circa 50 projects (mostly inward investors) in the pipeline of organisations which the SCR were working with. Due to the Covid-19 pandemic and Brexit, most of the projects were currently on-hold.

14 projects had been removed from the pipeline which had the potential to be transformational for the City Region across the whole organisation.

The Board noted that, in relation to the Business Growth Pipeline:

- There was the potential for up to 6000 jobs to be created with private sector investment of c. £900m and SCR LEP financial support of c. £900m.
- Due to commercial confidentiality projects within the pipeline are subject to Non-Disclosure Agreements.
- Key sectors represented by the projects include advanced manufacturing and engineering, materials, digital (transformation within manufacturing).
- Potential market opportunities offered by the projects include; aviation, defence, automotive, space, low carbon energy production and medical.
- There was potential to secure IP within innovative world leading specialisms within South Yorkshire and provide leverage to secure inward investment through further collaborations and agglomeration effects.

The Board noted that, in relation to the LGF replacement grant, it was anticipated that further details would be announced within the Chancellor's CSR plans expected in November / December 2020.

RESOLVED – That Board Members:-

1. Acknowledged the work that has started in this area and agree to further support the development of a pipeline of new investible projects which align to the SEP.
2. Agreed to start to lead a discussion on new funding models required in a post LGF environment which will be needed to advance these types of

investment opportunities.

3. Agreed to lead the work on how we develop innovative transformational projects that lead to the development of new clusters. For example: Gene therapy or Satellite manufacturing.

12 **Any Other Business**

The Chair requested that a Work Programme be developed setting out the Board's programme of work for the next six months. **ACTION: D Smith in consultation with N MacDonald.**

The Board considered and agreed that it would be appropriate to arrange an informal update meeting at the beginning of December 2020 to provide Board Members with updates on the Renewal Action Plan and the Covid-19 grant. **ACTION: D Smith to discuss with E Hickey.**

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