

Business Recovery and Growth Board

10 February 2022

Programme Approvals

Is the paper exempt from the press and public?	No
--	----

Purpose of this report:	Funding Decision
-------------------------	------------------

Is this a Key Decision?	Yes
-------------------------	-----

Has it been included on the Forward Plan?	Yes
---	-----

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

Report Author(s):
Paul Mitchell – Senior Programme and Performance Manager, Programme and Performance Unit
paul.mitchell@southyorkshire-ca.gov.uk

Executive Summary

This paper requests acceptance onto the pipeline for four schemes and details the Made Smarter 2 Programme.

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

This report is seeking approval to accept onto the pipeline a number of investment proposals which will support the MCA's aspirations.

The Made Smarter programme will facilitate and proactively support growth amongst existing firms in the Sheffield City Region, whilst supporting the region's recovery and renewal from the pandemic.

Recommendations

The Board consider:

1. Progression of the schemes detailed in section 2 and Appendix A of this report to the programme pipeline, noting that projects will only be supported if future funding is received and assurance requirements are met.
2. Progression to the MCA for approval to accept c£5.5m grant for the Made Smarter programme from the Department of Business, Energy, and Industrial Strategy (BEIS)

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

N/A

1. Background

1.1 Business Growth Schemes

At its last meeting on the 16th December 2021 the Board received a programme update noting the progression of a strong pipeline of business investment propositions. These propositions had arisen from the engagement undertaken by the LEP/MCA and the region's business sector.

- 1.2 The report recommended that the MCA consider the deployment of future-year gainshare resource totalling £9.6m to support a number of propositions presented to the Board, and the forthcoming pipeline of schemes. .
- 1.3 The MCA Board accepted this recommendation, and the recommendation that the MCA structure its investments to share in the value created wherever possible. This decision supported investments being made into a business in Barnsley, following earlier investment into business in Doncaster, Rotherham, and Sheffield.

2. Pipeline Projects

- 2.1 This report seeks admittance onto the pipeline for 4 schemes.

Work is being undertaken in close dialogue with these businesses to develop strategic business cases required to fulfil the requirements of submitting a funding application, enabling these growth projects to be “oven-ready” for consideration for public funding. Most of these have confidentiality requirements due to non-disclosure agreements being in place to protect commercial sensitivities

- 2.2 Schemes selected represent both inward investment and the growth of indigenous businesses. These 4 projects are forecasting to realise c£8.5bn of private investment.

- 2.3 These projects combined will create a minimum 8,600 jobs

The businesses operate across the spectrum in the Energy, Advanced Manufacturing, Scientific Research, and the Automotive sectors

- 2.4 In taking the projects forward to develop a Strategic Business Case it is important to note that this does not secure or ringfence any grant funding. No funding is agreed unless and until a Full business case is approved and a grant funding agreement entered into.

The MCA has entered into a non-disclosure agreement with the applicants, therefore Appendix B with further details of the schemes are included within private papers.

3. **Made Smarter Programme**

- 3.1 In June 2021 the MCA accepted a grant from the Department of Business, Energy and Industrial Strategy (BEIS) for the Made Smarter Pilot Programme. The pilot aimed to drive innovation, rapid adoption and stronger leadership in industrial digitalisation, to support the UK's ambition of becoming a world leader in the Fourth Industrial Revolution by 2030

A suite of interventions is available to all Y&H SME's within the Manufacturing sector.

The interventions range from digital diagnostics/digital roadmaps, through to intensive consultations that can feed into further interventions such as.

- Digital intern placements,
- Digital leadership/management training and
- Focussed capital expenditure awards.

The current programme has delivered:

3.2

Key Performance Indicator	Target	Actual to Date	%
Digital Road Mapping Sessions	50	80	16%
Intensive Technical Support	40	72	18%
Digital Interventions	10	10	100%
Leadership and Management Training	40	24	60%
Capital Grants	20	3	15%
Jobs Created	5	0	0%
Apprenticeships Created	5	0	0%

BEIS seek to grant the MCA c£5.4m for a 3 year the Made smarter 2 programme. The future project will mirror the pilot with the MCA as the lead partner, supported by a delivery partner and West Yorkshire Combined Authority for the administration of Capex awards.

This report is seeking recommendation to the MCA to accept the BEIS funding, begin a procurement exercise for a partner to deliver MS2 and delegated authority to enter into agreements for the programme.

4. Options Considered and Recommended Proposals

4.1 Option 1

Do Nothing

4.2 Option 1 Risks and Mitigations

Inability to progress the projects presented may result in a slower pace of business investment and potential subsequent loss of potential jobs to the region.

This would mean the loss of opportunity for Sheffield City Region businesses to benefit from this scale up programme and reduce the input that the region can have in shaping any potential future delivery of the Made Smarter Programme

4.3 Option 2

Approve all recommendations.

4.4 Option 2 Risks and Mitigations

Risk that projects may be lost to the region due to lack of funding availability.

Within the Sheffield City Region Renewal Action Plan there is a priority to support businesses in digital adoption and adaptation. Aligning the delivery of the RAP and Made Smarter programmes will enable the BEIS funding to be maximised and enhance the support opportunities offered to our businesses

4.5 Recommended Option

Option 2

4. Consultation on Proposal

4.1 Discussions for this project has continued with thematic boards during project development.

5. Timetable and Accountability for Implementing this Decision

5.1 Click or tap here to enter text.

6. Financial and Procurement Implications and Advice

6.1 At this stage there is not a commitment to fund any of the projects as this is dependent upon the emerging business cases, and the availability of funding

7. Legal Implications and Advice

7.1 These projects have confidentiality requirements due to non-disclosure agreements being in place to protect commercial sensitivities. Some of the potential investment may require detailed due diligence and legal work before any recommendation to support could be considered.

7.2 Funding for the Made Smarter programme is to be provided using section 31 powers, which allow Central government to provide grants to Local Authorities including

combined authorities. As the funding is in excess of £100,000 the Constitution requires the approval of the Mayoral Combined Authority Board for it to be accepted. A Memorandum of Understanding will be agreed between the Authority and BEIS detailing the terms and conditions of the funding

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 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 will be assessed as part of the assurance process for any proposed activity.

11. Information and Communication Technology Implications and Advice

11.1 Existing IT solutions will be used by the MCA Executive to support the delivery of activity related to the Made Smarter Grant. Therefore, there are no implications.

12. Communications and Marketing Implications and Advice

12.1 Currently all developments are at the exploratory stage and covered by Non-disclosure agreements. Communications will be jointly progressed in the future with the businesses and government if there is the potential for a significant investment deal to be realised

List of Appendices Included

A Pipeline Project Details

Background Papers

None