

BUSINESS GROWTH EXECUTIVE BOARD

Date: Tuesday 12 January 2016

Venue: Amp Technology Centre, Brunel Way, Rotherham

Time: 2.00 pm

AGENDA

Item	Subject	Method	Lead	Page
1	Welcome & Apologies	Verbal	Chair	
2	Minutes & Actions of the Previous Meeting	Paper	Chair	1 - 8
3	Declarations of Interest	Verbal	All	
4	Urgent Items/Announcements	Verbal	All	
<u>Discussion Items</u>				
5	Growth Hub Update	Paper	DG	9 - 16
6	LGF Launch Pad Programme Business Case	Paper	GB	17 - 70
7	ICE Board Concept Approval	Paper/Presentation (tabled)	KJ/LS	
Delivery Programme Funding				
8	<ul style="list-style-type: none"> Initial proposal for Innovation Co-ordinator/Champion Role Initial proposals for Collaborator Resource Manufacturing Supply Chain programme - EISF match with LGF funding 	Presentation	DG	
9	Use of Devolved Growth Hub Funding/ESIF Match	Paper	DH	71 - 80

Item	Subject	Method	Lead	Page
10	Gainshare - £30m x 30: Priority Setting	Presentation	NB	
11	Social Inclusion	Paper	RA/ED	81 - 84
	<u>Updates</u>			
12	TATA Update	Verbal	DH	
12a	SCR Economic Survey & Science & Innovation Audit Updates		AG	85 - 94
12b	Export	Paper	DCM	95 - 96
12c	Inward Investment	Paper	RC	To Follow
12d	Innovation	Paper	LS	To Follow
12e	Access to Finance	Paper	DD	97 - 104
12f	New Business	Paper	LV	105 - 108
12g	Skills Bank	Verbal	CB	
	<u>Decisions</u>			
13	RISE - Ratification of Decision	Verbal	AG	
	<u>Actions & Forward Planning</u>			
14	Agree Actions	Verbal	Chair	
15	Agree Items for <ul style="list-style-type: none"> Combined Authority Meeting 1st February 2016 	Verbal	Chair	
16	AOB	Verbal	All	

SCR BUSINESS GROWTH BOARD

17th NOVEMBER 2015

AMP, WAVERLEY, ROTHERHAM

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u> Paul Houghton, LEP / Grant Thornton - Chair Diana Terris, BMBC Cllr Julie Dore, SCC</p> <p>Apologies were received from Board Members Dan Swaine (BoDC, NEDDC), Cllr Lewis Rose (DDDC) and Gavin Baldwin (LEP / Doncaster Rovers FC)</p> <p><u>In Attendance</u> Andrew Gates, SCR Executive Team David Grimes, SCR Executive Team David Hewitt, SCR Executive Team - for item 5 Lee Viney, SCR Executive Team Ed Highfield, SCC Chris Scholey (Doncaster and Bassetlaw NHS Foundation Trust) William Beckett, Beckett Plastics Andrew Deniff, Barnsley & Rotherham CoC Lloyd Snellgrove, SHU Di Buckley, SCC - for item 7 Garry Meakin, RISE - for item 7 Craig Tyler, Joint Authorities Governance Unit</p>	
2	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 6th October were agreed to be an accurate record of the meeting.</p> <p>Regarding updates, it was reported that:</p> <ul style="list-style-type: none"> • The draft Inward Investment Strategy is in development. It was noted that Chris Scholey has taken over the lead on this activity from Rachel Clark. • The danger of 'Businesses not engaging' has been added to the SCR Risk Register as requested 	

3	<p><u>Declarations of Interest</u></p> <p>No declarations of interest in relation to the items on today's agenda were noted.</p>	
4	<p><u>Urgent Items / Announcements</u></p> <p>Andrew G informed the group that the SY Leaders had discussed what support they might be positioned to offer the c.1200 firms in the TATA supply chain who would be affected if local operations cease. Leaders have requested reports on the nature of the firms affected and what support might be provided from current funding streams e.g. RGF. This matter is also due to be discussed by the LEP.</p> <p>Andrew D noted that TATA have set up a task force to consider whether the 700 employees affected can be re-employed by other potential employers by matching skills sets. The task force is engaging the local chambers of commerce and next due to meet on 9th December.</p>	
5	<p><u>Business Plan: Budget Summary</u></p> <p>A paper was presented to provide an update on forecast expenditure against the current budget position for the funds under the purview of the Business Growth Executive Board – in alignment with the 2015/16 Business Plan.</p> <p>The paper also asked the Business Growth Board to consider a series of recommendations as to how future resources are allocated and identified a number of projects in the pipeline.</p> <p>The Board welcomed this information and agreed it would be a useful annex to the main Business Plan.</p> <p>RESOLVED, that the Board:</p> <ul style="list-style-type: none"> • Notes the budget position for the Business Growth Board including the summary of decisions already taken either by the Combined Authority/LEP, the Business Growth Board or by other Groups • Affirms the budget set out at Appendix A to the main report, including the £350,000 allocation to 'match' a European Funded Start-Up project promoted by the New Business Partnership subject to the production and agreement of an appropriate business case, any Start-up programme providing an equivalent offer to the whole of the Sheffield City Region and alignment with the SCR Growth Hub more generally • Notes the update regarding the likely expenditure in 2015/16. • Agrees the proposed usage of future unallocated funds – in particular the "spoke development" budget allocation. 	

	<ul style="list-style-type: none"> • Notes the requirement to develop a longer-term programme plan which utilises (so far as is required) the SCR's Single Pot Allocation (for which greater clarity will be provided by the Spending Review on 25th November 2015). 	
6	<p><u>Innovation Update</u></p> <p>Lloyd delivered a presentation on the aims and objectives of the Innovation Centre of Excellence (ICE) group. It was noted that this precedes the presentation of formal proposals to be put before the Business Growth Board meeting,</p> <p>The presentation covered:</p> <ul style="list-style-type: none"> • The relationship with the Science and Innovation Board and also Innovate UK • The ICE membership • The different 'types' of innovation under consideration, the role of the public sector in supporting innovation • The national and local funding and policy environment • Perceived linkages between innovation and productivity • Provisional findings which will be formulated into the final proposals. • Next steps <p>Comments made by the group, which it was suggested should help inform the final proposals were:</p> <ul style="list-style-type: none"> • Frustrations that the universities don't always want to engage with the private sector and the need for more engagements and connections • The requirement for the proposals to be more based around potential deliverables • Does the SCR have enough innovative businesses to 'feed' the universities? • What can this initiative do to succeed where Objective 1 and the RDAs arguably failed? • What actions need to be undertaken to stimulate SMEs to want to innovate? Proposals need to be understandable and relevant to the business community. • The biggest problem facing local manufacturers is under-productivity. How can innovation address that issue? • How many businesses are the universities currently engaged with, in which sectors and for what objectives? • 'How much more engagement can be generated' might be a credible KPI for ICE • Clarity is required to explain why the work of ICE doesn't duplicate with Innovate UK. • Consideration should be given to what we could be good 	

	<p>at, recognising 'we' can't do everything.</p> <p>Action: Lloyd to take the Board's comments on-board in working up the ICE proposals</p>	LS
7	<p><u>The Future of RISE</u></p> <p>Di Buckley presented a paper to provide the Board with some background information on RISE, its delivery record and economic impact and to present proposals for a 3 year extension to the project.</p> <p>It was noted that RISE [not an acronym] is a business growth project, focused on helping SME's grow by supporting them to access graduate talent as a way to upskill the workforce. The RISE project was launched in April 2013 and the current contracted delivery will end in Dec 2015.</p> <p>RISE has demonstrated that there is latent demand in SMEs for graduate positions, if the right support framework is in place.</p> <p>It was noted that RISE was originally developed by Sheffield City Council (SCC) and the City's Universities; however it operates at SCR level, with around 30% of the placements delivered outside of city boundary. To date RISE has delivered:</p> <ul style="list-style-type: none"> • 170 paid employment opportunities in over 100 SCR based SMEs. • 70% conversion rates to permanent employment (based on the first 100). • Attracted over 3000 graduate applications • Over £1million private sector salary match • Estimated net GVA £5.6million per year • RoI of £5.71 GVA for every £1 invested <p>It was noted that RISE partners, SCR Economic Development Directors and private sector have declared their support for the continuation of the RISE project after the current delivery contract ends in Dec 2015.</p> <p>The Board was informed of the opportunity to secure a 3 year extension to the RISE project, refocusing delivery to be more proactive across SCR and integrating the project into the Growth Hub and Innovation Centre of Excellence.</p> <p>Considering</p> <p>In response to questions from Board Members, it was further noted that:</p> <ul style="list-style-type: none"> • There is an opportunity to extend the RISE project for a further 3 years, harnessing University funding of £480,000 and integrating the project into the Growth Hub and Innovation Centre of Expertise. This would require a SCR contribution of £50,000 per year for 3 	

	<p>years.</p> <ul style="list-style-type: none"> • Business Growth Board members may be represented on the RISE Governance Board • The existence of other graduate programmes is acknowledged, however there are a number of important differences, such as RISE attracting graduates nationally to SCR companies, rather than being focussed on local or currently unemployed graduates. <p>The Board members noted their support for funding the continuation of RISE in principle. It was agreed that given the requirement to agree the business case in advance of the next meeting, the business case would be presented to the Board Members outside the meeting and if approved, this decision will be reported retrospectively to the next meeting.</p> <p>Action: ALL to provide any further comments to Di</p> <p>Action: Andrew G to oversee and manage the process of seeking Board Members approval of the Business Case and formally report the matter to the next meeting</p> <p>RESOLVED, that the Board Members</p> <ul style="list-style-type: none"> • Note SCR Economic Development Directors support for the project and appetite to see the project continue at SCR level. • Note and agree RISE's potential fit with the Growth Hub and Innovation Centre of Expertise. • Agree to fund the project, at £50,000 per year for 3 years, maximising University match funding of £480,000 (£80,000 per university, per year); • Approve 3 year extension of the RISE project in principal subject to a full business case (to be agreed by the Board Members outside the meeting and the decision to be retrospectively reported to the January's BGB.) 	<p>DB</p> <p>AG</p>
8	<p><u>Growth Hub Implementation Update</u></p> <p>A paper was received to provide a detailed summary of the progress underway towards implementing the Growth Hub and to provide the Board with a clear work plan for consideration.</p> <p>It was noted that the objectives of the SCR Growth Hub are to provide a 'world-class' business support offer across the whole of the Sheffield City Region.</p> <p>The group questioned why the ambition isn't for all districts to move towards a single, centralised CRM at this stage. It was noted that this</p>	

	<p>is a longer term ambition that can't be achieved in the timescales set for the Growth Hub CRM. It was agreed that the Growth Hub CRM will be designed to be capable of absorbing district CRMs when the opportunity arises in the future, e.g. contract renewal times.</p> <p>It was noted that there are a number of HR and procurement issues that appear to be hampering appointments to Growth Hub positions.</p> <p>Action: Diana and Ed to investigate what the HR issues (Diana) and procurement issues (Ed) might be and what can be done to address the situation.</p> <p>The ambition to create 500 'good jobs' per annum was questioned; with suggestions made that this figure is too low. It was noted that is figure only actually relates to the target for 2016/17 and is expected to rise in future years.</p> <p>Action: Andrew G to review the figure of '500' jobs</p> <p>RESOLVED, that the Board:</p> <ul style="list-style-type: none"> • Notes the update 	<p>DT / EH</p> <p>AG</p>
9	<p><u>Spoke Updates</u></p> <p>Updates were presented in relation to the various Growth Hub Spokes</p> <p>9.1 <u>Inward Investment</u></p> <p>The Board was informed that the key next step for the spoke is the continued work with the SCR Invest Advisory Group and partners, including UKTI and local authorities to strengthen the SCR Invest function. November's Advisory Group meeting brought members of the Advisory Board up to speed on progress, reviewed the strategy and provided a steer on the development of an annual business plan and priority areas of focus for the SCR Invest team</p> <p>It was noted that thought is also being given to how local CEs who travel the world might be persuaded to take on an ambassadorial role for the SCR.</p> <p>9.2 <u>New Business</u></p> <p>It was noted that the issue regarding the match funding for the ESIF New Business Launch Pad service has been resolved and agreement has been reached that the project can deliver across the SCR with a contribution of £350k from the LGF. A Full Business Case will be developed by Barnsley MBC as lead authority which will profile the expenditure over the 3 years lifespan of the project and brought to the next board on the 12 January 2016 for final agreement.</p> <p>Following on from the Full Business Case a contract will be drawn up outlining the conditions of funding and the mechanisms for drawing down the funds based on expenditure. The vision will describe what the business start-up environment for the SCR should be like and</p>	

	<p>some of the activities that will need to be delivered to get to that point. It was also noted that the vision will evolve over time and be used to direct investment in business start-up considering:</p> <ul style="list-style-type: none"> • Stimulating Entrepreneurial Activity • Incubation and Acceleration • Infrastructure and Connectivity • Collaboration and Networks • Entrepreneurial Skills <p>It was noted that a more comprehensive New Business update is in production and will be presented to the next BGB meeting.</p> <p><u>9.3 Access to Finance</u> The spoke update was presented for information.</p> <p>It was noted that a more detailed A2F update will be presented to the next meeting.</p> <p><u>9.4 Export</u> William provided the group with an update regarding work underway to deliver the strategy.</p> <p>It addition to the report which provided a commentary on each project it was reported that the main priority for SCR export activity concerns the planned developments for the launch of the Exporting is GREAT campaign. Part of this national launch includes an Exporting is GREAT roadshow which will be at the AMP on the 26-27th November.</p> <p>It was noted that Business Growth Board Members have been consulted on the spoke's proposals and will continue to be informed about the planned activities. Working with the Head of the SCR Growth Hub and UKTI it has been agreed that the 27th November will be used as an opportunity for businesses to interface with all spokes of the Growth Hub. This will therefore involve all aspects of the SCR team and partners.</p> <p>It was suggested that the relationship with UKTI might require reconsideration after the Comprehensive Spending review.</p> <p>Further information was provided to explain the concept of an Export Centre of Excellence.</p>	
10	<p><u>Actions and Resolutions</u></p> <p>Actions and resolutions were agreed and noted.</p>	
11	<p><u>Any Other Business</u></p> <p>No further matters noted.</p>	
12	<p><u>Date of Next Meeting</u></p> <p>Tuesday 12th January, 2.00pm at AMP, Waverley, Rotherham.</p>	

SCR COMBINED AUTHORITY BUSINESS GROWTH EXECUTIVE BOARD

14th December 2015

Growth Hub Implementation Update

Summary

- This paper provides a detailed summary of the progress towards implementing the Growth Hub – and sets out a clear work plan for consideration by the Business Growth Executive Board

1. Issue

- 1.1. The objectives of the SCR Growth Hub are to provide a ‘world-class’ business support offer across the whole of the Sheffield City Region.
- 1.2. Opportunity for the Board to develop a sound understanding of the principles of the Growth Hub, receive and update on progress on implementation and develop a understanding of the issues that the Board may choose to focus on over the coming months.

2. Recommendations

- 2.1. It is recommended that the Sheffield City Region Business Growth Executive Board note the update below and set out any areas of focus for further consideration.

3. Background

- 3.1. The previous Business Growth Board and Combined Authority have received a set of detailed papers setting out the principles of the Growth Hub and how the devolved resources from 16/17 will support this delivery. The SCR’s plan is to:
 - Deliver the most ambitious, business-led Growth Hub in the country including (from a business perspective) a near-total removal of internal boundaries within the City Region, so that every growing business in the SCR gets the support it needs to thrive;

- Provide genuine strategic private sector leadership of the Hub via the Business Growth Board;
- Act as an exemplar, using innovative evaluation techniques to ensure Government is able to make evidence-based decisions about how the business support landscape could be improved in other areas and deliver better outcomes for the country as a whole;
- Act as an exemplar for a new, mature approach to partnership working with Government by sharing best practice in real time via a fully integrated Hub that combines the best of local and national business support, and thereby delivers real value for money by eliminating duplication and waste.

3.2. The Growth Hub and its spokes are the principal delivery element of the work of the Business Growth Executive Board and have a £4,000,000 budget allocation with match funding from local and European sources to supplement delivery.

3.3. The key Hub Milestones detailed in the BG Business Plan for 15/16 are:

- Website launched
- Head of Growth Hub and 'core team' appointed.
- **Marketing and communications campaign.**
- Integration with national offer.
- **200 businesses accessing advice and being referred to a Growth Hub service.**

3.4. For 2016/17 the Hub will be expected to deliver:

- 360 'growers' or scale-ups across the Sheffield City Region – with these companies growing at double the national average
- Creation of at least 500 'good jobs' P/A across the City Region.
- A 'sectoral-shift' within the SCR – increased business density with more companies in higher value sectors.

4. Progress to date

4.1. Set out in the tables below are an update against each work stream.

Progress made / Key milestones and next steps Theme /project	Progress	Next steps
Growth Hub Development	<p>Full set of SCR Growth Hub Brand guidelines developed and will be communicated to all Partners and current Hub associated programmes including: Rise, SCR Launchpad, SCR Export programme, SHIP, so brands can be aligned and anything delivered in partnership with the growth Hub can easily be branded and logos used etc.</p> <p>Already discussed partner agreements and branding for the SCR Launchpad programme with Barnsley, and discussed with all ED's in North Derbyshire districts.</p>	Ensure all partners receive a copy and organise discussions with those where partner arrangements not yet agreed.
Website	<p>Live –</p> <p>Under review –</p> <p>Undergoing ongoing development and will be arranging user group feedback</p>	Ensure development is on track and all in place for April
Recruitment	<p><u>Head of AFCoE –</u></p> <p><i>Roll out for Advertising – will be advertised in Yorkshire Post - Sheffield Star - Barnsley Council Website</i></p> <p><i>Andy McKenna Agreement in place to remain in post until April as discussed at previous BGB.</i></p>	Once role advert is live, review & shortlist by End of January.

	<p><u>Advisors</u></p> <p>AFCoE Advisors - all are now active and have cases.</p> <p>Growth Hub Advisors - Selection made on a number of Advisors - ready to go early January</p>	<p>Have decided on more advisors with initially less days with a view to rationalise and consolidate after review April. Ensuring we have a strong advisor team.</p>								
CRM	<p>CRM System is still in early procurement phase -</p>	<p>(Early March before operational due to procurement delays.)</p> <p>Complete procurement in line with SCC</p>								
Spoke Development	<p>Spoke development regarding Hub programmes progressing well, number of programme areas developing -</p> <table><tr><td>New Business</td><td>NBP – SCR Launchpad</td></tr><tr><td>ESIF Agreed IP</td><td>Barnsley Submitted full plan</td></tr><tr><td>New Business</td><td>New Business / all spokes.</td></tr><tr><td>Notice for Proposal</td><td>SCR Collaborator Resource A collaborator resource – have held initial discussions with Institute for Chartered Accountants (ICAEW) and University of Sheffield. Also working with a growing</td></tr></table>	New Business	NBP – SCR Launchpad	ESIF Agreed IP	Barnsley Submitted full plan	New Business	New Business / all spokes.	Notice for Proposal	SCR Collaborator Resource A collaborator resource – have held initial discussions with Institute for Chartered Accountants (ICAEW) and University of Sheffield. Also working with a growing	<p>Development of a formal business case for all spokes once all the policy development work is completed....</p> <p>Develop initial Business case for;</p> <p>Collaborator Resource and for an Innovation Co-ordinator/Champion role to present at the next BGB meeting if in agreement.</p>
New Business	NBP – SCR Launchpad									
ESIF Agreed IP	Barnsley Submitted full plan									
New Business	New Business / all spokes.									
Notice for Proposal	SCR Collaborator Resource A collaborator resource – have held initial discussions with Institute for Chartered Accountants (ICAEW) and University of Sheffield. Also working with a growing									

		number of professional services firms - providing endorsement and shaping ideas. Provide us with a mechanism to add value to their client relationships and introduce the Growth Hub.	
	Innovation - Agreed IP	Rise Programme	
	Innovation Notice for Proposal	Innovation Co-ordinator /Champion - Start to work with Innovate UK - EEN – Universities, accountants – IP solicitors, Raising innovation profile, helping businesses access Innovation vouchers – Smart grants, H2020, also IP Grants - but also SCR dismally low R&D tax credits – work to help more business to access and raise awareness of this - help to develop robust innovation plans across the SCR with Innovation Board	
	Enhancement	Growth Hub Enhancement Bid being developed with SCC, progressing (awaiting confirmation from DCLG)	
ESIF	<p>A strong New Business proposal Submitted by Barnsley Mid December</p> <p>Growth Hub Enhancement bid under development by SCC team – awaiting DCLG confirmation to progress.</p> <p>Export ESIF full bid written and awaiting update</p> <p>3 Esif Programmes possibly at risk</p> <ul style="list-style-type: none"> - SHIP – Innovation - Manufacturing Supply Chain - High Growth <p>Also would like to make a proposal on the use of Local growth funding to maintain the Manufacturing programme - bearing in mind</p>		<p>Need to review match requirements for these three programmes and review programme impact.</p>

	<p>the business community across the SCR and its significant manufacturing base</p> <p>Suggest £100k to use for match to support an ESIF manufacturing programme</p> <p>Programme would be focussed on Manufacturing support and supply chain development</p> <p>BIS in support of this –Also agreement with Leeds LEP – York and North Yorks LEP – Hull and Humber LEP, to support a small pan regional manufacturing service exploring other opportunities around this too.</p>	<p>If agreement - Develop a proposal for next Business growth board for review and decision for next ESIF call</p>
National Programmes Integration	<p>After Alignment work set up - we were due to get alignment initiatives underway Early December 13, 2015...</p> <p>However the Business Growth Service was wound up - with a cost saving hence no devolved funding.</p> <p>Therefore integration activity no longer under way - however have spoken to BIS and they are in discussions with GT regarding utilization of assets such as client data bases - delivery materials etc.</p> <p>BIS/growth Hub meeting on the 6th of January</p>	<p>To provide an update following Growth Hub Network meeting on the 6th January.</p>

5. Next Steps

- 5.1. Communicate all Branding to all Stakeholders - arrange meetings to discuss representation of partner status with the Hub – already discussed with Barnsley and several districts.
- 5.2. Progress Head of AFCoE post and hopefully review all applications by end of January
- 5.3. Ensure Website ongoing development is progressing – review undertaken and any amends included in development activity.

5.4. Development of proposals for – manufacturing Supply Chain programme using LGF and ESIF to support and develop

5.5. Continue with development programmes for Spoke areas and develop plan for next BGB

6. Implications

i. Financial

- Innovation Role - rough implication of £150k LGF funding
- Collaborator Resource – Possible £70-90k of LGF funding requirement
- Manufacturing Supply Chain programme - possibly £100k - £150k LGF Implication.

ii. Legal

Paper for update - No legal implications in this paper

iii. Diversity

Paper for update - No such implications in this paper

iv. Equality

Paper for update - No such implications in this paper

REPORT AUTHOR POST

Officer responsible: **David Grimes, Head of Growth Hub - SCR Executive**
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Background papers used in the preparation of this report are available for inspection at -
NA

Other sources and references: NA

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SCR COMBINED AUTHORITY BUSINESS GROWTH EXECUTIVE BOARD

12th January 2016

SCR Launch Pad Proposal

Summary:

The paper presents a summary of the SCR Launch Pad proposal (new business support) Full Business Case which seeks to secure £350,000 of Business Growth Board budget against a total project cost of £3,948,969. The paper recommends that the Business Growth Board endorse the SCR Launch Pad proposal.

1. Issue

- 1.1. On the 17th November 2015 the Business Growth Board affirmed an indicative budget allocation of £350,000 to match fund a European funded start-up programme (now described as the SCR Launch Pad programme). This allocation was subject to:
- the production and agreement of an appropriate business case;
 - any Start-up programme providing an equivalent offer to the whole of the Sheffield City Region (a key Growth Hub principle);
 - alignment with the SCR Growth Hub more generally (confirmation of which to be given by the Head of Growth Hub).
- 1.2. This paper now presents the Full Business Case for the SCR Launch Pad programme (Appendix A) and highlights where the conditions set out in section 1.1 have been addressed.

2. Recommendations

- 2.1. It is recommended that the Business Growth Board:
- Note the Full Business Case at Appendix A for the SCR Launchpad programme and that the conditions set by the Board on the 17th November have been met.
 - Approve the Full Business Case at Appendix A and instructs officers to progress to contract.

3. Background Information: The SCR Launch Pad Proposal

- 3.1. On 6 October 2015, the Business Growth Board approved the Business Growth, Business Plan for 2015/2016.
- 3.2. This plan set out an overarching objective to **increase the size, density and productivity of our business-base**. To do so, we will address a nationally recognised¹ latent demand for external business support – which acts as a drag on the SCR's economic performance.²
- 3.3. We set out five measurable objectives. To support or incentivise companies to:
- invest in the training and development of their workforce – and for the skills system to be more responsive to employer demand;
 - access finance in order to modernise and/or grow;
 - export and to trade internationally;
 - invest in developing new products and services or to become more efficient through research and development (R&D/innovation);
 - **start-up on a sustainable footing**.
- 3.4. The proposal, as detailed at Appendix A, will address the final objective to support or incentivise companies to start-up on a sustainable footing. This will be achieved by:
- The Sheffield City Region Launchpad will **increase economic growth through fostering the development of new and sustainable growth businesses across the whole of the SCR**. This will be undertaken through business mentoring, one to many business workshops and specialist 1-1 coaching.
 - This project will **work closely with the Growth Hub and the SCR business community** to identify pre-start and early stage businesses with growth potential.
 - The project will be delivered over a 3 year period between **April 2016 and April 2019**.
- 3.5. The specific activities will include:
- Awareness raising and marketing of the service **using Growth Hub brand guidelines**.

¹ http://www.corecities.com/sites/default/files/images/publications/Competitive%20Cities,%20Prosperous%20People_%20Final%20Draft.pdf.

² Business Growth Business Plan 2015/16 per BGB meeting 6 October 2015.

- A new Launchpad service which will include work to **stimulate new enterprises** and **accelerate growth of early stage businesses**.
- Entrepreneur identification and development.
- Where appropriate partners will utilise the Strategyzer Business Model Canvas which has been successfully implemented by partners at Rotherham MBC and is a globally recognised process. The toolkit has been effectively used to help business advisors and start-up businesses describe, challenge, invent, and design sustainable business models.
- Ideas generator programmes supported by idea accelerator coaching support.
- Specialist Enterprise Coaching support.
- Post-start support through tailored activity to improve business survival rates.
- **Seamless handover to the SCR Growth Hub and its Centres of Expertise.**
- Networking events and workshops would be periodically **run across SCR** on specific topics and themes. Organised and coordinated by a small central programme management team (as per the arrangements proposed for other Centres of Expertise).
- All of this activity will be underpinned by Doncaster MBC who will implement a **Business Mentor Service across the SCR**.

3.6. The proposal will deliver the following ERDF outputs as a minimum:

Gross Direct Jobs	200
Number of New Starts	200
Number of enterprises receiving support (C1)	550
Number of enterprises receiving non financial support (C4)	550
Number of new enterprises supported (C5)	200
Employment increase in supported enterprises (C8)	200
Number of potential entrepreneurs assisted to be enterprise ready	1480
Number of enterprises receiving information, diagnostic and brokerage	650

- 3.7. These outputs map directly across the SCR outputs and further work will be undertaken between January and March 2016 with the SCR programme management team to ensure that the proposal delivers against all the appropriate SCR outputs.
- 3.8. The total project value is **£3,948,969**, the financial summary is provided in Appendix A the SCR contribution of **£350,000 is 8.9% of the total project**.
- 3.9. In addition to further work to the outputs a full and complete appraisal process has begun with the SCR programme management team and finance officers which will inform the final funding agreement and contracting process.

4. Implications

i. Financial

- 4.1. This proposal requests an investment of **£350,000** from the funds allocated to the Growth Hub as presented and agreed in the budget paper on the 17th November 2015, subject the conditions outlined above.
- 4.2. The commitment of these funds to the proposal will leverage EU, local authority and private sector investment as described in the full business case at Appendix A.

ii. Legal

- 4.3. A funding agreement needs to be put in place by **31st March 2016** so that this project can commence. A generic funding agreement has been drafted and will be put in place with Barnsley MBC as the Lead Authority for the consortium proposal.
- 4.4. Barnsley MBC will sub-contract delivery to the consortium partners to deliver the proposal across the city region, as detailed in the Full Business Case at Appendix A.

iii. Diversity

- 4.5. The proposal will be delivered in accordance with the delivery partners' diversity policies which will be reviewed through the appraisal and contracting process.

iv. Equality

- 4.6. The proposal will be delivered in accordance with the delivery partners' equality policies which will be reviewed through the appraisal and contracting process.

**REPORT AUTHOR
POST**

Lee Viney
Economic Development Officer

**RESPONSIBLE OFFICER: Andy Gates, Head of Policy, SCR Executive Team,
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Appendix A Full Business Case

SCHEME DETAILS	
Scheme name:	Sheffield City Region - Launchpad
Scheme number:	
Scheme location:	Sheffield City Region
Lead delivery organisation:	Barnsley MBC
Other delivery partners & roles:	Bassetlaw District Council, Derbyshire Dales District Council, Doncaster MBC, Prince's Trust, Rotherham MBC, Sheffield City Council. See Appendix 3(a) and 3(b).
PROMOTER'S INFORMATION	
Applicant Organisation:	Barnsley MBC
Contact name and role:	Andrew Ainsworth – Group Leader (Business Growth)
Address:	Barnsley MBC, PO Box 603, Barnsley, S70 9EX
Email:	Andrewainsworth@barnsley.gov.uk
Telephone:	01226 787644
SCR ACCOUNTABILITY INFORMATION	
SCR Executive Board	Business Growth
SCR Director / Head of Service	Andy Gates / Dave Grimes
SCR Project / Performance Manager	Lee Viney / Dave Grimes
Other SCR Executive Boards	

SUMMARY SCHEME									
Type of Scheme:		Business Support (Revenue)							
Programme / Project / Scheme Timescales									
Gateway / Stage		Date Planned at OBC		Date Achieved / Planned		Reasons for Variance			
Mandate		Not applicable							
Outline Business Case		Not applicable							
Full Business Case		Not applicable							
Approval to Proceed		Not applicable							
Start on Site / Begin Delivery		Not applicable		April 2016					
Project End / Evaluation		Not applicable		March – August 2019					
Project Funding Summary Table									
Funding Source <small>(Add additional Columns if multiple funds from same organisation)</small>	SCR		Other Public		Other European <small>[Specify the actual funding stream]</small>		Private <small>[Specify the actual funding stream]</small>		Total £'000
Funding Status 1 confirmed in writing 2 applied for 3 to be determined 4 conditions apply	C a p	Rev	C a p	Rev	C a p	Rev	C a p	Rev	C a p Rev
2015/16									

2016/17		110,933		321,913		741,697		73,212		
2017/18		120,647		350,103		806,647		79,625		
2018/19		118,420		346,966		799,959		78,874		
2019/20										
Total		350,000		1,018,982		2,348,303		231,711		3,948,996
SCR funding source		<i>To be confirmed</i>								
% of SCR funding by total cost		8.9%								

SCHEME SUMMARY cont.

Please provide a summary description of your scheme append any supporting graphics where relevant. (approx. 300 words).

What is it going to do?

- The Sheffield City Region (SCR) Launchpad aims to increase economic growth through fostering the development of new and sustainable growth businesses across the whole of the SCR. This will be undertaken through business mentoring, one to many business workshops and specialist 1-1 coaching.
- This project will work closely with the Growth Hub and the SCR business community to identify pre-start and early stage businesses with growth potential.

Where the project will be delivered?

- The project will be delivered across the SCR, including Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield.
- Chesterfield, North East Derbyshire and Bolsover are not involved in the delivery of the project but applicants from across the SCR will be able to access support in those locations where start up support is on offer. Mentor support will be managed and delivered by Doncaster MBC which will provide support across the whole of the SCR.
- The Prince's Trust will deliver their strand of support in South Yorkshire only as alternative arrangements are in place to offer this particular service in the districts.

Over what timescale?

- The project will be delivered over a 3 year period between April 2016 to April 2019.

Who will deliver it?

- The project will be delivered by Barnsley MBC (Project Lead) in conjunction with the

following Local Authorities, Bassetlaw, Derbyshire Dales, Doncaster, Rotherham, Sheffield and the Prince's Trust (South Yorkshire only). Partners will engage the private sector through an appropriate procurement process to provide support in their locality whilst other partners will look to employ full time staff.

What will it achieve?

Gross Direct Jobs	200
Number of New Starts	200
Number of enterprises receiving support (C1)	550
Number of enterprises receiving non financial support (C4)	550
Number of new enterprises supported (C5)	200
Employment increase in supported enterprises (C8)	200
Number of potential entrepreneurs assisted to be enterprise ready	1480
Number of enterprises receiving information, diagnostic and brokerage	650

Please provide an update on any key changes and developments since the submission of the OBC.

Not applicable

1. STRATEGIC CASE

How will your scheme contribute to the achievement of the City Region's strategic vision and ambitions for growth? (approx. 300 words)

- The scheme will look to contribute towards the targets established in the SEP.
 - To create on average 600 additional businesses per year for the next 10 years in the SCR.
 - To create a culture of enterprise, collaboration and innovation throughout the SCR.
 - Ensure that the SCR's extensive and significant existing assets are maximised, particularly the Universities.
- The IER highlighted clearly the need for SCR to have a restructured economy, increasing the number of businesses reliant on higher skilled occupations and with high export potential.
- To accelerate growth the Launchpad will offer a level of business support to those wishing to start a business, whilst delivering a more targeted and advanced support package to start an increasing number of high impact businesses.
- New businesses require a range of products and financial offers therefore the Launchpad will endeavour to work seamlessly with the Growth Hub bringing together a number of offers whilst enabling us to co-design with entrepreneurs bespoke products and packages.
- We will utilise the experience of partners and intermediaries to decide which business should receive this advanced support, reflecting national and local best practice.
- Previous evaluations studying the impact of start-up activity, suggest a minimum rate of return should be in excess of £8-£14 for every £1 invested by the public sector (including access to finance), This is a benchmark we will look to supersede.

How does the scheme contribute to delivering to the outcomes of the SCR Strategic Economic Plan?

- The SCR Independent Economic Review (IER) has highlighted an enterprise deficit within the SCR, which this project will seek to address. This is evidenced, not only by low business density, but the low propensity of our local population to start businesses. Analysis of business start-up rates shows that although the percentage of start-ups, as a proportion of the total business base is similar to the national average, when business start-ups are compared per 10,000 population there is a clear start-up deficit which has widened in recent years (from 78% of the national average in 2004 to 65% in 2011).
- Overall the number of new starts is two thirds of the equivalent national figure taking account of the size of the population. Reducing this 'enterprise deficit' is crucially important to achieve the SCR economic aims of a stronger and bigger private sector. If this gap was halved over a ten year period, the SCR could have an additional 6,000 enterprises which could deliver circa 9,000 jobs.
- It is essential for SCR to deliver the transformation growth recorded in its growth plan, will therefore require SCR to have the necessary complementary packages of business start-up support packages available to help unlock economic growth.
- The Launchpad will form one of the packages of support under the New Business Partnership and will look to integrate seamlessly with the Growth Hub and other complimentary start up products emanating from the SCR.

Provide the key activities for the programme, project or scheme.

A gateway service provided by Sheffield City Council to initially diagnose the eligibility of enquiries and where appropriate signpost to the Launchpad or other parts of the Growth Hub and the Centres of Excellence.

- Awareness raising and marketing of the service.
- A new Launchpad service which will include work to stimulate new enterprises and accelerate growth of early stage businesses.
- Entrepreneur identification and development.
- Where appropriate partners will utilise the Business Model Canvas which has been successfully implemented by partners at Rotherham MBC. The toolkit has been effectively used to help business advisors and start up businesses describe, challenge, invent, and design sustainable business models.
- Ideas generator programmes supported by idea accelerator coaching support.
- Specialist Enterprise Coaching support.
- Post-start support through tailored activity to improve business survival rates.
- Seamless handover to the SCR Growth Hub and its Centres of Excellence.
- Networking events and workshops would be periodically run across SCR on specific topics and themes. Organised and coordinated by a small central programme management team (as per the arrangements proposed for other Centres of Excellence).
- All of this activity will be underpinned by Doncaster MBC who will implement a Business Mentor Service across the SCR.
- The Prince's Trust will deliver the following activity.
 - ☐ Recruitment of young people.
 - ☐ Information sessions.
 - ☐ Explore Enterprise workshops
 - ☐ 1 – 1 mentoring and advice

Who will benefit from the project?

- The aim of the project is to provide entrepreneurs in the SCR the opportunity to explore and challenge their business ideas with fellow entrepreneurs and enterprise experts. The project is aimed at those individuals wanting to start businesses which have growth potential, whilst paying close attention to help those starting at the initial stages of their enterprise journey. The project will work with both pre start businesses and those who have been registered as a business up to 12 months. In exceptional circumstance those businesses which have been registered for more than 12 months may be supported (up to a maximum 24 months) if they are not yet at the stage to progress onto the Growth Hub.
- The project aims to encourage the development of businesses with identified growth potential, particularly those with aspirations to create employment opportunities for local people who will then become additional beneficiaries.
- Supporting indigenous growth to develop local enterprises is a key pillar of economic development as it improves local GVA, disposable income and creates employment opportunities.
- Often overlooked, specific provision and support will be offered across rural parts of

SCR. The sustainability of rural areas, particularly remote rural, is largely determined by levels of local employment. Therefore the diversification of the rural economy and economic sustainability via an effective business start-up programme will help provide a sustainable future through retaining and attracting a younger and working age population.

- The Prince's Trust will use their expertise and experience to implement their bespoke Enterprise Programme which is aimed at clients aged 18-30, who are based in South Yorkshire and have a business idea, but need support to develop and implement it.

What opportunity or barrier will this SCR programme / project / scheme unlock? (approx. 500 words)

- The SCR Independent Economic Review (IER) has highlighted an enterprise deficit within the SCR, which this project will seek to address. This is evidenced, not only by low business density, but the low propensity of our local population to start businesses. Analysis of business start-up rates shows that although the percentage of start-ups, as a proportion of the total business base is similar to the national average, when business start-ups are compared per 10,000 population there is a clear start-up deficit which has widened in recent years (from 78% of the national average in 2004 to 65% in 2011).
- Overall the number of new starts is two thirds of the equivalent national figure taking account of the size of the population. Reducing this 'enterprise deficit' is crucially important to achieve the SCR economic aims of a stronger and bigger private sector. If this gap was halved over a ten year period, the SCR could have an additional 6,000 enterprises which could deliver circa 9,000 jobs.
- It is therefore essential for SCR to deliver the transformation growth recorded in its growth plan, will therefore require SCR to have the necessary complementary packages of business start-up support packages available to help unlock economic growth.
- This application promotes this option by seeking to encourage more people to go into businesses to help create a flourishing and modern economy. Growing enterprise activity is as much about culture and aspiration as it is about practicalities and funding. Much of the value of promoting enterprise is about transforming economic structure, culture and attitudes, stimulating churn and dynamism, and through these factors raising levels of productivity and self-reliance in the longer term. All of which this application clearly promotes.

Is the programme / project / scheme dependent upon any other project or investment? If so, provide details of these interdependencies and associated risk and mitigation proposals (approx. 500 words) e.g. for skills capital – explain revenue resource secured.

The table below highlights the sources of funding; amounts of funding (inc ESIF) and whether the funding has been secured.

Organisation	Amount £ (Inc. ESIF)	Secured
Bassetlaw DC	120,301	Y
Derbyshire Dales DC	54,000	Y
Doncaster MBC	471,495	Y
Rotherham MBC	396,518	Y
Sheffield MDC	750,000	Y

Barnsley MBC	711,153	Y
Prince's Trust	579,279	Y
SCR CA	866,250	N

- If the SCR funding was unavailable then the likelihood would be the mentor service would have to be withdrawn.
- If LA match was withdrawn, up to a point, the overall scheme could still be delivered but on a reduced scale with the remaining LA's left to deliver services in areas where the Local Authority has refused to fund any activity.
- If we couldn't access ERDF the likelihood would be the project would not pursue as a collective SCR bid, instead LA's would look to deliver support in silos on a much reduced scale.
- Risks have been mitigated, so far, by
 - Designing a (de)scalable programme framework that is flexible to absorb some changes in project funding. This has been evident in the withdrawal of Bolsover and North East Derbyshire. Chesterfield communicated early on that they would not financially contribute to the programme.
 - Securing match funding letters from partners.
 - Meeting deadlines and obligations established by DCLG to expedite the draw down on ERDF.
 - Distribution (draft) contracts to partners.
 - Drafting of a Risk Register and regular meetings with BMBC Risk Management.

How will this programme/project/scheme align and impact other Executive Board programmes, projects or schemes. Identify which Executive Board, the programme/project or scheme are impacted and detail the extent of the impact and the engagement made with those Boards.

Executive Boards:

<i>Infrastructure</i>		<i>Transport</i>		<i>Housing</i>		<i>Business Growth</i>	x	<i>Skills</i>	
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- The Launchpad will integrate with the Growth Hub and the New Business Starts - Centre of Excellence. A seamless service will be developed in conjunction with the Growth Hub manager and other CoE's Lead Officers.
- The Launchpad will be one project within the New Business Partnership and will work with the SCR Lead Officer to ensure the Launchpad compliments and does not duplicate other projects and services which are being delivered to start up businesses across the SCR.
- BMBC and partners have liaised with the New Business Partnership and the Lead Officer to help formulate the Launchpad concept.
- An outline and full business plan (DCLG format) has been circulated within the New Business Partnership for comment. The comments received from those members have helped mould the future start up provision.
- Discussions have taken place with the Growth Hub manager to ensure the Launchpad

is an essential component of the Growth Hub. Processes are now being designed to ensure that recipients of support receive a seamless high level of service between the Growth Hub and its CoE's.

How does the programme/project/scheme fits with national, sub-regional and local policies? Outline whether there are any conflicts and if so highlight any planned mitigation. (approx. 600 words)

- A proportion of those projects identified in the GENECON scoping study were projects which are no longer in operation likewise the projects identified did not offer a cohesive and comprehensive level of start up support that would be accessible to all individuals wanting to start a business.
- The amalgamation of start up support will avoid duplication and streamline back office functions. Through endorsing partnership working and avoiding operating in silos, this will help reduce the duplication of project management costs as this function will be undertaken predominantly through Barnsley MBC and not duplicated across the SCR.
- The project will be the catalyst for bringing all partners together to work towards the common goal of increasing the number of new sustainable businesses across the SCR. Working in partnership and through collaborating will help share best practice and generate new ideas for stimulating new start ups across the SCR.
- The uniformed approach to start up support across SCR will ensure there is consistency in the level of start up support provided in the SCR, eradicating the 'post code lottery'. Therefore residents of the areas that are not contributing directly to the programme will be able to access Launchpad services in their nearest town or district via the Growth Hub gateway. They will also have access to the Mentor Bank and any workshop/networking events if needed.
- Working in collaboration with Sheffield City Council and their Gateway Team, the consortia will look to add value through providing one initial point of contact for businesses looking at access a suite of business support products. Anecdotal evidence suggests there is confusion in the marketplace with regards to the best place to access business support therefore once central contact point for business support across SCR will hopefully simplify the process of accessing business support.
- As the Launchpad will be a strand of support within one of the Growth Hub's Centres of Excellence (New Business Starts), this will become part of a holistic service ensuring a smooth transition between different strands of the Growth Hub.

Explain how the project does not conflict with national policy?

- Department for BIS policy on Business Enterprise 2010 – 2015 specifically have the target of "encouraging people and giving them the skills to start their own business".
- Within that remit the government has developed policies to support start-ups and SMEs to:
 - Help businesses continue to grow and make a contribution to the economy.
 - Help businesses access finance and support previously unavailable.
- BIS has aspirations to predominantly work with businesses, financial institutions and other government departments, to help UK businesses start up, grow and succeed, focussing on the following interventions.
 - Better regulations to make doing business easier
 - Tax - working with HM Revenue and Customs who are introducing a range of measures to help start-ups and SMEs, including a National Insurance holiday for the first year of employing people.
 - Reduced Corporation Tax.

- Seed Enterprise Investment scheme.
- Exporting
- Skills
- Innovation
- Engaging with young people.
- Promotion of Business Awards to celebrate Enterprise
- Helping unemployed people to set up a business through the New Enterprise Allowance (NEA), administered by the Department for Work and Pensions.
- Helping entrepreneurs via The Start-Up Loans scheme.
- Whilst individually some of the above schemes are commendable the spread and quality of support is disparate therefore the 'take up' from local residents can be low.
- There is a requirement across the SCR for accessible business support which compliment but does not replicate the remnants of the national support products listed above. A key to the success of the Launchpad will be the knowledge of Business Start up Advisors regarding the availability of both local and national business support products and the ability to design bespoke packages of support which meet the requirements of businesses throughout various stages of their business cycle.
- Providing a uniformed service which is consistent in quality of service and coverage whilst being accessible across SCR is key to ensuring all partners including intermediaries are supportive of the programme. This will increase the number of cross referrals and help increase the numbers of participants accessing support.
- With the recent withdrawal of the Business Growth Service, national business support provision is in a state of flux, therefore products and projects such as the Launchpad are more sought after and needed than before.

What if any key assumptions have been made in developing the business case for the programme / project scheme? (approx. 300 words)

- The business case development process is key to public value in spending decisions, in terms of its scoping, options selection, delivery, monitoring and evaluation.
- The business case in support of a new policy, new strategy, new programme or new project such as the Launchpad must evidence :

Strategic Case	The intervention is supported by a compelling case for change that provides holistic fit with other parts of the Growth Hub and CoE's. The eradication of the 'post code lottery' and an assurance that all parts of the SCR have access to best practise business support programmes will provide the catalyst to increase the number of new businesses emanating from the region.
Economic Case	<p>Critical Success Factors; dependencies and constraints; options analysis, benefits and risks have been analysed to design a delivery model that will represent best public value.</p> <p>Through working in partnership with 6 LA's and the Prince's Trust this has helped reduce back office costs whilst ensuring front end services are adequately resourced across the SCR.</p> <p>59.47% of funding is to be access to via ESIF with private sector and public sector funds used to act as match funding. This will be used, in part, to fund a mentor service which will be rolled out across the SCR which will look to provide future sustainability of the programme, as such activity could be run from a low cost base.</p>
Commercial Case	<p>Through discussions with project partners and analysing demand for existing programmes, the Launchpad has been created to benefit from existing best practise making the programme attractive to the market place. Through joint working and promotion with project partners and the Growth Hub, it is expected that the Launchpad will fill an important gap in the market and provide the basis for start up activity across the SCR.</p> <p>The need for the Launchpad in the SCR will be greater than ever due to the recent demise of national business support products.</p>
Financial Case	The proposed financial model is affordable and offers value for money for DCLG. The project is dependent on external funding from ESIF and SCR and any change/reduction in funding from these two sources will have a negative impact on the project.
Management Case	<p>Barnsley MBC has consulted with partners and DCLG to ensure that what is required with regards to output delivery and resources is achievable for all parties.</p> <p>A number of meetings and consultations have been held between the management team and delivery partners that have led to a number of amendments to the outputs section.</p> <p>Even though a benchmark has been provided highlighting the number of</p>

	outputs to be delivered through the programme, it is envisaged that this is will be a minimum standard and we would hope to supersede this target.
Preferred Option	As part of this process assumptions and analysis in order to identify a preferred option which demonstrably optimises value for money was undertaken A summary of which can be seen in section 3.1.

What are the implications if the scheme does not secure SCR investment? (approx. 300 words)

- If the project does not secure match funding then a number of various scenarios could occur, including,
 - LA's may look to deliver start up activity in silos, only delivering a service in their own locality creating a 'post code lottery' of support.
 - Competing projects may occur from partners causing confusion in the market place.
 - The seamless support from the Launchpad to the Growth Hub will be put in jeopardy.
 - The project may continue but activity such as the mentor service may be scaled back to the point where the impact is negligible.
 - A smaller scale project would mean that fewer individuals and new Micro Businesses and SMEs would be assisted.
 - Currently the LA's participating in the project are willing to provide a level of service to residents in those areas whose LA's are unwilling to contribute, this may have to be scaled back.

2. COMMERCIAL CASE

2.1 DEMAND CASE

What is the demand justification for SCR investment in this programme/project/scheme? Detail the evidence that you have to support this. (approx. 500 words)

- The latest ONS Business Demography (2014) evidence identifies that the impact of such support has helped the identify local authority improve its new business survival rates from a position of constantly lagging both national and regional comparable 3+,4+ and 5+ survival rates, to a position whereby new business survival rates are now exceeding national and regional rates for 1+, 2+, 3+ and 5+ survival rates.
- It is apparent that to help support and address SCR's identified business, employment and productivity deficiencies that more needs to be done to help support the development of high growth and non-local displacement business formulations. Support for this project will seek to harness the potential of the identified 30% of new business starts that fall under this category so that through a combination of one to many business support and the delivery of associated accelerator models, such growth can be achieved.
- SCR still has a fragmented structure of new business support, which can be reflect through the latest stats with SCR estimated to have generated over 7,500 VAT and or PAYE new business births, yet at the same time SCR recorded and estimated 5,395 business deaths.
- Over the last year the number of new business births in SCR increased by 8.1%, which is above national and regional increase's but within the city region only 4 out of the 9 areas recorded similar above average growth, with Barnsley, Doncaster and Bolsover recorded the greatest annual increases.
- Such evidence clearly promotes an increased demand for appropriately tailored start-up provision throughout SCR that will be essential in helping SCR to create the identified 6,000 new businesses and rebalancing the local economy

Outline any market testing which has been undertaken to evidence demand, and provide evidence that demonstrates that the private sector will respond to this opportunity. (approx. 300 words).

- Evidence from Barnsley MBC through its SmartStart (business start up programme) highlights that the demand for the project is sufficient and has clearly identified tangible benefits. Information supplied from Barnsley MBC indicates that over 1,000 new business start-up enquiries have been received over the past three years, helping to support over 280+ new businesses in the local economy.
- Likewise similar information supplied from BMBC in terms of demand for projects associated to the programme , can be seen from a recently completed Ecommerce Accelerate Programme that drew in applications from across the country and lead to a number of recipients relocating or opening up a northern hub of their operations, based upon the support they have received.

If this programme/project/scheme is reliant on private partners / stakeholders to deliver outputs, provide details of any discussions, procurement, /negotiations or processes undertaken? (approx 500 words).

- A number of partners will be undertaking procurement exercises for the private sector to

deliver start up support but the procuring of these specific services are yet to be undertaken.

- Please see below the partners and the amounts of funding that may be utilised to deliver services via the private sector.

Contracts to be procured

Please provide details of all contracts that will need to be awarded to deliver the Project but which have not been awarded prior to this application.

	Anticipate d value of the contract (Highest value first)	Will the contract only be used to provide works, supplies or services to the Project?	Description of works, supplies or services that will be provided under the contract	What procurement process do you anticipate using to select the supplier?	Where will the contract opportunity be advertised?	What processes will be put in place to collect appropriate records to demonstrate compliance in the event of an audit or other investigation
1	£405,000	Yes	Consultancy services to deliver advice and support to prestart, new and early stage businesses in Sheffield and across the SCR,	OJEU – open procedure	OJEU, website, Yortender	Will follow OJEO procurement procedure to ensure necessary documents are held on file and all aspects of OJEU procurement are followed including the 6 stages of procurement. BMBC PMT will be involved throughout the procurement to ensure it complies with OJEU regs.
2	£349,595	Yes	Consultancy services to deliver	OJEU – open procedure	OJEU, website,	Will follow OJEO procurement procedure to

			advice and support to prestart, new and early stage businesses in Doncaster and across SCR.		Yortender	ensure necessary documents are held on file and all aspects of OJEU procurement are followed, including the 6 stages of procurement. BMBC PMT will be involved throughout the procurement to ensure it complies with OJEU regs.
3	£54,000	Yes	Consultancy services to deliver advice and support to prestart, new and early stage businesses in Derbyshire Dales and across SCR.	Open procedure	Yortender, Website	Will follow procurement procedure to ensure necessary documents are held on file and all aspects of procurement are followed including the 6 stages of procurement. BMBC PMT will be involved throughout the procurement to ensure it complies with procurement regs.
4	£51,519	Yes	Consultancy services to deliver advice and support to prestart, new and	Open procedure	Yortender, Website	Will follow procurement procedure to ensure necessary documents are held on file and

			early stage businesses in Rotherham and across SCR.			all aspects of procurement are followed including the 6 stages of procurement. BMBC PMT will be involved throughout the procurement to ensure it complies with procurement regs.
5	£42,000	Yes	Consultancy services to deliver advice and support to prestart, new and early stage businesses in Barnsley and across SCR.	Open procedure	Yortender, Website	Will follow procurement procedure to ensure necessary documents are held on file and all aspects of procurement are followed including the 6 stages of procurement. BMBC PMT will be involved throughout the procurement to ensure it complies with procurement regs.
6	£30,000	Yes	Marketing and PR support to The Launchpad service in Barnsley and across the SCR.	Open procedure	Yortender, Website	Will follow procurement procedure to ensure necessary documents are held on file and all aspects of procurement are followed including the 6

						stages of procurement. BMBC PMT will be involved throughout the procurement to ensure it complies with procurement regs.
7	£12,000	Yes	Provider of online information, factsheets, reports and issues faced by prestart, new and early stage businesses.	Open procedure	Yortender, Website	Will follow procurement procedure to ensure necessary documents are held on file and all aspects of procurement are followed including the 6 stages of procurement. BMBC PMT will be involved throughout the procurement to ensure it complies with procurement regs.

If this programme/project/scheme comprises a procurement process, provide an overview of the procurement process or bid appraisal process undertaken or to be undertaken. Please include the date procurement is planned to complete in the milestone table in section 4.1. If procurement has been undertaken please provide details of the preferred bid(s) (contact details, commercial and financial aspects of the bid) and include value for money statements for each bid The table above provides an overview of the procurement process which will be undertaken for each contract.

- The aim is to have all activity to be procured by the start of the programme 1st April 2016 but this is dependent on securing funding from both SCR and ESIF, therefore if there is a delay in securing the funding then this will have a knock on effect to other important milestones, including the procurement of services.
- Procurement of services is yet to be taken place.

If costs increase during the procurement process how will additional costs be covered?

- Partners have fixed budgets to deliver services therefore if the costs increase then the service will have to be scaled back as there is no additional investment.

Provide a time table for any proposed final negotiations and award of contract(s).

- This is not available and will be dependent on securing external funding.

3. ECONOMIC CASE

3.1 PREFERRED OPTIONS ANALYSIS

Detail the options that were considered for this programme/project/scheme, e.g. do nothing, smaller scale programme/project/scheme, greater scale programme/project/scheme. Provide the rationale for the selected and rejected options. (approx. 300 words)

Careful consideration has been given at every stage, from the 'do nothing' to alternative delivery arrangements and the SCR consortium took a decision that the preferred, most cost effective option and one which delivers the best value for money whilst delivering the stated outputs.

Option (a) – Do Nothing

Brief Description:	Individuals with entrepreneurial potential would not receive the support necessary to progress that potential and would not be made aware of self-employment/business start-up opportunities.
Main Advantages:	The ESIF allocation would be allocated elsewhere and the internal match funding resources would be used for other activity.
Main Disadvantages:	No individuals, Micro businesses or SMEs would be assisted and therefore no outputs would be obtained Those with entrepreneurial potential or with the will and possibly resources to become self-employed would not be given the opportunity to progress further.
Impact on Costs:	There would be no requirement for funding
Impact on Deliverables:	There would be no outputs/results and no impact on deliverables.
Extent of risk (H/M/L):	H
Describe the risks and constraints associated with this option:	Business start-up levels would fall and there would be no locally targeted resource to encourage entrepreneurship and business creation across SCR. Given the heavy reliance on public sector employment within the SCR and increased numbers of redundancies from the public sector, the needs of the newly redundant in terms of exploring self-employment as a suitable

	pathway will not be fully met.
Reason for rejection:	Doing nothing would not aid the SCR's enterprise base. Given the current economic climate, the start-up levels may decrease dramatically and the perceived barriers to start up would increase.
Option (b) – Smaller Scale Project	
Brief Description:	A smaller scale project would mean that fewer individuals and new Micro Businesses and SMEs would be assisted.
Main Advantages:	The package would be less expensive and would require less ESIF.
Main Disadvantages:	It may mean that a smaller scale project would reduce significantly the ESIF allocation and may make the project ineligible for ESIF support.
Impact on Costs:	This would mean the project would not meet the minimum cost (£1 million per project) to justify ESIF match funding.
Impact on Deliverables:	Fewer individuals would be assisted to be enterprise ready, fewer jobs created, fewer businesses would be assisted with improved performance, fewer entrepreneurs would go on to access other business support provision and fewer new SMEs would be assisted. This will also impact upon the project's ability to assist social enterprises.
Extent of risk (H/M/L):	H
Describe the risks and constraints associated with this option:	A smaller scale project would mean that SCR would not be able to contribute significantly to the P3 targets and the business start-up deficit would remain.
Reason for rejection:	A smaller scale project would support fewer individuals and so would mean fewer business start ups in the SCR. SCR LA's and the Prince's Trust have taken a decision to allocate match funding to this project and this shows a firm commitment to raising enterprise levels and generating more business start ups within the borough.
Option (c) – Larger Scale Project	
Brief Description:	This would involve employing more business advisers and

	enterprise coaches, enhancing the offer to SCR residents.
Main Advantages:	A larger scale project would mean that the project could employ more business advisers who in turn could assist a greater number of individuals and new businesses. This would, if feasible, lead to a greater number of outputs.
Main Disadvantages:	Lack of match funding availability to go beyond current business case request. A larger project is simply not an option given the match funding constraints.
Impact on Costs:	There is not enough match funding available to match the additional costings.
Impact on Deliverables:	A larger project would not necessarily guarantee increased outputs or results. The aim of the programme is to concentrate on those businesses with growth potential therefore it is important that proper due diligence is given to ensure the participants selected can provide the required results to grow the SCR economy.
Extent of risk (H/M/L):	H
Describe the risks and constraints associated with this option:	The project may become over ambitious making increased output levels unachievable. Our aim is to see tangible results, to achieve realistic outputs and objectives, to guarantee strict ERDF compliance and to ensure that it is deliverable within the timescale of the project. Delivering a much larger project would not in any way guarantee this. The outputs we will strive to achieve have been given careful consideration and are based on previous start up activity delivered by partners across SCR.
Reason for rejection:	There would not be enough SCR match funding available and we consider our current output/result targets achievable at the time of writing. A larger scale project is simply unachievable.
Option (d) – Alternative Delivery Method	
Brief Description:	Service delivered by a regional or national business support-type organisation.
Main Advantages:	This may ensure that the services provided would link in with mainstream provision.
Main	Organisations such as the Business Growth Service are very

Disadvantages:	selective on which start up companies they wish to support therefore the numbers of start ups would not be enough to bridge the gap between the regional and national start up %.
Impact on Costs:	No impact
Impact on Deliverables:	It may prove difficult for the mainstream providers to undertake this kind of work effectively and ensure the same number of individuals and new SMEs are assisted. They would lack the local intelligence necessary to be able to target the potential beneficiaries. Therefore outcomes/outputs may reduce significantly.
Extent of risk (H/M/L):	H
Describe the risks and constraints associated with this option:	<p>The changing business support environment renders this option extremely risky in helping to achieve the outputs.</p> <p>An alternative delivery method may well result in a total lack of business support provision altogether. Whilst our targeted knowledge and intelligence of the markets and business opportunities will help encourage beneficiaries to consider self-employment and also assist those newly formed SMEs develop, ensuring they are heading in the right direction, by the same token, our project could also inform entrepreneurs and new SMEs of potential pitfalls in exploring and pursuing a particular business idea which may be doomed to fail. Measured, locally informed advice would not be at hand if this project were to be delivered through alternative, more remote delivery means.</p>
Reason for rejection:	Not enough businesses will be supported through the national products.

Detail the outputs, outcomes and benefits that this scheme will deliver in total (add in additional lines if required). For programmes with multiple funders what proportion of these will be apportioned to the SCR.?

Definitions for outputs, outcomes and benefits (results) should be those referenced in the SEP

or the relevant SCR Exec Board Business Plan.

The outputs in bold are those referenced in the SEP, whilst those in italics are those to be recorded for DCLG via the ESIF contract. It is envisaged that the amounts quoted are a minimum and it is expected that these totals will be superseded.

Deliverable	Total for scheme (All years)	Total to be claimed by SCR	Rationale for any apportionment
Gross direct Jobs	200	100%	
Number of New Starts	200	100%	
<i>Number of enterprises receiving support (C1)</i>	550	100%	
<i>Number of enterprises receiving non financial support (C4)</i>	550	100%	
<i>Number of new enterprises supported (C5)</i>	200	100%	
<i>Employment increase in supported enterprises (C8)</i>	200	100%	
<i>Number of potential entrepreneurs assisted to be enterprise ready</i>	1480	100%	
<i>Number of enterprises receiving</i>	650	100%	

information, diagnostic and brokerage				
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Set out the direct outputs that the selected option will deliver, detail the total for the scheme and in brackets the figure to be apportioned to SCR if not 100%.

	Total Outputs	Forecast by year		
Direct Outputs <small>(taken from Exec Board list of outputs)</small>	All years	2016/17	2017/18	2018/19
Gross direct Jobs	200	20	90	90
Number of New Starts	200	20	90	90

3.2 ENVIRONMENTAL IMPACT

Please detail any environmental impacts this scheme may have (approx. 300 words).

Has an Environmental Impact Assessment or Environmental Scoping Study been undertaken? – If not please confirm why this is not necessary for this scheme.

An environmental impact study has not taken place but the following will be considered.

How does the project respect the principle of sustainable development?

- The partners are committed to achieving environmental sustainability and mitigating negative impacts.

- An environmental policy is in place and all business activities will be conducted in accordance with this policy.
- BMBC and partners recognises that their operations have an impact on the local, regional and global environment, and is fully committed to managing and minimising these. BMBC complies with all relevant environmental legislation, laws and codes of practice and controls, monitors and evaluates its environmental impacts, setting goals and targets to move beyond compliance with regulation and ensure continuous improvement.
- Barnsley MBC works towards its corporate sustainability and carbon management policy which the Launchpad project team will adhere to. During Project Engagement Visits partners will be asked for evidence on how they respect the principle of sustainable development and mitigate against potential negative environmental impacts.
- In particular how does the project maximise positive environmental impacts or mitigate potential negative impacts (with regard to the “polluter pays” principle where appropriate)?
- The specialist Business Adviser team in particular needs to be aware of the policies as most resource savings are achieved through behavioural changes of people as well as technological solutions. The specialist Business Adviser team will:
 - o Ensure all computers and other equipment (unless functionality would be harmed) are shut down when not in use for prolonged periods.
 - o Turn of all lights when a room is not in use.
 - o Ensure heating is used effectively around office.
 - o Reduce waste by reduction in printing.
 - o Recycle where possible.
 - o Send e-mails rather than hard-copy post when possible.
- BMBC communicates and reinforces this policy to its staff and will communicate openly with other stakeholders, partners, SMEs and relevant others, to encourage them to be environmentally friendly

Please confirm the expected Benefit to Cost Ratio of the scheme	BCR = To be confirmed
Please confirm the expected GVA Ratio of the scheme per £ invested	GVA / £ = To be confirmed
<p>TRANSPORT ONLY SCHEMES</p> <p><i>The remainder of Section 3.2 is for <u>Transport only schemes valued at £5m total investment or greater</u>. Non-transport schemes or transport schemes < £5m progress to section 3.3</i></p> <p><i>At Stage 1A it is not mandatory to complete the Transport Value for Money Case but if promoters do have evidence that they want to be taken into account, they can report it below.</i></p> <p><i>If not, promoters are asked to provide an estimate of the anticipated BCR position for their scheme, perhaps based upon comparator evidence.</i></p>	
<p>3.2A APPRAISAL SPECIFICATION REPORT</p>	
<p><i>Please outline whether an Appraisal Specification Report (ASR) has been completed setting out your proposal for transport modelling, or whether it is your intention to complete the ASR between Stage 1A and Stage 1B.</i></p>	
<p>3.2B DESCRIPTION OF FORMAL NETWORK MODEL</p>	
<p><i>If a formal network model has been used please describe it using the headings in the table below</i></p>	
How is the scheme represented in the model	

<i>Calibration and Validation of the Base Year Model in the area around the scheme</i>	
<i>Data Collection Relevant to the Scheme In Question</i>	
<i>How does it model demand responses – route choice, mode choice, destination choice, and time of day?</i>	
<i>How has future year demand been forecast?</i>	
3.2C ECONOMIC APPRAISAL	
<p><i>If a formal network model has been used there is no need to repeat the information from Section 3.1, but any off-line adjustments to the model outputs should be discussed here.</i></p> <p><i>Estimates of PVB etc should be presented as they would appear in the Analysis of Monetised Costs and Benefits in the units defined in the version of WebTAG prevailing at the time this form is submitted.</i></p>	
<i>How have the unit benefits of the scheme been estimated</i>	
<i>How has the base demand been estimated?</i>	
<i>How has the forecast demand been estimated in the without the scheme case?</i>	
<i>How has the forecast demand been estimated in the without the scheme case?</i>	
<i>What time periods have been modelled</i>	
<i>What annualisation factors have been used</i>	

<i>What is the Present Value of Benefits (£'000 discounted to 2010 in current prices) – this should exclude wider economic impacts</i>	
<i>Present Value of Costs (£'000 discounted to 2010 in current prices)</i>	
<i>Benefit to Cost Ratio</i>	
<i>Please describe how inflation has been treated in the calculation of PVB and PVC</i>	
<i>Please describe any sensitivity testing that has been undertaken and provide a table showing PVB, PVC and BCR</i>	
3.2D ENVIRONMENTAL APPRAISAL	
<i>Describe the expected impacts and rate them on the standard 7 point scale from the WebTAG Appraisal Summary Table</i>	
<i>Impact</i>	<i>Summary of Key Impacts</i>
<i>1. Noise</i>	
<i>2. Air quality</i>	
<i>3. Greenhouse gases</i>	
<i>4. Landscape</i>	
<i>5. Townscape</i>	
<i>6. Heritage of historic resources</i>	
<i>7. Biodiversity</i>	
<i>8. Water environment</i>	
3.2E SOCIAL AND DISTRIBUTIONAL	
<i>At this stage it is necessary to complete only the screening Stage from WebTAG 3.17</i>	
<i>Social and Distributional Analysis</i>	

Item	Expected Impacts positive or negative
User Benefits	
Noise	
Air Quality	
Accidents	
Security	
Severance	
Accessibility	
Personal Affordability	
3.3 SOCIAL IMPACT	
<p><i>How does this programme/project/scheme align with the regions policies on; inequality, health and wellbeing and thriving communities and neighbourhoods (approx. 300 words)</i></p> <ul style="list-style-type: none"> • BMBC is experienced in dealing with equal opportunities, disability, discrimination issues from a policy and procedural perspective. It has a robust Corporate Equality Policy that informs all aspects of delivery of all externally funded projects. • The Corporate Equality Policy provides a framework for developing equality within services delivered and within employment. The policy seeks to ensure compliance with relevant legislation and operate within the Local Government Equality Standard and Best Value Performance Indicators. • BMBC and its partners ensure that no one receives less favourable treatment for reasons relating to: - <ul style="list-style-type: none"> • Race, ethnic origin, colour or national origin • Gender • Marital status • Sexual orientation • Disability • Religion or belief • Age • Trade union activity or political belief 	

- Social class
 - The rehabilitation of former offenders
 - The policy applies to all those that come into contact with the council including: -
 - Residents within the Borough
 - Customers accessing services
 - Employees
 - Potential customers, residents and job applicants
 - Contractors and partners and any areas of procurement
 - Elected members
 - Consideration will be given to access arrangements including locations and buildings that are accessible, at times that do not exclude members of the community (e.g. breakfast meetings generally are problematic for working parents), with guest speakers that members of the business community can relate to (gender, ethnic minority, disability background).
 - For buildings used for the provision of a service or employment, the Disability Discrimination Act 2005 (DDA) gives disabled people important rights of access to everyday services therefore the Programme Management Team and its partners will ensure that the services are only delivered from buildings and venues which are DDA compliant as not to preclude anybody with accessibility issues.
- This will be verified and monitored through Pre Engagement Visits and annual inspections.

3.4 Costs

Provide the full programme/project/scheme costs. Please append the full financial summary in appendix 1, itemised and profiled on a monthly basis until the end of the scheme. Where appropriate include the risk weighting for line items.

Please provide a breakdown of Total Cost and SCR Funding requirement (add more lines if necessary)

Cost Category	£ Total	£ SCR
Salaries	2,487,158	350,000
Overheads	306,728	
Consultancy	903,090	
Marketing	90,000	
Other Direct Costs	107,020	

Professional Fees	55,000	
Total	£3,948,996	*£350,000

Please note the project's financial model highlights that the SCR match will be allocated to the costs of the DMBC Mentor Scheme which will be implemented across the region.

4.1 DELIVERABILITY

4.1 Key dates and milestones

Complete the schedule below with the key project milestones for the on-going development and implementation of the project which must include any dates linked to procurement activity and for securing necessary consents e.g. planning permissions, securing budget approval or third party match funding.

Milestone	Start Date	Completion Date
APPROVAL – <ol style="list-style-type: none"> 1) Contract agreed between DCLG (ERDF) and Barnsley Metropolitan Borough Council (BMBC). 2) Contracts agreed between BMBC and Partners. 	February 2016	April 2016
PROCUREMENT – <ol style="list-style-type: none"> 1) Project activity tender specification(s) drafted/developed by BMBC (+partners). 2) Tender(s) advertised as appropriate (including OJEU) 3) Tenders assessed and evaluated 4) Recommendations for selection made. 5) Standstill period. 6) Tender(s) awarded 7) Contractual work programme, outputs, outcomes and milestones schedules developed and agreed between BMBC and Sub-Contracting Delivery Organisation(s) 8) Contractual terms agreed between BMBC and delivery organisation(s) 9) Review ERDF /BMBC Offer Letter schedules, profiles and milestones to accommodate responses to the sub-contract tender(s). 10) Management and Governance structures established. 11) Management and governance structure established 	<p>(1 – 13) February 2016 (pre project)</p> <p>(14) April 2016</p>	<p>July 2016</p> <p>March 2019</p>

12) Posts identified 13) Terms of reference agreed. 14) Regular review meetings with subcontractors to review performance and activity		
<p>IMPLEMENTATION AND DELIVERY -</p> <ol style="list-style-type: none"> 1) Drafting of job remit and agreement of job description. 2) Advertisement, assessment and recruitment of Programme Manager. 3) Advertisement, assessment and open recruitment of project management and monitoring infrastructure (staffing structure, systems and procedures) put in place. <p>Posts as follows:</p> <ul style="list-style-type: none"> • Programme Manager • 2x Finance and Monitoring Officers • 2x Project Officers – 2x Business Advisors <ol style="list-style-type: none"> 4) Partners advertise and assess Business Development Managers. 5) Interviewing and final selection. 	<ol style="list-style-type: none"> (1) January 2016 (pre project) (2) January 2016 (pre project) (3) January 2016 – April 2016 (4) January 2016 – April 2016 (5) January 2016 	<p>January 2016</p> <p>February 2016</p> <p>February 2016</p> <p>February 2016</p> <p>March 2016</p>
<p>MANAGEMENT AND MONITORING</p> <ol style="list-style-type: none"> 1) Establish the Project Board. 2) Production of management group reports and performance/monitoring information. 3) Monthly steering groups held between partners. 4) Quarterly review visits between DCLG and BMBC 5) Annual review between DCLG and BMBC 	<ol style="list-style-type: none"> (1) March 2016 (pre project) (2) May 2016 (3) March 2016 (4) July 2016 (5) April 2017 	<p>March 2016</p> <p>April 2019</p> <p>April 2019</p> <p>April 2019</p>

		April 2018
EVALUATION – 1) ERDF Article 13 Monitoring (financial and output vetting to source documentation on receipt of first grant claim prior to payment). Include other ERDF monitoring Requirements 2) Submit monthly grant claims in accordance with the operational plan within the agreement 3) Mid-term Evaluation Produced 4) Final Evaluation produced	(1) To be confirmed by DCLG (2) May 2016 (3) October 2017 (4) August 2019	July 2019
<p><i>Give a realistic indication of when the scheme would commence. Justify your response taking into account factors such as the time required to secure statutory powers, secure match funding, procure contracts etc. Highlight any key dependencies needed to achieve these milestones.</i></p> <ul style="list-style-type: none">The start date of the project is projected to be the 1st April 2016, we are working with DCLG to ensure this happens.		
<p><i>Indicate whether the following have been secured, agreed fully or agreed in part, or provide an estimation of when they are likely to be secured. Provide detail which will support your business case. Insert N/A if not applicable to the programme/project/scheme.</i></p>		
Delivery Constraint/Risk	Scheme position and indicative date	
Planning consents	Not applicable	
CPOs	Not applicable	
Public consultation	Not applicable	
Public Inquiry	Not applicable	
Traffic Regulation Orders	Not applicable	
Transport and Works Act	Not applicable	
Public sector match funding	Match funding letters provided	
Private sector match funding	Match funding letter provided	

<i>Procurement contracts</i>	<i>Not applicable</i>	
<i>Revenue Funds</i>	<i>Not applicable</i>	
<i>Partnership Agreement</i>	<i>Draft contracts out for consultation</i>	
<i>Other Processes (please specify)</i>	<i>Statutory (please specify)</i>	<i>Not applicable</i>

Provide details of any appraisal or scheme modelling undertaken between the approval of the OBC and submission of this FBC.

An OBC has not been requested or completed.

What is the programme/project/scheme delivery model and what Programme / project methodologies will be followed? Has the lead partner the resource/expertise and structures in place to manage and deliver this? If not, outline what needs to be undertaken to be 'delivery ready' (e.g. project management arrangements, recruitment, governance structures etc).

- The programme has been developed on a consortium basis with 6 Local Authority Partners and the Prince's Trust. A dedicated Programme Management Team employed and based at BMBC will manage the project. The Programme Management Team will have vast knowledge and expertise in delivering complex ERDF business support programmes and the structure and roles of the proposed team has successfully been implemented previously (see appendix 3a & 3b)
- Examples of ERDF business support revenue projects include which have successfully been managed and delivered by BMBC include:
 - o Enterprising Barnsley Phase 1
 - o Enterprising Barnsley Phase 2
 - o The South Yorkshire Investor Support Aftercare Programme on behalf of partners at Business Link South Yorkshire and Rotherham, Doncaster and Sheffield Council's.
 - o The Creativity Works and Creative Networks programme on behalf of partners at Arts Council England, Business Link
 - o The Investment South Yorkshire Programme
- The findings of independent evaluations of the above programmes recognised the effectiveness of the Barnsley Metropolitan Borough Council financial and programme management. Furthermore BMBC in a recent (July 2014) European Court of Auditors Inspection of the South Yorkshire Sector Growth Enhancement Project which focussed on management and control systems was given a clean bill of health of how it delivered its service, incurring no clawback/irregularities.
- The project will be delivered on Prince 2 principles whilst recognising the requirement to strictly adhere to structural funds regulations.
- A Project Monitoring Strategy has been established which includes the control systems that will be used to ensure a successful and compliant project has been established.
- The Launchpad's Project Board will meet bi-monthly and will be chaired by the Projects and Policy

Manager, this will include representatives from all partners and stakeholders and will give the Project Manager an opportunity to feedback on the delivery of the project. This forum will deal directly with practical issues in delivering the project.

- The Launchpad Project Board will feed directly into the SCR New Business Partnership and the Sheffield City Region Business Growth Advisory Board, which will provide a check and challenge function to ensure the project is delivering in line with the aims and aspirations of the Growth Hub whilst delivering a compliant and successful project. The BMBC Group Leader for Business Growth will represent the Project Management Team.

The following positions will be employed to manage and deliver the project.

Position	Partner	FTE/PTE/%
Group Leader – Business Growth	Barnsley	10%
Projects and Policy Manger	Barnsley	10%
Project Manager	Barnsley	FT
Business Start Up Manager	Barnsley	FT
Projects Officer (Marketing & Comms)	Barnsley	FT
Monitoring Officer	Barnsley	x2 FT
Start Up Advisors	Barnsley	x2 FT
Enterprise Co-ordinator	Doncaster	FT
Mentor Co-ordinator	Doncaster	FT
Analyst Officer	Doncaster	10%
Mentoring Manager	Doncaster	FT
Business Start Up Adviser	Sheffield	FT
Business Start Up Adviser	Sheffield	FT
Business Adviser	Sheffield	FT
Business Start Up Developer	Rotherham	FT

Business Start Up Developer	Rotherham	FT	
Enterprise Support manager	Bassetlaw	FT	
Business support to be procured	Derbyshire Dales	TBC	
Snr Head of GI and Enterprise	Prince's Trust	5%	
Head of Enterprise	Prince's Trust	15%	
Enterprise & Awards Manager	Prince's Trust	40%	
Enterprise Executive	Prince's Trust	100%	
Enterprise Executive	Prince's Trust	85%	
Enterprise Executive	Prince's Trust	100%	
Enterprise Executive	Prince's Trust	50%	
Head of Volunteering and Secondments	Prince's Trust	10%	
Volunteer Manager	Prince's Trust	30%	
Volunteer Executive	Prince's Trust	40%	
Volunteer Executive	Prince's Trust	20%	
S Head of Public Sector	Prince's Trust	1%	
Head of Public Sector	Prince's Trust	5%	
Head of Contracts	Prince's Trust	2%	
Contracts Manager	Prince's Trust	20%	
Contracts Executive	Prince's Trust	10%	
Finance Executive	Prince's Trust	1%	

Finance Executive	Prince's Trust	1%
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What resources, expertise, skills, responsibilities and experience do they have?

- The BMBC Projects and Policy manager will be responsible for recruiting a knowledgeable Project Management Team who has had experience of implementing complex European Funded Projects.
- Partners have delivered similar business support programmes which have provided the necessary experience for staff to help in the delivery of the Launchpad.

Will existing staff be employed, or will new staff be openly recruited?

- The table below shows the employment status of the staff who will be employed on the project.
- Please note that all staff will be recruited as per their employing organisations' recruitment policy. All staff positions and job descriptions will be checked at pre engagement visits and before the first claim has been processed to ensure they are compliant.

Position	Partner	Employed Y/N
Group Leader – Business Growth	Barnsley	Y
Projects and Policy Manger	Barnsley	Y
Project Manager	Barnsley	N
Business Start Up Manager	Barnsley	N
Projects Officer (Marketing & Comms)	Barnsley	N
Monitoring Officer x2	Barnsley	N
Start Up Advisors x2	Barnsley	N
Enterprise Co-ordinator	Doncaster	N
Mentor Co-ordinator	Doncaster	N
Analyst Officer	Doncaster	Y
Mentoring Manager	Doncaster	N
Business Start Up Adviser	Sheffield	Y
Business Start Up Adviser	Sheffield	Y

Business Adviser	Sheffield	Y	
Business Start Up Developer	Rotherham	Y	
Business Start Up Developer	Rotherham	Y	
Enterprise Support manager	Bassetlaw	Y	
Business support to be procured	Derbyshire Dales	N	
Snr Head of GI and Enterprise	Prince's Trust	Y	
Head of Enterprise	Prince's Trust	Y	
Enterprise & Awards Manager	Prince's Trust	Y	
Enterprise Executive	Prince's Trust	Y	
Enterprise Executive	Prince's Trust	Y	
Enterprise Executive	Prince's Trust	Y	
Enterprise Executive	Prince's Trust	Y	
Head of Volunteering and Secondments	Prince's Trust	Y	
Volunteer Manager	Prince's Trust	Y	
Volunteer Executive	Prince's Trust	Y	
Volunteer Executive	Prince's Trust	Y	
S Head of Public Sector	Prince's Trust	Y	
Head of Public Sector	Prince's Trust	Y	
Head of Contracts	Prince's Trust	Y	
Contracts Manager	Prince's Trust	Y	

Contracts Executive	Prince's Trust	Y	
Finance Executive	Prince's Trust	Y	
Finance Executive	Prince's Trust	Y	

Please detail the programme/project/scheme governance and organisation chart, including the Senior Responsible Owner and other key roles in the delivery model. Please make clear where posts are undertaken by directly employed staff or Contracted resource and where post have allocated resource or still to be fulfilled.

- Appendix 3 highlights the reporting arrangements and accountabilities of the individual posts within the over arching project structure.

4.2 STATE AID

Does State Aid apply to this scheme?

Yes	No
x	

Scheme Promoters are recommended to obtain their own legal advice or seek further guidance on the subject of State Aid

If Yes detail the amount of state aid that will be provided and under what scheme. Provide the notification number, date of notification and approval date. Provide any issues and anticipated mitigation plans (if applicable). Any mitigation must also be included in the project risk assessment.

- The project will comply with De Minimis Aid.
- The outputs show a high proportion of the participants will be pre-start businesses therefore aren't SMEs.
- We have considered and acknowledged the block exemption 'English Aid for SME's European Commission' but believe that De Minimis is the most appropriate scheme which is better aligned to the type of activity the Launchpad is looking to implement.
- It is strongly recommended to give even small amounts as aid under a specific approved scheme, or a block exemption, if possible, and to keep de Minimis cover as a back-up for when there are no other options. Taking into considerations the aid intensities, aid threshold and the types of activity the project will be implementing, we believe De Minimis is the appropriate state aid vehicle to use in this instance
- The latest guidance from DCLG in March 2015 shows nine schemes notified by the Managing Authority based on GBER and within this is 'Aid to small and medium sized enterprises'. Within this is an exemption for 'Aid for consultancy in favour of small and medium sized enterprises' (Article 18).

The notification threshold is €2m per undertaking per project and the maximum aid is 50%. However, the majority of beneficiaries for this project will be individuals (potential entrepreneurs) and not an enterprise.

- The English Aid for SMEs State Aid Scheme (Aid for consultancy in favour of SMEs) which can be seen in Annex 18 is relevant to the delivery of a strand of the start up support activity. The eligible costs shall be the costs of consultancy services provided by external consultants.
- The support to beneficiaries will be delivered in accordance with 'de minimis' aid under EC Regulation EC No 1407/2013, OJ L352/1 which prohibits any undertaking from receiving more than €200,000 'de minimis' aid over the two previous and current financial years.

If No Provide an explanation as to why no State Aid is provided for this scheme making specific reference to the State Aid tests.

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4.3 RISK MANAGEMENT

Key Risk and Mitigations – What are the key risks that are likely to affect the implementation of this programme/project/scheme and what measures are planned to mitigate these risks? Enclose the current Scheme Risk Log in appendix 2. If available provide a copy of the current Quantified Risk Assessment.

Please see appendix 2.

Confirm the total value of risk / contingency included in the cost plan and the % of total cost

Total Risk	£2698303 (SCR+ERDF)	% of total cost	68.3%
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Top 5 risks on Risk Log

Risk	Mitigation	Owner
Withdrawal of Funding	Re design project or seek alternative funding	Project Manager
Failure to define and approve governance arrangements	Liaison with BMBC finance regarding premier supplier programme and impact on ability to draw down external funding if invoice amounts 'paid' do not correlate to the invoice amounts 'due'. Development of MoU and ToRs including information sharing protocol.	Project Manager
Failure to properly understand and adhere to legal agreements in place	Development of policies and procedures that relate to how funding claw-back is to be managed in a way that does not require in depth analysis or blame to be apportioned (including identification of escalation route to DoF via SCR meetings)	Project Manager
Failure to comply with ERDF regulations	Regular correspondence and dialogue to ensure EC regs are understood. Liaison with the technical assistance team.	Project Manager

Failure to meet established targets/milestones	Agree achievable targets in the first instance. Regular meetings with partners to monitor progress. Regular dialogue to 'head off' any potential delivery issues.	Project Manager
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4.4 STAKEHOLDER MANAGEMENT

Detail your stakeholder management plan and list the key stakeholders that will have known involvement and what their involvement will be. Enclose the full Scheme Stakeholder map in appendix 3.

Partner	Contact	Impact: How does the project impact them (L/M/H)	Influence: How much influence do they have over the project? (L/M/H)	What is important to the stakeholder?	How could the stakeholder contribute to the project?	How could the stakeholder block the project?	Strategy for engaging the stakeholder?
LA's	Lead – Andrew Ainsworth BMBC	H	M	<ul style="list-style-type: none"> • Delivery of outputs 	<ul style="list-style-type: none"> • Delivery of support. • Programme Management • Funding 	<ul style="list-style-type: none"> • Withdraw resources. 	<ul style="list-style-type: none"> • Project Board • Start Up Advisors Working Group • New business partnership
Prince's Trust	Lucy	H	L	<ul style="list-style-type: none"> • Delivery of outputs 	<ul style="list-style-type: none"> • Delivery of support. • Funding 	<ul style="list-style-type: none"> • Withdraw resources. 	<ul style="list-style-type: none"> • Project Board • Start Up Advisors Working Group
DCLG / European Commission	Alison Wight	L	H	<ul style="list-style-type: none"> • Delivery of outputs. • Compliant Programme • Defrayment of expenditure. 	<ul style="list-style-type: none"> • Project Guidance • Funding 	<ul style="list-style-type: none"> • Withdraw resources. 	<ul style="list-style-type: none"> • Project Board • Start Up Advisors Working Group
SCR CA	Lee Viney /Dave Grimes	M	M	<ul style="list-style-type: none"> • Delivery of outputs. • Defrayment of expenditure. 	<ul style="list-style-type: none"> • Funding 	<ul style="list-style-type: none"> • Withdraw resources. 	<ul style="list-style-type: none"> • Project Board • Start Up Advisors Working Group • New business partnership

4.5 MONITORING & EVALUATION

Detail in full how the programme/project/scheme will be monitored and performance managed in order to assess whether objectives, milestones and targets are being met.

Does the programme/project/scheme have any monitoring obligations for other Funders? If yes please outline these obligations.

- A Project Monitoring Strategy has been established which includes the control systems that will be used to ensure a successful and compliant project has been established (see appendix 4).
- Appendix 3(a) highlights the project groups that will be established to monitor the performance of the scheme and that milestones and targets are being met.
- Quarterly claims and monthly reports (tbc) will be submitted to BMBC and DCLG that will contain key performance (qualitative and quantitative) information that will give the Project Manager the necessary information to track the deliver of the project.
- The project will be delivered on Prince 2 principles whilst recognising the requirement to strictly adhere to structural funds regulations.
- The Launchpad's Project Board will meet bi-monthly and will be chaired by the Projects and Policy Manager, this will include representatives from all partners and stakeholders and will give the Project Manager an opportunity to feedback on the delivery of the project. This forum will deal directly with practical issues in delivering the project.
- The Launchpad Project Board will feed directly into the SCR New Business Partnership and the Sheffield City Region Business Growth Advisory Board, which will provide a check and challenge function to ensure the project is delivering in line with the aims and aspirations of the Growth Hub whilst delivering a compliant and successful project. The BMBC Group Leader for Business Growth will represent the Project Management Team.

Detail your approach to taking corrective action if the programme/project/scheme deviates from plan.

- All corrective action will be discussed and agreed at the Project Board, which includes all necessary stakeholders and funders.
- This will ensure that all decisions made are transparent and provide a clear audit trail.
- Any significant changes/novation in funding or strategic direction will have to be discussed with the funding bodies to ensure the activity is in line with appropriate strategic economic plans.

Detail how the programme/project/scheme will be evaluated in order to assess whether stated benefits, outcomes and outputs have been realised and whether objectives have been met.

- Barnsley MBC will be seeking consultancy support to lead both an interim and final evaluation of the Launchpad. Due to the size, scale, scope and geography of the project £40,000 has been earmarked to pay for the piece of work which will be procured via Yortender as an open tender.
- The evaluation will ultimately assess the success of the investments that have been made and make recommendations for future development and sustainability of the programme, in the context of potential future funding streams.
- The evaluation will comprise an assessment of the success of the Launchpad, with consideration to be paid to assessing the impacts and strategic outcomes of the programme to date and an assessment of its achievements matched against the original goals set for it and critically the views of the beneficiaries of the services that they have received, and how this has helped sustain and create new employment.

- A steering group will be established to guide the evaluation. The group will probably be composed of officers from the Launchpad Project Board and includes representation from DCLG and SCR. The steering group will oversee the project, agree draft evaluation specifications, appoint consultants and provide direction for the evaluation and comment on draft reports
- Below is an example of the types of tasks that highlight how the project will be evaluated. The methodology is not 'set in stone', instead offers the appraising officer a taste of what may be covered in the evaluation.
 - Inception Meeting: This will provide an opportunity to refine the brief and to re-confirm the delivery process for the evaluation. This will also provide the procured consultants a platform for gaining a better understanding of the programme, highlighting and agreeing the provision of relevant programme documents and agreeing contact details for key stakeholders to include in consultations. This will also provide the opportunity for discussions surrounding the design of the beneficiary survey, its management and distribution.
 - Team Scoping: Having agreed the parameters of the evaluation and gained an initial insight into the programme, an important first step in the assessment will be for the consultancy team to properly familiarise itself with the programme and its portfolio of projects. This will involve a team scoping exercise within the district that seeks to understand the policy context of the programme, its portfolio of projects, planned and delivered projects to date.
 - Internal / Stakeholder consultations (mid –term evaluation): The first stage of both evaluation phases will be to meet with Project Officers to begin the process of assessing the effectiveness of management, governance and delivery arrangements to date. This will involve unpicking the mechanisms, drivers and delivery arrangements of the programme through discussions with those responsible for its day-to-day management. Key to this will be to understand what parts of the programme have gone well, what not so well, and whether this supports any flexibility / change in emphasis to the end of the programme.
 - Internal / Stakeholder consultations (final evaluation): For the final evaluation, this should involve a reflective discussion looking back over the duration of the whole of the programme, and will provide key input to considering whether programme delivery has achieved its initial aims and objectives. It is anticipated that this will also help inform the interaction of the projects with wider development work, and help the team to understand the complementarities and linkages with other initiatives across the SCR.
 - Economic Impact Evaluation Framework: It is expected that a short report that outlines the potential options for assessing the impacts from the programme will be produced. This Options Report would be circulated to the Steering Group to guide discussion around the impact mechanisms that could be measured and would include commentary on the methods we propose to use to access the evidence required to assess the impacts. It would also include the evaluation of publicly available data sources that could be used to meaningfully assess the impacts of the programme. A possible method for quantitatively evaluating the programme under both phases could be through the roll out of a business survey, followed by further analysis to understand net impacts, perhaps with telephone discussions with a select sample of beneficiaries to enable the evaluation team closer to any issues highlighted
 - Survey and data collection: .During the mid term evaluation the steering group would have to work in collaboration design to agree and shape of the survey and type of questions to be asked that will capture the information required to perform the evaluation. The process will be repeated for the final evaluation, where there would be an even greater number of businesses that will be contacted, as the programme assists more recipients en route.
 - A more dynamic approach may be sort to track clients throughout their business support journey. Providing regular events to engage, evaluate and analyse participants 'in real time'

will be important to ensure partners are providing a quality and consistent level of service across the SCR.

- Impact Assessment: The survey results from both Phases would provide the relevant raw data from which to assess the impacts. The results themselves will effectively provide a gross estimate of programme impacts. A net estimate of impacts for the programme will require a deeper understanding of what might have happened in the absence of the programme and the area of impact over which the programme has operated. For measuring the net economic impacts of the programme, the consultants will be instructed to first establish a baseline counterfactual position. This would be used to clearly define the impact of a programme against an agreed area of impact. These additional factors should include leakage, displacement and multipliers.
- Measurement and Evaluation Guidance Report: For the mid-term evaluation a short report would be requested that identifies and discusses appropriate ways of measuring and evaluating the impact of activities going forward. This should highlight publicly available data that could be used to measure the impacts, the strengths and weaknesses of the data, its release availability, geographical and thematic focus and some commentary on its potential alignment with the project's aims. The Guidance Report should also include an assessment of the gaps in data availability for measuring programme outcomes and will include an outline methodology that contains defensible justifications for the methods used in converting gross to net figures. This would make recommendations for any additional monitoring information that could be captured during the remainder of the programme that would support the final evaluation. Ultimately, the report would seek to clearly outline the options for developing an ongoing monitoring system for assessing the net economic impacts of the programme.
- Strategic Review and Evaluation: It is important that both Phases of the evaluation reviews the programme in the wider policy and funding conditions, so we will undertake a strategic review of the role of the programme within the current and potential future policy framework across SCR. This will comprise a number of short but robust reviews.
- Qualitative outcomes and impacts review: A key challenge in any evaluation is attributing changes in economic performance, outcomes and impacts to the supported programme. The purpose of primary data collection in the form of interviews and surveys with stakeholders and beneficiaries will be to test the extent to which any change can be attributed to the impact of the Programme. For the full story, evaluations must consider the more qualitative aspects of the operation of the programme and it will therefore be important that the Mid-term and Final evaluations consider key questions in the stakeholder discussions.
- Reporting The Mid-term Evaluation Report will provide the Project Board with the Interim findings of the evaluation – an important review part-way through the programme of performance to date and still with 15 months to go before the end of the programme, an opportunity to re-shape it, if this is needed.

Document Sign off.

This document constitutes the Full Business Case for a project/programme/scheme with SCR. The document has four key purposes;

- Fully define what is being delivered, when and how.
- To provide the information required to enable the SCR CA and its Boards to make evidence based decisions.
- Ensure the identified outputs, outcomes, benefits and milestones targets can be managed and met.
- Act as the basis for contracting, progress and performance management.

The Document must be sign off by each of the required signatories prior to submission.

SIGNATURE 1: LEAD APPLICANT (BEING THE AUTHORISED SIGNATORY REPRESENTATIVE)

Signature:

Print Name:

Date:

SIGNATURE 2: SCR PROJECT MANAGER

Signature:

Print Name:

Date :

SIGNATURE 3: SCR DIRECTOR / HEAD OF SERVICE

Signature:

Print Name:

Date :

<i>APPENDIX 1 –FINANCIAL SUMMARY</i>
<i>Please provide full details on a separate page</i>
<i>APPENDIX 2 – RISK LOG</i>
<i>Please provide full details on a separate page</i>
<i>APPENDIX 3 – ORGANOGRAM</i>
<i>Appendix 4 – Monitoring Strategy</i>

SCR COMBINED AUTHORITY BUSINESS GROWTH EXECUTIVE BOARD

12th January 2016

Use of Devolved Growth Hub Funding/ESIF Match

Summary:

- Approximately £500,000 P/A is allocated to the “core” SCR Growth Hub. An ESIF call was issued in order to ‘enhance’ the model.
- ~£1.5n of local match funding is required to support a local authority ESIF ‘consortia’ bid (unlocking £6.64 of investment in total).
- Some of this funding can be found from new additional devolved funds due to the cessation of the national Business Growth Service.
- This leaves a balance of ~£930,000 to enhance the growth hub until 2019.
- This paper seeks an in principle commitment to use these devolved funds and £930,000 of the funds secured through the devolution agreement to support the ESIF Growth Hub enhancement bid. If approved total value of this enhancement would be £6.64m.
- This paper should be read alongside the broader plans for Growth Hub development and funding.

1. Issue

- 1.1. This paper seeks *in principle* agreement to use of devolved growth hub funds plus a proportion of devolved funds secured through the devolution agreement to provide ‘match’ funding for a Growth Hub ‘enhancement’ bid.

2. Recommendations

- 2.1. It is recommended that the Business Growth Board:
- Agree, the *in principle* allocation of any additional devolved funds caused by the cessation of the national Business Growth Service *plus* ~£930,000 of

match funding derived from the funds secured through the devolution agreement to cover an 'enhanced Hub' until 2019.¹

- Agree that this allocation should be subject to the development of a full business case, produced to the satisfaction of the head of the SCR Growth Hub and the Business Growth Board.
- Note – that this allocation will be subsumed within the BGB's budget proposal – to be considered by the Board in February 2016. The timing of this in principle decision is needed to align with the timetables required to access European funding.
- Note – that, in consultation with the Head of the SCR Growth Hub – the areas in which ESIF funding is to be deployed has been considered carefully. That means keeping some key areas 'clean' from the restrictions and requirements associated with EISF funding – to ensure that the source of funding does not fundamentally change the agreed operating model.

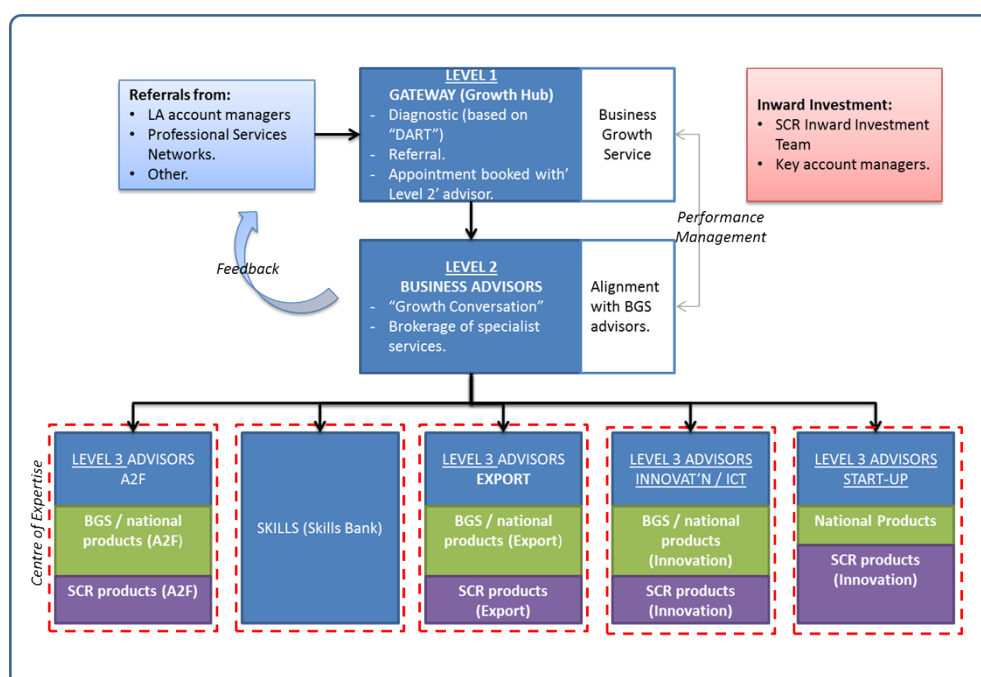
3. Background

- 3.1. The SCR Growth Hub will be the principle delivery 'arm' of the Business Growth Board. The Growth Hub will be launched in early 2016² and will be *the place to go* for publically backed business support (SCR CA 16th February 2015). The Growth Hub will work alongside and be complimentary to the Sheffield City Region Inward Investment Team (SCRINVEST).

¹ *The Core of the Hub is currently funded until at least March 2020 – with a further proposal to come forward as part of the BGB's future budget setting process.*

² *Elements of the Hub (mainly Access to Finance) went live in Summer 2015.*

Figure 1 – Growth Hub: target operating model



The key elements of this model are:

- 3.2. **Multiple access points** – There are literally thousands of professional services firms and advisors operating across the SCR who have daily contact with SMEs. There is no single entry point to external advice (publically-backer or otherwise). Our aim is to address a “latent demand” for external advice and support and therefore harness the power and capacity of the professional services network.
- 3.3. The “Core” of the Hub consists of two functions:
 - 1) A ‘gateway’ function – a single telephone number for companies seeking advice and support. This gateway function will be co-located with Business Sheffield. The Gateway function will: (a) deal with simple queries at the first point of contact or (b) undertake a basic diagnostic and if appropriate (c) make a referral to a business advisor with appropriate skills and experience.
 - 2) Suitably skilled and experienced business advisors who provide a detailed diagnostic function and “hold the ring” on publically-backed business support.
- 3.4. The SCR will seek to consolidate our expertise in five priority areas: Skills (skills bank); Access to Finance; Export; Innovation and start-up. These ‘spokes’ will be available to businesses in any part of the City Region. The

default position is that services will be delivered “in the field” i.e. at the site of the client or within a reasonable commuting distance.³

- 3.5. In Governance terms, the Growth Hub will be “owned” by the CA, managed by the LEP (i.e. a public / private partnership) with operational responsibility falling to the Business Growth Board.

4. Funding and the ESIF enhancement bid

- 4.1. In broad terms, £500,000 has been allocated to fund the ‘core’ of the SCR growth Hub (2015/16 to 2019/20). This allocation funds the key elements of the Hub (some gateway officers, some advisors).
- 4.2. When the Hub was first funded by the CA/LEP – the intention was to develop the Growth Hub as follows:



- 4.3. Last year, the SCR issued an ESIF ‘call’ to enhance elements of the Growth Hub and increase the capacity of this function. This included some elements of local account management as well as enhancements to the gateway and advisor functions. This ESIF call was intended to deliver the “enhancement of the Hub” described in stage 2 above.
- 4.4. In November 2015, it was announced that the National Business Growth Service was to be abolished and that a ‘share’ of a reduced budget was to be distributed to LEP Growth Hubs. We estimate that this amount will be £310,000 in both 2016/17 and 2017/18. This amount gives some degree of certainty to the SCR over future funding, but (a) this is a far smaller amount that the SCR had been hoping/planning for (b) the cessation of the national service will put even greater pressure on the SCR Hub.

³ What is reasonable should depend on the intensity (and cost) of the support.

5. Proposed ESIF enhancement

5.1. The consortia bid submitted in response to the SCR's call covers three core areas:

- Enhancement of the core offer
- Local referral capacity
- Soft landing zones.

6. Enhancement of the core offer – the proposal states...

6.1. **Gateway** - ESIF funds will be used to extend and deepen the Gateway team in order to allow them to deal with initial queries from all businesses, undertake initial diagnosis, assign clients to appropriate services within the Hub (including Growth Advisors) and manage programmes of business events not covered by the Growth Hub Centres of Expertise (GHCOEs) and access to specialist coaching and other consultancy products.

6.2. **Growth Hub Growth Advisors** - key to the success of the Hub will be access to a pool of suitably skilled business growth advisors. These will essentially provide a more detailed diagnosis of the businesses' status and potential growth support needs and be responsible for pulling together a suitable package of support from within the Hub, from national Business Growth Service providers and from the HE and private sectors. The SCR will core fund a small number of Advisors who will sit outside of the ESIF programme where they will not be constrained in the type of companies they can support. ESIF, through this bid, will support additional resource focusing on eligible SMEs.

6.3. We will adopt a flexible approach to the recruitment or procurement of Growth Advisors. Experience from local and national programmes has shown that the depth and variety of experience required to achieve a step change in the quality of advice provided is best secured through the recruitment of part time self-employed individuals or procurement to a framework.

6.4. **Growth Hub additional GHCOE and non-GHCOE activity** – beyond the role of the advisors, Growth Hub products are built around 5 Centres of Expertise covering: export, finance, innovation, skills and business start-ups. The latter 3 are subject to separate ESIF bids or activity. These 5 were named initially in the Strategic Economic Plan as the key drivers of growth, but are not exclusive. With the addition of ESIF resources, we will introduce a 'sixth' GHCOE which will embrace business disciplines such as: supply chain management, HR and employment, sales and marketing, and the use of ICT in business or other specialist support not categorised in the original 5 key growth drivers.

7. Local referral capacity – the proposal states...

7.1. Key Account or Relationship Managers will play a key role in linking businesses within their districts to the services offered by the Growth Hub.

Employed by relevant Local Authorities, they will be remitted to establish and maintain relationships with local businesses making a positive contribution to the local economy. This will include both indigenous companies in key growth sectors and businesses locating here from outside the City Region. They are not Business Advisors but will fulfil an important front line role locally, building up contacts, dealing with any local issues (for example providing an interface with planning authorities) and deferring to the Hub for all forms of specific and specialist advice. They will also have a key role in supporting the Sheffield City Region Investment Team (SCR Invest).

8. Soft landing zones/Investment support – the proposal states...

- 8.1. Soft landing zone facilities have been a key feature in the City Region's investment strategy for a number of years. Partners, including the Rotherham Investment and Development Office (RIDO), have successfully nurtured (typically) small overseas businesses looking to establish a small initial footprint in the City Region, with a view to assessing the potential market for products or scope for further investment in the area. These arrangements are speculative and come in many forms but RIDO in particular have developed the skills and experience to spot those that are most likely to be worthy of support. It is both the knowledge and expertise and the facilities and support we wish to develop through this bid throughout the City Region.
- 8.2. Support needs to be flexible and capable of responding to the requirements of the in-bound team. Typically in soft landing schemes and investment promotion programmes, this includes:
- The use of office space and other practical/administrative support
 - Access to business advisors and specialist support delivered through the growth hub
 - Access to sector specialists who can provide tailored support including understanding local and UK supply chains and the development of relevant sector networks
 - Support for growth and specifically to develop future investment strategies
 - Assistance to quickly build relationships with the local business and intermediary communities.

9. Strategic fit – the proposal states...

- 9.1. *As per the request in the call, this is a consortium approach (of all 9 SCR local authorities) to deliver all parts of the call across the whole LEP area.*
- 9.2. The concept behind this project has been in development since 2014. Both the Strategic Economic Plan (SEP) and the ESIF Strategy argue that a latent demand for high quality business support and advice is a barrier to the growth of many of our ~44,000 SMEs. Both documents therefore set out the SCR's ambition to put in place a "world-class" support offer, structured around the principles of a "Growth Hub", i.e. business support offer that:
- Offers a consistent service across the SCR – ending the 'postcode lottery' of business support
 - Is business-centric, designed as a partnership between the public and private sectors in order to maximise quantum and quality of business support available to companies across the SCR
 - Prioritises publically-funded interventions on the basis of economic impact, i.e. net additional growth and/or employment footprint
 - Complements and never displaces the offer of the private sector. Publically funded products will only be commissioned where there is demonstrable evidence of market failure

10. Funding allocation

10.1. The in principle funding allocation requested is as follows:

Business Growth Board Exec Board additional resource request							
Prog.	Project	Funding Source	Status	Funding Type	16/17	17/18	18/19
Growth Hub (Core)	Growth Hub Enhancement - match for ESIF call	Additional Growth Hub Funds (i.e. no call on the £30m).	None	Revenue	£310,000	£310,000	-
Growth Hub (Core)	Growth Hub Enhancement - match for ESIF call (maximum level of required match)	30/30	None	Revenue	£309,774	£309,774	£309,774

¹. The above table details proposals for programmes the Executive Board would seek funding for, subject to compliance with the SCR Assurance and Accountability Framework should SCR receive £30m additional funding per annum.

². Note: further 30/30 proposals to be developed by the Business Growth Board during early 2016.

10.2. Note – this proposal is subject to compliance with the SCR's assurance framework and will be subsumed within the BGB's budget proposal (~February 2016). The slightly earlier than planned timescale is mandated by the timetables to access ESIF match funding.

10.3. This funding will support £6.64 of investment in the Growth Hub over the period of the programme.

**REPORT AUTHOR
POST**

David Hewitt / David Grimes
Senior Economic Policy Manager / Head of SCR
Growth Hub

11. Implications

Financial

- 11.1. This report seeks an *in principle* decision to use any additional devolved funding secured from the cessation of the national Business Growth Service. This would not bind the CA in any way and would be subject to the usual assurance processes of the SCR (and integrated with the forthcoming budget process).

Legal

There are no direct legal implications from this report.

Diversity/Equality

There are no direct diversity / equality implications from this report.

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SCR COMBINED AUTHORITY BUSINESS GROWTH EXECUTIVE BOARD

12.01.2016

SOCIAL INCLUSION FRAMEWORK

Summary

- **The Social Inclusion Framework – *a framework for measuring the impact of social inclusion in communities across SCR* – aims to consider strategies and techniques to promote social impact to accompany the growth delivered through city region investments.**
- **The SCR Social Inclusion Framework is seeking to create a small number of high level objectives and measures for each of the SEP policy areas and areas of investment**
- **The paper appraises the Executive Board on the progress of this work and requests input in the next phase of its development.**

1. **Issue** – Topic & Timescale

- 1.1. SCR CA and LEP is seeking to endorse a detailed social inclusion framework, as an integral companion to its Strategic Economic Plan (SEP), by the end of March 2016. The aim being to work towards a more inclusive economy and stronger local growth.
- 1.2. The Social Inclusion Advisory Board have recommended three key objectives underpin the SCR Framework. These three objectives will be the focus of measurement, to assess the impact that the investments made in SCR are having on households and communities.
 - More people in employment and paid a living wage,
 - More people in work taking up training opportunities and progressing in work, and
 - More people living in affordable and decent quality homes

1.3. SCR has ambitious plans to accelerate growth and therefore its interventions focus on those areas likely to create greatest GVA, new businesses and jobs. Although this creates more employment, it doesn't necessarily equate to reducing social exclusion or addressing the high costs to the public purse.

1.4. There are win/win solutions available which will enable the city region to exploit growth and at the same time open up routes to employment without reducing its ambition.

2. **Recommendations** – clear & definitive include all actions and decisions

2.1. The Business Growth Executive Board approve the suggested objectives recommended as the focus for the Social Inclusion Framework, and

2.2. The Business Growth Executive Board support the work to develop the Social Inclusion Framework where objectives relate to the policy and commissioning led by the Board, to ensure the development of the framework has a 'fit' with transport measures and targets.

3. **Background Information**

3.1. The SCR SEP details an aspiration to achieve accelerated levels of growth and an ambition to secure local ownership of policy and operational programmes. With this ambition and aspiration comes opportunities and challenges. For example the desire to increase GVA as a primary indicator of economic success can mask unintended consequences of higher than average unemployment, inactivity, disparities between communities and areas within the SCR and multiple social problems creating pressures on wider public services.

3.2. As SCR seeks to refresh its SEP and operationalise its growth and devolution deals there is a desire from the CA and LEP to ensure that the SCR programme is cognoscente of both economic and social inclusion considerations through development and implementation of a SCR Social Inclusion Framework.

3.3. A working group, of the Social Inclusion Advisory Board, is developing the framework for measuring and understanding the impact of social inclusion with the aim of completing the social inclusion framework for presentation to the SCR CA and LEP Boards in March 2016.

3.4. The developing framework recommends that the changes will be assessed through incorporating social inclusion framework considerations within the remit/ terms of reference of the five Executive Boards, specifically to address:

- Governance structures – do the Exec Boards have relevant expertise in this area or does membership require strengthening, what is the interface between the Social Inclusion Advisory Board?

- Programme Management process review – how does the programme management process of the SCR (outline and full business case processes) capture social inclusion considerations?
 - Indicators the SCR should consider – What is the appropriate measurement and reporting format, what are the externalities to consider?
 - Wider policy considerations including integration of the public equalities duty etc.
- 3.5. The framework will test and apply a model that has fit' with other sets of measures and targets, executive leads within the City Region and integration with the public equalities duties. It will take account of and include practice that is effective and well recognised on a national basis. As part of the further development and commissioning of the SCR evaluation strategy measurement of progress against indicators will be integrated. To understand the economic impact where there are barriers to economic and social inclusion.

4. **Implications**

i. Financial

Currently the financial commitment is some independent support to assist in the development of the framework and the continuation of costs for the seconded Social Inclusion Officer. Future financial commitments will be included in the budget for the development of the SCR evaluation strategy and commissioning of the programme of evaluation.

ii. Legal

There are no legal requirements mandating the Combined Authority to maintain a Social Inclusion Framework. However, adopting a Framework is a commendable move and would be considered good practice in discharging the SEP objectives.

iii. Diversity

Many of these households will be from a number of ethnic communities, those who have traditionally been under represented in the labour market or operating in the lower paid jobs. Evaluation and monitoring will also cover those groups who are most at risk of experience of disadvantage in the labour market, people with disabilities, through race, age, sex and pregnancy or maternity, marriage or civil partnership, sexual orientation, religious beliefs.

iv. Equality

Through the development, endorsement and implementation of the Social inclusion Framework SCR is actively promoting an approach to increase access to economic opportunity for households who are the either not working or in work and below the poverty line.

**REPORT AUTHOR
POST**

**Eleanor Dearle
Social Inclusion Project Officer**

Officer responsible:

**Ruth Adams, Director Skills and Performance
SCR Executive Team
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Background papers used in the preparation of this report are available for inspection at:

- Sheffield City Region Executive Team, Advanced Manufacturing Park, Brunel Way, Rotherham, S60 5WG

Other sources and references:

- SCR proposal on devolution to government.
- Social Inclusion Strategy Green Paper
- JRF reports on city growth and addressing poverty – More jobs Better Jobs
- Stronger Growth, better outcomes , sustainable services SCR report
- How can local skills JRF and Skills Policy SCR
- Monitoring poverty & social exclusion 2015 - JRF

SCR COMBINED AUTHORITY BUSINESS GROWTH EXECUTIVE BOARD

12TH JANUARY, 2016

UPDATE: Science and Innovation Audit and Economic Survey

Summary

- On the 7th December the Local Enterprise Partnership considered two papers that have direct relevance to the work of the Business Growth Executive Board.
- These papers set out the intention for the LEP to be part of a consortium bid to complete a Science and Innovation Audit, working with the Science and Innovation Board and also sought approval from the LEP to develop a joint LEP, Chambers of Commerce and University of Sheffield business survey across the full Sheffield City Region.
- Both papers were approved by the LEP. This paper asks the Board to note the two papers at Appendix A and B and to endorse the proposals that the Board lead on the two work streams on behalf of the LEP/CA.

1. Issue

- 1.1.** On the 7th December the Local Enterprise Partnership considered two papers that have direct relevance to the work of the Business Growth Executive Board.
- 1.2.** These papers set out the intention for the LEP to be part of a consortium bid to complete a Science and Innovation Audit, working with the Science and Innovation Board and also sought approval from the LEP to develop a joint LEP, Chambers of Commerce and University of Sheffield business survey across the full Sheffield City Region.
- 1.3.** Both papers were approved by the LEP and it was recommended that the Business Growth Board take ownership.

2. Recommendations

2.1. The Business Growth Executive Board are asked to:

2.1.1. Note the two papers that secured approval at the Local Enterprise Partnership meeting on the 7th December

2.1.2. Endorse the proposal that the Business Growth Executive Board lead on the two work streams on behalf of the LEP/Combined Authority.

3. **Background Information**

3.1. Background information on both proposals is included in the LEP papers included at Annex A and Annex B respectively.

4. **Implications**

i. The implications of both proposals remain as set out in the papers at Annex A and B.

REPORT AUTHOR: **Andrew Gates**
POST Head of Policy, SCR Executive Team

Officer responsible: **Ben Still**
SCR LEP/CA

Annex A: LEP Science and Innovation Audit
Annex B: LEP Economic Survey paper

7th December 2015

Sheffield City Region and Chambers of Commerce Economic Survey

Summary

- The Chambers of Commerce, University of Sheffield and the SCR Executive Team have been working together to develop the concept of a Sheffield City Region wide business survey that builds on the existing economic surveys led by the Chambers of Commerce.
- It is proposed that this three-way collaboration will undertake regular Business Leaders Surveys and produce robust economic data for the region. This would be with a view to cost-effectively producing a 'real time' analysis of the Sheffield City Region's economic performance whilst also collating local business opinions and perceptions on pertinent issues.

1. **Issue**

- 1.1. The SCR LEP needs regular and up to date information about the state of the regional economy. This will enable the LEP to monitor progress against the Strategic Economic Plan and also to flex any delivery programmes (for example the Growth Hub or Skills Bank) in accordance with private sector demand and emergent trends.
- 1.2. The Chambers of Commerce, University of Sheffield and the SCR Executive Team have been working together to develop the concept of a Sheffield City Region wide business survey that builds on the existing economic surveys led by the Chambers of Commerce.
- 1.3. The survey will evolve from the Chambers' existing Quarterly Economic Surveys and, therefore, be comparable to national data sets and come 'pre-loaded' with longitudinal data. On an annual basis four surveys will be undertaken (with a minimum of 1,000 responses), 12 short publications will be produced and four stakeholder events will be delivered.

2. **Recommendations**

- 2.1. It is recommended that the LEP note the intention to produce a LEP wide survey of businesses and provide comments on the proposals.
- 2.2. It is recommended that the LEP endorse this proposal.

3. **Background Information**

- 3.1. **Quarterly Economic Survey** - the Quarterly Economic Survey (QES) is run across the British Chamber of Commerce network. Nationally, the survey attracts just under 10,000 responses and is renowned as the foremost business survey in the UK. The QES also has the benefits of lots of historical data and national trends that regional performance can be compared against. The QES contains core questions that all Chambers adhere to (and that, therefore, allow national comparison); however, Chambers (and their partners) have the freedom to add additional questions to reflect local interests, needs or pertinent topics. Clearly there would be a need to cap the overall number of any additional questions to ensure that the survey does not become burdensomely long however, there would be scope for approximately six localised questions to be asked per quarter.
- 3.2. The SCR Chambers currently achieve adequate, but not great response, rates to the QES. It is expected that a combination of financial investment and partnership working, utilising SCR wide communication channels should enable response rates to improve. This would ensure that the survey and resulting data is sufficiently robust. The use of the QES as a baseline would not limit the research to Chamber members only.

4. The Proposal

- 4.1. It is proposed that this three-way (Chambers/LEP and University of Sheffield) collaboration will undertake regular Business Leaders Surveys and produce robust economic data for the region. This would be with a view to cost-effectively producing a 'real time' analysis of the Sheffield City Region's economic performance whilst also collating local business opinions and perceptions on pertinent issues.
- 4.2. **Publications** - it is anticipated that the results of the Business Leaders Survey will, primarily, be available electronically and via websites. However, a small print run of publications or fact sheets would also be produced for use by the partnership. Full data sets will, additionally, be made available to all partners.
- 4.3. **Events** - It is proposed that the Business Leaders Survey is also used as the basis for delivering quarterly events across the region. These events could be used to provide 'state of the nation' updates from the LEP to the private sector whilst also providing a mechanism for the private sector (above and beyond those linked to the LEP's Sector Groups) to engage with the LEP. These events would also provide an opportunity to disseminate info about support services (i.e. Growth Hub) and also for the private sector to constructively challenge the LEP and its partners.
- 4.4. **Press and Media** - Each survey / data set would create the opportunity for press releases and media engagement; activities that could benefit each partner and allow for joint messages to be communicated to the public / wider business community on a regular basis.
- 4.5. **Timescales** – if supported by the LEP it is proposed that activity will take place on the schedule below.

	<u>Fieldwork</u>	<u>Event / Economy Publication</u>	<u>Export Publication</u>	<u>Labour Market Publication</u>
	Fixed	Fixed	Indicative	Indicative
Q1	22 nd Feb – 14 th Mar	11 th Apr	9 th May	6 th June
Q2	23 rd May – 13 th Jun	12 th Jul	9 th August	6 th Sep
Q3	22 nd Aug – 12 th Sep	7 th Oct	3 rd Nov	1 st Dec
Q4	07 Nov – 28 th Nov	5 th Jan	2 nd Feb	2 nd Mar

- 4.6. **Interlinkages** – It should be noted that this proposed work would complement but fulfil a different role to the Quarterly Economic Bulletins currently provided to LEP by Ekosgen. The Survey would be designed to provide more 'live' and real-time updates on business views and perceptions. In contrast the Economic Bulletins are based on nationally published data sets that enable comparisons to be drawn with other areas, but consequently they are subject to greater delays in their publication.

5. Implications

- i. Financial – it is expected that core LEP funding will support an annual funding contribution of £22,000 in addition to £25,000 being contributed via the Chambers, University of Sheffield Management School and private sector sponsorship.
- ii. Legal - should this proposal be approved then the commission of this work will be by way of a contract for services complying with the SCC Contract Procedure Rules.
- iii. Diversity
- iv. Equality

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7th December, 2015

Science and Innovation Audit – Expression of Interest

Summary

- This paper informs the LEP Board on the Science and Innovation Audit (SIA) process and asks the LEP Board to note the intention to complete an Expression of Interest to produce an SIA in 2016 and submit this **in advance of the 29th January 2016 BIS deadline** by end December.
- The paper sets out a high level framework for the completion of this SIA in 2016.

1. Issue

- 1.1. In November 2015 the Government published a call for Expressions of Interest to produce, in partnership with national government, a Science and Innovation Audit (SIA). This paper informs the LEP Board on the Science and Innovation Audit (SIA) process and asks the LEP Board to note the intention to complete an Expression of Interest to produce an SIA in 2016 and submit this **in advance of the BIS deadline** in December as BIS have advised us informally that early submission would be advantageous.
- 1.2. In essence the SIAs are a geographic deep-dive into the innovation assets and capability of areas – with a focus on those that are world-class. The SIA has the potential to inform local investment decisions on our innovation assets, for example those based on the Advanced Manufacturing Park in Rotherham as well as national decisions pertaining to science and technology investment.
- 1.3. The paper sets out a high level framework for the completion of this SIA in 2016.

2. Recommendations

- 2.1. That the LEP agree for the SCR Executive Team to support the completion of an SIA in partnership with the Science and Innovation Board and for the Expression of Interest to be submitted by end December.

- 2.2. That the LEP note that a set of discussions across the LEP stakeholder group have taken place to inform the development of the Expression of Interest.
- 2.3. That the LEP approve a high level framework as set out in this paper for the completion of the SIA.
- 2.4. That the LEP agree the Business Growth Executive Board as the lead Executive Board on this work stream.

3. Background Information

3.1. What are Science and Innovation Audits?

- 3.1.1. The SIAs is in essence a deep dive into particular geographic areas strengths around innovation and the science and technology capability of areas – with a focus on those that are world-class. The SIA has the potential to inform local investment decisions on our innovation assets, for example those based on the Advanced Manufacturing Park in Rotherham as well as national decisions pertaining to science and technology investment.
- 3.1.2. The process is influenced by the Elsevier Amsterdam report which examines how cities can align development strategies and priorities with research excellence. (<https://www.elsevier.com/research-intelligence/research-initiatives/amsterdam-report>).
- 3.1.3. The outcome of the SIA will support the delivery of England's Smart Specialisation strategy. The data and analysis generated by the SIA will also boost the work of the new Smart Specialisation Hub, which has been tasked with building the evidence base and developing a community of best practice around smart specialisation in England.
- 3.1.4. The UK's science and innovation funding will continue to be allocated on a national basis to the strongest proposals on the basis of excellence. Audits are not intended as a route for separate consideration of proposals, but rather a way to help build evidence of potential global competitive advantage and begin to identify routes to realise that potential.
- 3.1.5. It is expected that the Audit process may be used to inform future non core funding from Government.

3.2. The process:

- 3.2.1. Following submission of an EoI in December it is expected that work would begin on the SIA in March 2016. The first wave of SIAs will be completed by summer 2016.
- 3.2.2. An SCR response led by the Science and Innovation Board in partnership with the LEP is recommended on the basis that:
 - 3.2.2.1. The Government have indicated their support in the in-principle devolution deal for the SCRs production of an SIA – discussions with

the Department for BIS have taken place and work is underway to schedule a set of Smart Specialisation Workshops as per the commitment in the deal.

3.2.2.2. The Science and Innovation Board, a consortium involving key private sector representatives and innovation experts from within and outside the region, as well as the Sheffield City LEP, the Chamber of Commerce, both regional universities (University of Sheffield and Sheffield Hallam University), our two successful branches of the High Value Manufacturing Catapult (AMRC and Nuclear AMRC), and regional NHS organisations such as the Sheffield Teaching Hospitals Trust, is well placed to lead on the development of a response to the Expression of Interest process and the production of the SIA subject to approval from Government of our Expression of Interest.

3.3. The relationship between the LEP and the Science and Innovation Board has been strengthened recently with a regular update report being provided to the LEP and representation from the LEP on the Science and Innovation Board. It is also currently being proposed that a member of the Business Growth Board sits as a member of the SIB.

3.4. The Science and Innovation Board, working in partnership with representatives from the LEP and the SCR Executive Team have been working on producing a response to the call for Expressions of Interest. A range of 1:1s have taken place and partners will continue to be widely engaged.

4. A high level framework for the SIA

4.1. We have a range of strong innovation assets and plans to enhance these further. There is effective governance in place that can pull together a strong consortium of partners and a clear strategic economic plan, supported by a strong evidence base that can support the production of an SIA.

4.2. To ensure full SCR coverage and to secure the buy-in of the LEP Board to the EOI and subsequent delivery of the SIA it is recommended that the EOI and subsequent delivery of the SIA focuses on achieving:

4.2.1. Full SCR coverage and reflects the assets that currently exist as well as plans for future, for example understanding the opportunities presented by rail and logistics in the East of the Sheffield City Region as well as the strengths within Advanced Manufacturing.

4.2.2. A deepened understanding of our assets as well as understanding how the impact of innovation assets can support the indigenous business base of the SCR.

4.2.3. Linkages with other areas with complementary strengths – noting that in developing “world-class” assets with an international focus there are some specialisms that should be presented coherently.

5. Implications

i. Financial

ii. Legal

iii. Diversity

iv. Equality

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Officer responsible: **Ben Still, Executive Director**
 Sheffield City Region LEP/CA

The call for Expressions of Interest and supporting documentation is attached at Annex A.

Business Growth Executive Board – Export Update

12 January 2016

1. Policy Objectives

- 1.1 The importance of the Sheffield City Region to become more outward-facing and export more of its goods and services overseas have been well documented in the Strategic Economic Plan (SEP). The SCR trade plan's core objective is to develop an effective export support offer to our businesses.
- 1.2 Exports featured heavily in the development of the SEP. In the plan, the SCR committed to delivering its share of the Government's national export targets. These included:
 - 2,150 new exporters
 - 900 experienced exporters into high growth markets
- 1.3 This means that over the next 10 year period the annual requirement is for the SCR to support around 215 additional exporters and 90 experienced exporters into new markets (305 in total each year)
- 1.4 A central component of the future SCR export support framework is the emphasis on both proactivity and simplicity. Specifically:
 - Development of a single export support programme for the SCR with an emphasis on proactively identifying and supporting high growth potential businesses to export more through tailored support
 - Government support through the SCR Devolution Deal for the establishment of the UK's first 'Export Centre of Expertise' (ECE) as a spoke of the Growth Hub

2. Progress made / Key milestones and next steps

Theme/project	Progress	Next steps
A single coordinated SCR export programme	Partners signed up to a working agreement for joint working	Formal sign off of this agreement
	SCR export campaign launched via series of 'Not Difficult Just Different' (NDJD) seminars, with 3 events so far being held in Rotherham, Doncaster and Sheffield	Delivery of a further 2 NDJD events with local partners in Barnsley and the district areas to be held in early 2016
	So far, these NDJD events have attracted 63 attendees, 25 assists and 9 new leads for UKTI	A continuation and enhancement of this export campaign, as part of a larger marketing and communications package of activity is being developed as part of the 'what does good look like' offer

Delivered through Export Centre of Expertise (ECE) as a spoke of the SCR Growth Hub

Export Development Pilot Programme (EDP)

Delivery of EDP has drawn to a close with 55 companies being supported, including 10 outside of Sheffield

On average companies contributed £3,237 against and average grant award of £2,239.

On average, companies are forecasting additional sales of £512,864 over 3 years, creating 3.3 FTE jobs

ESIF

£960,000 (£768k transition and £192k more developed) Call responded to and full application invitation issued

Use of ESIF will resource important components of the ECE, including Export Coordinator post, marketing and pre-export support

Lessons from the pilot have helped to confirm initial thinking on what a future export offer ought to include. For example: demand exists for a flexible grant scheme that accelerates export propositions, and there is merit in a coordinated marketing campaign to highlight sector strengths

These and other elements of the pilot, including export grants (ESIF) and export insight visits to be included and scaled up as part of the 'what does good look like' offer

Continue to work with CLG and bidders to ensure delivery from early 2016 remains on track as far as is possible, despite slippage in national programme

3. Next Steps

3.1 At the request of the Business Growth Executive Board, and in line with our devolution commitments, work is underway to develop a 'what does good look like' offer for export as a spoke of the Growth Hub offer. Working with stakeholders (including SCRIPT) 3 programmes of activity are in development:

- Gateway/digital platform – supported by a Coordinator role that provides introductory information on support available in one place
- First-time Exporters – a flexible SCR programme that incorporates the core UKTI offer plus export grants, 5 Steps to Export training, insight visits, overseas contact support and mentoring
- New markets – similar to the above but for experienced exporters looking to access new markets which incorporates the core UKTI offer plus dedicated SCR trade & investment overseas missions and working in partnership with our universities to expand successful existing programmes such as the GREAT Ambassador Scheme to other large emerging markets

David Campbell-Molloy, SCR Executive Team, January 2016

SHEFFIELD CITY REGION LOCAL ENTERPRISE PARTNERSHIP

7th December 2015

Northern Powerhouse Investment Fund (NPIF)

Summary

- Prior to 11 November 2015, the SCR was all set to contribute £15m to a Yorkshire and Humber “Fund of Funds”. On 9 November, the SCR ESIF committee had agreed that a ‘call’ should be developed to appoint a Holding Fund.
- It was expected that this call would be issued in February 2016, with Fund Managers procured thereafter.
- On 11 November 2015, the SCR received a telephone call from the Treasury / British Business Bank which suggested (a) the call process was in jeopardy due to EU rules/regulations (b) the Chancellor was prepared to support a Northern Powerhouse Investment Fund (NPIF).
- The SCR was given until 20 November 2015 to respond to this proposal (under the strictest of confidence – given this was a likely Spending Review announcement).
- The SCR has worked with other Northern LEPs to agree *in principle* terms for the SCR’s participation in NPIF. These terms are suggested below.
- This paper seeks the Board’s endorsement to these terms.

1. Issue

- 1.1. To seek endorsement of the proposal for the Sheffield City Region to be part of the Northern Powerhouse Investment Fund (NPIF) – a ‘fund of funds’ involving all Yorkshire and the Humber LEPs (including the whole of the SCR), the North West and Tees Valley.

2. Recommendations

- 2.1. It is recommended that the Board:

- Agree, that the Sheffield City Region should be part of the Northern Powerhouse Investment Fund if – subject to the terms set out at para. 6.3.
- Note the context of this decision and the rationale for diverting from a Yorkshire and Humber-based approach.

3. Background

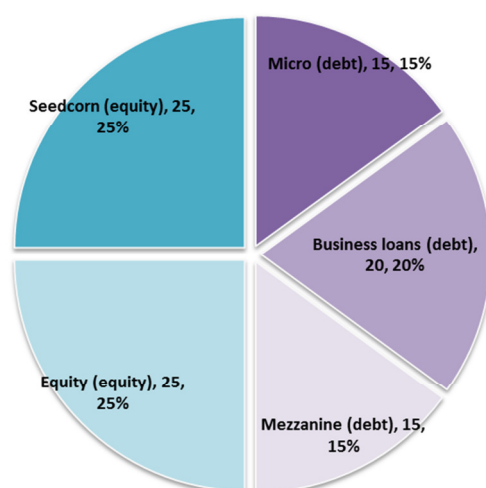
- 3.1. Access to finance (A2F) is a key SCR Priority. Our aim is to support more companies in the SCR to access external finance to grow, modernise or sustain their operations.
- 3.2. To achieve this aim the SCR is taking steps to:
 - (a) develop a suite of financial products in order to address deficiencies of the SME finance market and to support inward investment;
 - (b) better coordinate and broker these products through the SCR Growth Hub (AFCoE).
- 3.3. In the ESIF Strategy, approved by the LEP Board in December 2013 and February 2014, the SCR set out plans to develop a range of interventions to address issues in the SME finance market. This included working with other Yorkshire LEPs to establish a £100m - £120m 'Fund of Funds', backed by investment from the European Investment Bank (EIB).¹
- 3.4. In February 2015 (following an *ex-ante* market assessment) the all Yorkshire and Humber LEPs wrote to the Department for Communities and Local Government to affirm this commitment.
- 3.5. In September 2015, the four LEPs submitted a draft Investment Strategy to the EIB (and to its subsidiary, the European Investment Fund). This proposal included the following LEP contributions (consistent with our earlier ESIF and SEP commitments):
 - SCR - £15m ESIF
 - Leeds CR - £18.66m
 - York, North Yorks & East Riding - £7m
 - Humber £5.7m
 - Contribution from legacy funds (potential) £3.64.

Total = £50m (matched by £50m EIB = £100m in total).

¹ Sheffield City Region EU Investment Strategy 2014-20 at Page 114.

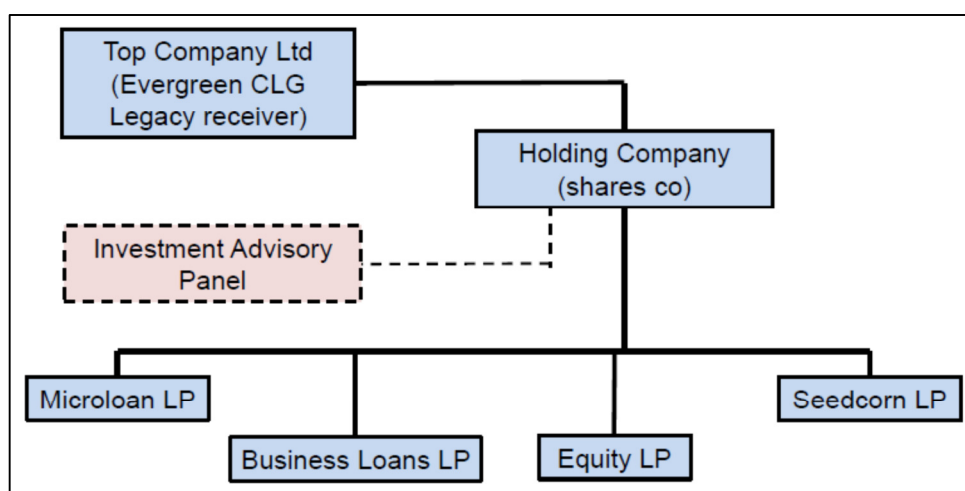
- 3.6. This investment strategy proposed five sub-funds (business loans, 'micro', mezzanine, equity and 'seedcorn') which would support different parts of the SME market in line with the priorities set out in the SEP.

Figure 1 – proposed fund structure and £m allocations



- 3.7. These funds were to be structured beneath a 'Holding Company' and Top 'Company' as follows:

Figure 2 – proposed group structure sub-fund managers



Source: Yorkshire and Humber Fund of Fund investment strategy (September 2015).

4. Fund of Funds - implementation

- 4.1. During November 2015, ESIF committees considered the implementation of the Fund of Funds Investment Strategy. The committees considered three

options for the selection of the Holding Company (“shares co” in the diagram above):

- (a) an ESIF call shaped by the EISF committees but issued by CLG;
- (b) a formal procurement of the Holding Fund;
- (c) for ‘Government’ to appoint the British Business Bank (‘Business Bank’) as the Holding Company (who would in turn appoint fund managers i.e. NPIF).

- 4.2. On 9 November 2015, taking into account the evidence available at the time, the SCR ESIF committee on favoured the first option (ESIF call). This was, principally on the grounds of: (1) speed when compared with the formal procurement option (2) the degree of control this option offered to Yorkshire and Humber LEPs.
- 4.3. The SCR committee did not discount the NPIF option. However, at the time of the decision, there was no more than a ‘strawman’ of a proposal available. Further, there was no evidence to suggest that this proposal would be more beneficial to the SCR than Yorkshire and Humber EU ‘call’ option.
- 4.4. Accordingly, prior to 11 November 2015, the SCR LEP expected to develop a call by Christmas 2015 – with this call to be issued in the New Year.
- 4.5. Once a Holding Fund was appointed through this call process, the Holding Fund would procure fund managers to deliver each of the five funds listed above: with the intention being that the new fund of funds could be in place by summer 2016. This was to align with the end of the investment phase of current JEREMIE fund i.e. the fund to which Finance Yorkshire are the Holding Fund.²

5. But then...events w/c 9 November 2015

- 5.1. On 11 November, the SCR received a telephone call from HM Treasury (Matthew Gill) and the Business Bank (Grant Peggie). This call revealed that:
 - (a) there were significant technical issues with the ‘call’ process – meaning that any planned call would either be delayed or may never be possible;
 - (b) the Chancellor (it was said) was keen to support NPIF – and would be prepared to make funds available to encourage LEPs to participate (~£15m per ‘region’ i.e. up to £45m for the ‘North’ i.e. including the North East);

² <http://www.finance-yorkshire.com>.

- (c) it was unlikely that the North East (with the exception of Tees Valley) would be supportive of any NPIF proposal (although, at the time, it was believed that this position may change);
 - (d) the Business Bank / HM Treasury proposed that, should the Yorkshire and the Humber be amenable the NPIF proposal – any EU call process would be aborted.
- 5.2. On 13 November 2015, the SCR Executive met with Grant Peggie and David Miles from the Business Bank.
- 5.3. Some of the most significant points of detail that emerged are:
- (a) that, should the SCR/YH insist, the call process could continue in parallel with NPIF development;
 - (b) that NPIF would only require a contribution from the ‘Single Programme’ element of SYIF legacy funds (£3.8m), the balance (i.e. ~£15.9m³) could be made available to the SCR to support access to finance-related activity;
 - (c) the Business Bank / HM Treasury may be prepared to increase the financial ‘incentive’ to the regions;
 - (d) the Business Bank would ensure that the SCR received at least ~£15m of investment from the fund (£30m with EIB match) – subject to the usual caveat as to demand.

6. In principle agreement

- 6.1. On 19 November, Northern LEPs agreed to take a collective position on NPIF, putting pressure on the Business Bank / HM Treasury to make the proposal significantly more attractive in order to incentivise Northern LEPs to participate.
- 6.2. With support from the Lead LEP Board Member and Lead CEX (access to finance) and in consultation with both the CA and LEP Chair, an agreement in principle was reached over the weekend of 21-22 November 2015.
- 6.3. The SCR accepted (subject to CA, LEP and ESIF Committee endorsement) to contribute up to £15m of our ESIF funding (as was the case with our YH Fund of Funds) to NPIF⁴ subject to the following terms and conditions:

³ These figures are subject to review – but the broad numbers are accurate.

⁴ That the NPIF geography will be the area of: Yorkshire and the Humber (plus the parts of Nottinghamshire and North Derbyshire that fall within the SCR); The North West; Tees Valley.

- (a) *That the BBB/HMT will contribute a £50m loan/financial transaction to NPIF plus £6.5m grant funding:*
 - i. *financial transaction to be paid back “over a longer period than the investment period of the fund” and;*
 - ii. *for the principal of this £50m transaction to be repaid to a follow-on fund across the NPIF geography - allowing a significant quantum of legacy to be added to the grant-based legacy which will be created.*
- (b) *That in making this agreement, the SCR Commits to being part of the NPIF fund and look forward to working with BBB to agree the detail. With regard to the current Yorkshire and Humber ESIF call process, we will need to discuss the future of this as a potential contingency arrangement with our fellow Yorkshire and Humber LEPs in order to reach a collective position on whether when it will be appropriate to discontinue this call.*
- (c) *NPIF must cover the whole of the Sheffield City Region (and not just South Yorkshire).*
- (d) *That, with regard to SYIF legacies, only the Single Programme element of these legacies are contributed to the NPIF. The balance of these funds must be made available to the SCR – with the BBB providing formal confirmation of timescales and process for this by the end of the calendar year.*
- (e) *That the SCR (along with partners) and BBB agree a longer-term approach with regard to the use of Finance Yorkshire and NPIF legacies.*
- (f) *A suitable position is reached with regard to the hypothecation of funds contributed by SCR together with EIB ‘match’.*
- (g) *A suitable position is reached with regard to local LEP representation on boards associated with NPIF.*
- (h) *That the SCR receives full disclosure of the terms and conditions agreed with other regions (e.g. with regard to issues such as hypothecation or board membership).*

6.4. It is certainly the case that, by working collaboratively with other Northern LEPs, the SCR has secured a far better ‘deal’ both individually and collectively. It is also the case that the SCR has considered both the advantages and disadvantages/risks of the NPIF proposal, and will be conscious of these risks during the implementation phase.

6.5. The key advantages of NPIF were considered to be:

- Access to ~£56.5m additional funding from HMT – will increase the size of the ‘pot’ to £400m.

- Frees-up ~£10 - £15m of SYIF legacies to support A2F activity within South Yorkshire (it is SY due to being ERDF funding tied to this area).
- Could keep the 'call' process running as the detail develops.
- Softer benefits of being part of a flagship 'Northern Powerhouse' initiative i.e. this would provide the infrastructure for other products and services.
- Alignment with other products being delivered by the Business Bank.
- Business Bank claim cost savings due to (a) better rate secured from EIB and/or (b) lower fund manager fees.
- Benefits of a (up to) £0.4bn fund managed from within the Sheffield City Region.
- Opportunity to align services with Growth Hubs.

7. Next steps

- 7.1. On 25 November 2015, the Government announced a commitment to NPIF as part of the Chancellor's spending review. The announcement was that:

"the government has agreed with the British Business Bank and LEPs in the North West, Yorkshire and the Humber and Tees Valley to create a Northern Powerhouse Investment Fund of over £400 million to invest in smaller businesses".

- 7.2. The Business Bank has made a commitment to implement the NPIF by July 2016 (although these timescales look extremely challenging).
- 7.3. This work will continue under the jurisdiction of the LEP's Business Growth Board and with input from the LEP A2F Advisory Board.

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Business Growth Board – update New Business

12th January 2016

1. Policy Objectives

1.1. New Business is a key pillar of both the LEP's Strategic Economic Plan (SEP) and of the ESIF Strategy. Both documents have the objective:

- To increase the number of business in the Sheffield City Region by 6000 businesses by 2024

The New Business Partnership was established to lead the development of the new business spoke of the Growth Hub to provide a consistent support service across the City Region for those seeking to start new businesses. The New Business spoke will be the main vehicle for co-ordinating activity to achieve the above objective.

We are developing the first New Business Vision. The vision describes the business start-up environment that the SCR would like and some of the activity that we need to deliver to get to that point. This is a working document that will evolve over time and used to direct investment in business start-up. There are currently 5 key functions of the start-up ecosystem that need investment to achieve our ambitions which form the basis of this progress report.

2. Progress made / Key milestones and next steps

<i>Theme / project</i>	<i>Progress</i>	<i>Next steps</i>
Stimulating Entrepreneurial Activity	<ul style="list-style-type: none"> • The New Business Launch Pad Full Business Plan has been submitted to DCLG • Had initial discussion with the UoS to investigate the SELECT programme which seeks to identify and support graduates with credible business ideas to start their business in the SCR • Initial discussion with the UoS on a joint bid to the Horizon 2020 - Piloting demand-driven collaborative innovation models in Europe • Continued to monitor the development of the AMID and how that will link with start-up, incubation and acceleration. 	<ul style="list-style-type: none"> • Approve the FBC for the SCR Launch Pad • Identify and work with other organisations that can stimulate and grow entrepreneurial activity, e.g. universities, BPFS

Business Incubation and Accelerator programmes	<ul style="list-style-type: none"> • Work developing the strategy has been delayed in order to develop the Vision which Incubation and Acceleration are key components. • Initial research shows that there is a lot of experience to be drawn upon in this area and careful consideration needs to be given to the approach taken and how we can best invest in growing these functions of start-up support in the SCR. • Development of services through the AMID by Sheffield and Rotherham, particularly around tech in the City Centre. 	<ul style="list-style-type: none"> • Investigate accelerator models delivered elsewhere including outside the UK. • Review the strategy brief in light of the vision.
Infrastructure and Connectivity	<ul style="list-style-type: none"> • Superfast South Yorkshire are developing the demand stimulation activity for SMEs to better understand the benefits of broadband for business growth • Initial discussions with partners have taken place to use ESIF funds for connection and innovation vouchers for SMEs. Potentially including practical support and advice for businesses to adopt new technology for business growth • On-going consideration given to physical connectivity through the City Region that supports the creation of new businesses, this is particularly pertinent for the AMID 	<ul style="list-style-type: none"> •
Collaboration and Networks	<ul style="list-style-type: none"> • Collaboration and networks are a crucial component of economic systems. Meetings and discussions have taken place to start identifying existing groups and networks that can contribute to the Start-up ecosystem in the SCR. • As is clear from this update work has taken place with our partners to develop collaborations and networks that's support new business • Work with the colleges and university to investigate how the Sheffield 	<ul style="list-style-type: none"> •

	Enterprise Pipeline might be able to help build an entrepreneurship network across the City Region.	
Entrepreneurial Skills	<ul style="list-style-type: none"> Initial discussion have taken place with the colleges and colleagues in skills team to look at how we can develop the Entrepreneurial skills agenda in the SCR, potentially using ESF funds in Business Growth, for initiatives like Sheffield Enterprise Pipeline network activity but at a City Region level. Initial discussions have taken place to develop activity around self-employment as a viable career option. Initial discussions with the UoS to support entrepreneurial skills development for graduates have taken place. 	<ul style="list-style-type: none"> Research and gap analysis of current provision needs to be completed to support an evidence based commissioning process

3. Matters for the Business Growth Board (including issues and risks)

- 3.1. The SCR Launch Pad Full Business Case has been circulated to the Board for approval, the activity covers what has been agreed by the New Business Partnership and will deliver the Launch Pad model. The main condition of funding is that the project needs to be delivered across the City Region integrated into SCR Growth Hub. The funds are contingent on the ESIF proposal being successful.
- 3.2. The BGB are asked to note:
- Progress made in this workstream.

Lee Viney

SCR Executive Team / July 2015

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