

## **BUSINESS GROWTH EXECUTIVE BOARD**

**Date: Tuesday 19 April 2016**

**Venue: Meeting Room 2, Floor 1, 11 Broad Street West, Sheffield**

**Time: 2.00 pm**

### **AGENDA**

<b>Item</b>	<b>Subject</b>	<b>Method</b>	<b>Speaker</b>	<b>Page</b>
	<b><u>Introduction</u></b>			
1	Welcome and Apologies	Verbal	Chair	
2	Minutes and Actions of the Previous Meeting	Paper	Chair	1 - 8
3	Declarations of Interest	Verbal	All	
4	Urgent Items/Announcements	Verbal	All	
	<b><u>Discussion Items</u></b>			
5	European Structural Investment Funds (ESIF) Update	Paper	Ben Morley	9 - 16
6	Makers Hub	Presentation	Andrew Gates	
7	Exports - What Good Looks Like		David Campbell-Molloy	17 - 48
	<b><u>Updates</u></b>			
8	Growth Hub Implementation Update	Paper	David Grimes	49 - 54
	Spoke Updates			
9	<ul style="list-style-type: none"> <li>Inward Investment</li> <li>Export</li> <li>New Business</li> </ul>	Paper	Rachel Clark David Campbell-Molloy Lee Viney	55 - 62

Item	Subject	Method	Speaker	Page
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**Actions & Forward Planning**

10	Agree Actions	Verbal	Chair	
11	Agree Items for Combined Authority Meeting 9 May 2016	Verbal	Chair	
12	Any Other Business	Verbal	All	

**DATE OF NEXT MEETING: 31 MAY 2016**

## SCR BUSINESS GROWTH BOARD

23rd FEBRUARY 2016

AMP, WAVERLEY, ROTHERHAM

No.	Item	Action
1	<p><b><u>Welcome and Apologies</u></b></p> <p>Present:</p> <p><u>Board Members</u>  Paul Houghton, LEP / Grant Thornton - Chair  Diana Terris, BMBC  and Gavin Baldwin, LEP / Doncaster Rovers FC</p> <p>Apologies were received from Board Members Cllr Lewis Rose, (DDDC), Cllr Julie Dore (SCC) and Dan Swaine (BoDC, NEDDC),</p> <p><u>In Attendance</u>  Andrew Gates, SCR Executive Team  David Grimes, SCR Executive Team  David Campbell-Molloy, SCR Executive Team  David Hewitt, SCR Executive Team  Andrew Fitzgerald, SCR Executive Team  Andy McKenna, A2FCoE  Lee Viney, SCR Executive Team  Giles Searby, Keeble Hawson  William Beckett, Beckett Plastics  Steve Mawson, DMBC  Ed Highfield, SCC  Lloyd Snellgrove, SHU  Keith Jackson, JRI  Craig Tyler, Joint Authorities Governance Unit</p>	
2	<p><b><u>Minutes of the Previous Meeting</u></b></p> <p>The minutes of the previous meeting held on 12th January were agreed to be an accurate record of the meeting.</p> <p>It was noted that matters arising were due to be addressed under the substantive agenda items on today's agenda.</p> <p>It was confirmed that the resolution record from the previous meeting was received by the CA and LEP and noted.</p>	

	<p>The following matter was also noted as arising:</p> <p>11. <u>Social Inclusion</u> The Board again recognised the importance of social inclusion objectives being incorporated into each BG spoke.</p> <p><b>Action: ALL Spoke leads to report to a future meeting around what work has progressed in respect of this requirement.</b></p>	<b>ALL spoke leads</b>
<b>3</b>	<p><b><u>Declarations of Interest</u></b></p> <p>No declarations of interest in relation to the items on today's agenda were noted.</p>	
<b>4</b>	<p><b><u>Urgent Items / Announcements</u></b></p> <p>No urgent items were requested.</p> <p>The Chair confirmed it would be good practise for urgent items to be shared by email prior to the meeting is anything needs to be raised.</p>	
<b>5</b>	<p><b><u>Support for New Business: What Good Looks Like</u></b></p> <p>A report and presentation were received asking the Board to consider the New Business Vision, to endorse the policy outlined and to support the development of new projects and programmes to deliver the Vision.</p> <p>It was noted that the development of the SCR Growth Hub and the work of the New Business Partnership in establishing the SCR Launchpad service have put the city region on the front foot in developing a strong offer to support the formation of new businesses in the city region. However, it has been suggested that we do not have a start-up ecosystem or set of support products in place that could be described as 'world class'</p> <p>The New Business Partnership has therefore developed a proposed new vision and a set of potential programmes to deliver that vision for consideration by the Business Growth Executive Board. The vision is based on achieving the SEP targets by 2024 and will be reviewed over this time.</p> <p>It was noted that should the Business Growth Executive Board indicate their broad support then officers will start to develop more detailed cases for consideration and seek endorsement of the SCR CA / LEP for this to enter the programme at strategic mandate stage to be subject to the SCR formal appraisal process for programmes.</p> <p>It was agreed that some work is required to determine and reach a consensus on what is meant by a 'new business'. The Board discussed the unfortunate propensity for statistical vagaries what can skew interpretation of the figures, such as occasions when a</p>	

	<p>business may be registered but not be commercially active.</p> <p>The board discussed the importance of 'intrapreneurial' activity, noting the number of new businesses that are generated as offshoots of existing businesses.</p> <p>It was noted that the true number of new business start-ups will need to be netted off against the proportion of additional new business failures.</p> <p>It was recognised that the sizeable number of new businesses envisaged means that it is unlikely there will be resources to engage with every business directly, the underlying requirement is therefore one of cultural change.</p> <p>It was noted that many entrepreneurs don't start businesses as a consequence of access to advice, information or funding, but because they are inspired to do so. Support needs to therefore continue for engagement with schools to start to inspire the entrepreneurs of the future.</p> <p><b>Action: Gavin / Lee to present their recommendations around which new business projects will be prioritised at the next meeting</b></p> <p><b>RESOLVED, that the Board Members:</b></p> <ol style="list-style-type: none"> <li><b>1. Note the development of the New Business Vision as the SCR's working policy to deliver the SEP targets.</b></li> <li><b>2. Recommend to the SCR CA / LEP that a strategic mandate is developed for this activity and considered for approval to enter the SCR programme.</b></li> </ol>	GB / LV
6	<p><b><u>Innovation Centre of Excellence: Proposal Development Update</u></b></p> <p>A presentation was provided regarding the developing ICE initiative and demonstrating how this is being progressed against the recognised categorisation of the different stages of innovation.</p> <p>It was noted that the mandate for the ICE proposition is due to be reviewed by the Quality Assurance Panel from 29<sup>th</sup> March and anticipated that a full programme of interventions will commence delivery (with a full complement of deliverers) from Autumn 2016.</p> <p><b>Action: Keith to circulate the presentation</b></p> <p>It was noted that efforts will continue to accord with / engage other non-SCR initiatives that seek to deliver similar innovation outcomes.</p>	KJ
7	<p><b><u>Access to Finance - Business Investment Fund and Northern Powerhouse Investment Fund</u></b></p>	

	<p>A paper and presentation were provided to give an update on the progress to date of the Access to Finance “spoke” of the Growth Hub, with particular focus on the development of the ~£400m Northern Powerhouse Investment Fund and the Business Investment Fund.</p> <p>It was confirmed that NPIF is not allocated by city region and could be invested anywhere but there is some notional ‘ring-fencing’, referred to as hypothecation of funds.</p> <p>It was confirmed that the BIF 50/50 funding split between support for local SMEs, and the Inward Investment strand (+ a prescribed allocated for Tata supply chain support) could be varied but permission to do so would need to be conferred by the CA.</p> <p><b>RESOLVED, that the Board Members:</b></p> <ol style="list-style-type: none"> <li><b>1. Note the current activity underway across our Access to Finance programme and note the development of the Northern Powerhouse Investment Fund in particular.</b></li> <li><b>2. Note that the Business Investment Fund (BIF) is currently operational and the latest performance update.</b></li> <li><b>3. Note the intention for Heads of Economic Development to explore how the SCR can most appropriately marshal its resources to ensure that the City Region “lands” major investors looking to locate with the SCR, subject to future consideration by the BGB.</b></li> <li><b>4. Note the intention to ensure that the BIF and AFCoE service actively support other thematic board activity, including the potential to support small housebuilders and the development of a Housing Investment Fund.</b></li> </ol>	
8	<p><b><u>2016/17 Business Growth Board Business Plan</u></b></p> <p>A paper was presented to introduce the proposed Business Growth Board Business Plan for 2016/17.</p> <p>Members were asked to comment on the plan and to endorse its recommended inclusion into the composite SCR Delivery Plan 2016/17.</p> <p>It was noted that some errors in the calculations have been identified and will be corrected.</p> <p><b>Action: Andy to confirm the correct figures</b></p> <p>It was noted that the Business Plan incorporates the key objectives for the city region as set out in the Strategic Economic Plan and the programme of activity in place as developed throughout 2015/16.</p>	AG

	<p><b>Action: ALL to provide any further comments to Andy</b></p> <p>It was confirmed that the ESIF Business Case is still in development and will be circulated to the Board for comment prior to submission.</p> <p><b>RESOLVED: that the Board Members note the draft Business Plan for 16/17 (presented at Appendix A to the report) and agree this be recommended to the CA and incorporated into a composite SCR CA / LEP Delivery Plan for 16/17.</b></p>	<b>ALL</b>
<b>9</b>	<p><b><u>Skills Bank Progress Update</u></b></p> <p>A report and presentation were provided to give an update for the Board on the mobilisation of the Skills Bank service in the first quarter of the contract.</p> <p>It was noted that to meet procurement regulations, a Skills Bank Provider Framework is being established and will be completed by end March 2016. A bidders' event will be held on the 24 February 2016. The framework will be regularly refreshed to maintain quality and enable new entrants. It was noted that a shorter process is also in place to allow non-framework providers to deliver training in circumstances where an employer's demand cannot be met by the existing supply base.</p> <p>It was noted that the Skills Bank operates as a spoke within the overall Growth Hub, providing a clear, responsive, pathway to support, ensuring clarity and simplicity of offer to our employers. The SCR team, PwC (the independent managing agent) and the Growth Hub team are meeting regularly to align and integrate support. Work continues to align access to CRM's, websites, data and joint team meetings to ensure that employers receive a seamless service and all administrative wiring is hidden.</p> <p>Members were therefore advised that the Skills Bank Marketing strategy will be branded clearly as a spoke of the Growth Hub.</p> <p><b>RESOLVED, that the Board Members note the progress being made on Skills Bank mobilisation and work to integrate the Skills Bank and Growth Hub services.</b></p>	
<b>10</b>	<p><b><u>Growth Hub Update</u></b></p> <p>A paper was presented to provide an update on progress being made in implementing/delivering the Growth Hub</p> <p>Members were reminded that the objective of the SCR Growth Hub is to provide a 'world-class' business support offer across the whole of the Sheffield City Region.</p> <p>Regarding recruitment, updates were provided in respect of the Head of AFCOE post, the Administrator/project Co-ordinator post and the Innovation Champion Role</p>	

	<p>As actioned at the previous meeting; a report was presented in response to the questions raised around why the preferred Growth Hub CRM was selected, how this will interact with the [significant] number of other CRMs being operated by the partners in terms of data sharing and what measures are in place to avoid duplication of engagement leads.</p> <p>It was noted that as a consequence of the progression made in a number of Growth Hub areas, the website will be reassessed and redesigned to meet and deliver its clarification of requirements.</p> <p><b>RESOLVED, that the Board Members note the update</b></p>	
11	<p><b><u>Spoke Updates</u></b></p> <p><u>Export</u></p> <p>Members were presented with an update, commenting on the various initiatives and noting progress made against key milestones.</p> <p>It was noted that the SCRIPT advisory group met on 3<sup>rd</sup> February to discuss the emerging SCR export programme. The outline business case for the programme will be presented to the April BGEB meeting for approval.</p> <p>It was noted that a further clarification has been identified regarding what constitutes a 'new exporter'. This will require a revision of the baseline and target.</p> <p><u>Inward Investment</u></p> <p>Members were provided with a verbal update pertaining to progress against the UKTI Northern Powerhouse Investment Hub, Inward Investors - Foreign Owned Companies Programme, Marketing upgrade and MIPIM.</p>	
12	<p><b><u>Review of Decisions made</u></b></p> <p>The Chair recapped the decisions made by the Board and instructed officers to include these in the summary reports to be presented to the next CA and LEP meetings for endorsement.</p>	
13	<p><b><u>Any Other Business</u></b></p> <p>i) <u>MIPIM</u></p> <p>The Board was advised of the procedural requirements to sign off contracts.</p> <p><b>RESOLVED, that the Board members recommend to the Combined Authority that delegation for signing a number of operational contracts be given to the Interim Executive Director under his general management delegations for expenditure relating to the delivery of MIPIM (total value of £70k for 2015/16 – 2016/17)</b></p>	



<b>14</b>	<b><u>Date of Next Meeting</u></b>  Tuesday 19th April, 2.00pm at the AMP, Waverley, Rotherham	

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## **BUSINESS GROWTH BOARD**

**19<sup>th</sup> APRIL 2016**

### **AGENDA ITEM 5**

#### **ESIF UPDATE**

### **Summary**

The ESIF Programme provides the SCR access to €210m ERDF, ESF and EAFRD funding to support the delivery of the SEP.

Over the past 12 months the Programme has progressed with a number of Calls being issued and responses considered by the Managing Authorities with advice provided by the SCR ESIF Committee.

With projects now being contracted there is an ability to review the current position and identify both challenges and opportunities.

### **1. Issue**

1.1 This paper provides an update on ESIF Programme in respect to the Business Growth activity and raises issues in respect of:

- Potential over commitment in respect of the Innovation programme.
- Apparent under activity within the More Developed Region (non-South Yorkshire).
- Availability of funding to support additional Business Growth products.

### **2. Recommendations**

It is recommended that the SCR Business Growth Board:

- 2.1 Note the content of the report.
- 2.2 Provides advice in respect of the development of future calls and activity.

### **3. ESIF Programme Update**

- 3.1 The original SCR ESIF Programme was published in January 2014 and a 'Refresh' version was produced in February 2016. A full summary of the current ESIF Programme is attached at Appendix 1 and project activity (contracted/business plan/Calls) at Appendix 2.
- 3.2 Over the past 12 months a number of Calls have been published and project submissions received. To date only one project, Launch Pad, has been contracted but a number of other projects are now at detailed Business Plan stage and can be expected to be in contract over the next two to three months. In addition there is one 'live' Call in respect of Low Carbon and three further Calls are expected to be issued in April relating to ICT and Social Inclusion (ESF).
- 3.3 Despite the delayed start of the Programme the overall progress is good to date with over 50% of both the ERDF and ESF being 'committed' through approved Business Plans or in current/imminent Calls.

### **4. Issues to Consider**

#### **4.1 Innovation**

The ESIF Committee has raised significant concerns in respect to the allocation of Innovation funding with the majority being targeted at a limited number of capital projects which will not necessarily generate any outputs towards the Performance Reserve targets (The Performance Reserve represents 6% of the Programme Allocation and requires a specified level of expenditure and output delivery to be achieved by the end of 2018 otherwise the 6% may not be made available). In addition there are concerns that no funding will be available to support future revenue activity as part of the SCR innovation offer to SMEs.

The Innovation representative on the ESIF Committee has agreed to identify solutions to the position in dialogue with the project sponsors and the SCR Innovation Board. A presentation with a series of proposed solutions is expected to be provided at the April ESIF Committee meeting.

Notwithstanding the above, within the Districts the opposite position exists where only one revenue project has been developed. Even if this project is extended though to 2023 there remains £2.4m to be invested with no proposals currently under development. In this context there is a clear challenge to the Innovation Board to either develop some specific innovation products in this area or potentially seek joint investment via the D2N2 Innovation Programme if considered desirable and/or appropriate.

#### **4.2 SME Competitiveness**

Within the Transition Region the current list of activity includes one off capital projects, a significant £13m allocation to the Northern Powerhouse Investment Fund and a series of revenue projects, including a number of 'national products', social inclusion activity and SCR led products – the enhanced Growth Hub and the Launch Pad. If all

the proposed revenue projects are extrapolated to run through to 2023 there remains an unallocated balance of c£8m, equivalent to 18% of the allocation.

Applying the same logic to the More Developed Region the unallocated amount is £2.2m but this equates to 31% of the allocation.

#### 4.3 Low Carbon

Activity supported with Low Carbon funding has had a poor response nationally and in the SCR the first Call for Proposals received nil interest. There is a current live Call seeking proposals for low carbon investment and it is understood that there has been a good response following better promotion of the Programme.

#### 4.4 Other Parts of the Programme

Other areas of both the ERDF and ESF Programmes face similar issues and these matters will be discussed with the relevant officer leads and Boards to consider options.

### **5. Opportunities for Business Growth**

5.1 In light of the information above the Business Growth Board is requested to consider the opportunity to develop additional Calls for Proposals under SME Competitiveness and means to stimulate activity in the 'Districts'.

5.2.1 Currently the only additional activity under SME Competitiveness that is starting to be considered is the development of a Micro Loan Fund which would sit outside of the Northern Powerhouse Investment Fund and provide loans between £5k and £20k and could have an ESF grant programme sat alongside. Its focus would be to support social inclusion through social enterprise, self-employment and start-ups. To establish such a fund an ex ante appraisal would need to be developed and may likely require a Local Authority or Combined Authority to act as the Accountable Body. It is proposed to engage with the Access to Finance Advisory Board on this option.

5.2.2 In addition to the Micro Loan Fund the Board is requested to consider whether any bespoke / niche products are required as part of the Growth Hub or other provision. However where products are delivered by the public sector the ability to secure match funding will remain a critical factor.

5.3.1 Within the Districts the lack of public sector match from the Local Authorities is clearly impacting on services as can be reflected in both the Launchpad and Enhanced Growth Hub proposals. Consequently there still remains, proportionally, a significant amount of unallocated ESIF funding for this part of the City Region.

5.3.2 The Board is requested to consider the options to increase activity within the Districts which could include a higher allocation to NPIF, allowing D2N2 to access some of the SCR allocation or whether specific projects should be developed for the Districts with the potential of and match funding from the Combined Authority.

5.4 The Board is also requested to provide comments in respect to the need for support funding (advice, loans and/or grants) for businesses to significantly improve their low

carbon credentials. If the need and/or demand is low then the focus of the Low Carbon funding will turn to energy generation/distribution rather than business support. This issue will also be discussed with the Low Carbon Partnership.

## **6. Implications**

### **5.1. Financial**

5.1.1 There are no direct financial implications for the Combined Authority in respect of the management of ESIF Funding.

### **5.2 Legal**

5.2.1 There are no legal implications in respect of this report.

### **5.3 Diversity**

5.3.1 There is no direct diversity implication raised through this paper although it should be noted that the ESIF Programme is designed to support economic and social development for all residents of the EU.

<b>REPORT AUTHOR</b>	Ben Morley, on behalf of Sheffield City Region Executive.
<b>POST</b>	Head of Strategic Development & External Programmes (Creative Sheffield)
Officer responsible	<b>Dave Smith</b>
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Background papers used in the preparation of this report are available for inspection at: n/a	
Other sources and references: n/a	

## Appendix 1: SCR ESIF Programme

PRIORITY ALLOCATIONS TRANSITION REGIONS								Transition			
Priority	Business Growth	Access to Finance	Innovation Capital	Skills & Labour Mobility	Low Carbon	Social Inclusion	SUD	Total			
Thematic Objective	£	£	£	£	£	£	£	£	€	Activity	£ BALANCE
1. Innovation	6,762,043	-	9,486,244	-	-	-	-	16,248,287	20,831,137	16,341,823	- 93,536
2. ICT	2,508,471	-	-	-	-	-	-	2,508,471	3,215,988	1,700,000	808,471
3. SME Competitiveness	28,395,694	13,000,000	-	-	-	1,912,467	1,640,695	44,948,856	57,626,738	24,770,788	20,178,067
4. Low Carbon	-		-	-	12,438,277	-	6,637,438	19,075,715	24,456,045	9,637,438	9,438,277
ERDF TOTAL	37,666,207	13,000,000	9,486,244	-	12,438,277	1,912,467	8,278,133	82,781,328	106,129,908	52,450,049	30,331,279
8i (1.1) - Access to employment	1,452,104			11,522,645				12,974,749	16,634,294	1,940,444	11,034,305
8ii (1.2) - Young People in labour market	225,650			1,790,565				2,016,216	2,584,892	-	2,016,216
8. Employment	1,677,755	-	-	13,313,211	-	-	-	14,990,966	19,219,187	1,940,444	13,050,521
9i (1.4) - Active Inclusion	2,642,022	1,904,713		6,091,572		4,434,280		15,072,587	19,323,829	3,310,000	11,762,587
9. Social Inclusion (ESF)	2,642,022	1,904,713	-	6,091,572		4,434,280	-	15,072,587	19,323,829	3,310,000	11,762,587
10iii (2.1) - Access to lifelong learning	820,517			21,199,320				22,019,837	28,230,560	11,788,200	10,231,637
10iv (2.2) - Skills for the labour market	122,653			3,168,935				3,291,588	4,219,985	-	3,291,588
10. Skills	943,170	-	-	24,368,255	-	-	-	25,311,425	32,450,545	11,788,200	13,523,225
ESF TOTAL	5,262,947	1,904,713	-	43,773,038	-	4,434,280	-	55,374,978	70,993,561	17,038,644	38,336,333
ESIF TOTAL	42,929,153	14,904,713	9,486,244	43,773,038	12,438,277	6,346,747	8,278,133	138,156,306	177,123,469	69,488,693	68,667,612

Exchange Rate      €1=£      0.7800

PRIORITY ALLOCATIONS MORE DEVELOPED REGION								More Developed			
Priority	Business Growth	Access to Finance	N/A	Skills & Labour Mobility	Low Carbon	Social Inclusion	N/A	Total			
Thematic Objective	£	£	£	£	£	£	£	£	€	Activity	BALANCE
1. Innovation	2,864,360			-		-	-	2,864,360	3,672,257	161,704	2,702,656
2. ICT	628,129		-	-	-	-	-	628,129	805,293	300,000	328,129
3. SME Competitiveness	4,473,226	2,000,000		-		620,309	-	7,093,535	9,094,276	3,768,907	3,324,628
4. Low Carbon	-		-	-	3,318,978	-	-	3,318,978	4,255,100	1,000,000	2,318,978
ERDF TOTAL	7,965,715	2,000,000	-	-	3,318,978	620,309	-	13,905,002	17,826,926	5,230,611	8,674,391
8i (1.1) - Access to employment	228,653			1,855,606				2,084,259	2,672,127	281,778	1,802,481
8ii (1.2) - Young People in labour market	58,162			472,006				530,168	679,703	-	530,168
8. Employment	286,815			2,327,612				2,614,427	3,351,829	281,778	2,332,649
9i (1.4) - Active Inclusion	394,607	284,484		917,690		679,091		2,275,872	2,917,784	690,000	1,585,872
9. Social Inclusion (ESF)	394,607	284,484		917,690		679,091		2,275,872	2,917,784	690,000	1,585,872
10iii (2.1) - Access to lifelong learning	143,173			3,693,869				3,837,042	4,919,285	1,711,800	2,125,242
10iv (2.2) - Skills for the labour market	30,005			774,136				804,141	1,030,950	-	804,141
10. Skills	173,178			4,468,005				4,641,183	5,950,235	1,711,800	2,929,383
ESF TOTAL	854,600	284,484	-	7,713,307	-	679,091	-	9,531,481	12,219,848	2,683,578	6,847,904
Total	8,820,315	2,284,484	-	7,713,307	3,318,978	1,299,400	-	23,436,484	30,046,774	7,914,189	15,522,296

Exchange Rate      €1=£      0.7800

## Appendix 2: SCR ESIF Activity

PRIORITY ALLOCATIONS TRANSITION REGIONS							
Priority	Business Growth	Access to Finance	Innovation Capital	Skills & Labour Mobility	Low Carbon	Social Inclusion	SUD
Thematic Objective	£	£	£	£	£	£	£
Projects							Total
NCEFE - 1a			2,781,488				
LVV - 1a			3,200,000				
Royce Institute - 1a			6,000,000				
iCAIR 1a			2,000,000				
SHIP 1b	1,455,335						
AWRC 1a			905,000				
<b>1. Innovation</b>	<b>1,455,335</b>	<b>-</b>	<b>14,886,488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Superfast SY Business 2a	500,000						
<b>2. ICT</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Launch Pad - 3a	2,270,441						
Export/Trade - 3d	768,000						
Manufacturing Growth - 3c & 3d	160,000						
Vanatage Riverside 3c	2,314,854						
Ashroyd 3c	711,667						
Enhanced Growth Hub 3c/d	2,629,503						
Growth Accelerator 3c/d	198,000						
Social Enterprise Exchange						1,077,628	
<b>3. SME Competitiveness</b>	<b>9,052,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,077,628</b>	<b>-</b>
<b>4. Low Carbon</b>							
Skills for Growth				1,940,444			
<b>8i (1.1) - Access to employment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,940,444</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8ii (1.2) - Young People in labour market</b>							
Big Lottery						1,710,000	
<b>9i (1.4) - Active Inclusion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,710,000</b>	<b>-</b>
Skills Bank				11,788,200			
<b>10iii(2.1) - Access to lifelong learning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,788,200</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10iv (2.2) - Skills for the labour market</b>							
<b>Known Initiatives / Current Calls</b>							
<b>1. Innovation</b>							
ICT Vouchers 2a	1,200,000						
<b>2. ICT</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
SUD Proposal TO3							1,640,695
Fund of Funds Indicative		13,000,000					
<b>3. SME Competitiveness</b>	<b>-</b>	<b>13,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,640,695</b>
Low Carbon Call 12/15					3,000,000		
SUD Proposal TO4							6,637,438
<b>4. Low Carbon</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>6,637,438</b>
<b>8i (1.1) - Access to employment</b>							
<b>8ii (1.2) - Young People in labour market</b>							
Socially Inclusive Self Employment						800,000	
Community Innovation Grants						800,000	
<b>9i (1.4) - Active Inclusion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,600,000</b>	<b>-</b>
<b>10iii(2.1) - Access to lifelong learning</b>							
<b>10iv (2.2) - Skills for the labour market</b>							
<b>Total 'Committed'</b>	<b>11,007,800</b>	<b>13,000,000</b>	<b>14,886,488</b>	<b>13,728,644</b>	<b>3,000,000</b>	<b>4,387,628</b>	<b>8,278,133</b>
							<b>68,288,693</b>



PRIORITY ALLOCATIONS MORE DEVELOPED REGION							
Priority	Business Growth	Access to Finance	Innovation Capital	Skills & Labour Mobility	Low Carbon	Social Inclusion	N/A
Thematic Objective	£	£	£	£	£	£	£
Projects							Total
SHIP 1b	161,704						
<b>1. Innovation</b>	<b>161,704</b>	-	-	-	-	-	<b>161,704</b>
<b>2. ICT</b>							-
Launch Pad - 3a	89,172						
Export/Trade - 3d	192,000						
Manufacturing Growth - 3c & 3d	40,000						
Enhanced Growth Hub 3c/d	1,128,828						
Growth Accelerator 3c/d	49,500						
Social Enterprise Exchange						269,407	
<b>3. SME Competitiveness</b>	<b>1,499,500</b>	-	-	-	-	<b>269,407</b>	<b>1,768,907</b>
<b>4. Low Carbon</b>							-
Skills for Growth				281,778			
<b>8i (1.1) - Access to employment</b>	-	-	-	<b>281,778</b>	-	-	<b>281,778</b>
<b>8ii (1.2) - Young People in labour market</b>							-
Big Lottery						290,000	
<b>9i (1.4) - Active Inclusion</b>	-	-	-	-	-	<b>290,000</b>	<b>290,000</b>
Skills Bank				1,711,800			
<b>10iii(2.1) - Access to lifelong learning</b>	-	-	-	<b>1,711,800</b>	-	-	<b>1,711,800</b>
<b>10iv (2.2) - Skills for the labour market</b>							-
Known Initiatives / Current Calls							
<b>1. Innovation</b>							
ICT Vouchers 2a	300,000						
<b>2. ICT</b>	<b>300,000</b>	-	-	-	-	-	<b>300,000</b>
Fund of Funds Indicative		2,000,000					
<b>3. SME Competitiveness</b>	-	<b>2,000,000</b>	-	-	-	-	<b>2,000,000</b>
Low Carbon Call 12/15					1,000,000		
SUD Proposal TO4							-
<b>4. Low Carbon</b>	-	-	-	-	<b>1,000,000</b>	-	<b>1,000,000</b>
<b>8i (1.1) - Access to employment</b>							
<b>8ii (1.2) - Young People in labour market</b>							
Socially Inclusive Self Employment						200,000	
Community Innovation Grants						200,000	
<b>9i (1.4) - Active Inclusion</b>	-	-	-	-	-	<b>400,000</b>	<b>400,000</b>
<b>10iii(2.1) - Access to lifelong learning</b>							
<b>10iv (2.2) - Skills for the labour market</b>							
<b>Total 'Committed'</b>	<b>1,661,204</b>	<b>2,000,000</b>	-	<b>1,993,578</b>	<b>1,000,000</b>	<b>959,407</b>	<b>7,614,189</b>

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# Sheffield City Region

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## EXPORT: WHAT GOOD LOOKS LIKE

Business Growth Executive Board  
19<sup>th</sup> April 2016



12/04/16

1

# OVERVIEW

1. Export Objectives
2. Devolution
3. Market testing
4. SCR Export Programme
5. Summary & Next Steps

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City Region**

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# 1. EXPORT OBJECTIVES

4/12/2016

3

# The 2024/25 Objectives

- 2,150 new exporters (common definition TBC)
- 900 experienced exporters exploiting new overseas markets
- 300 exporters pa
- Creating 4,000 jobs
- Increase turnover by £250m and GVA by £84m



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## 2. DEVOLUTION

4/12/2016

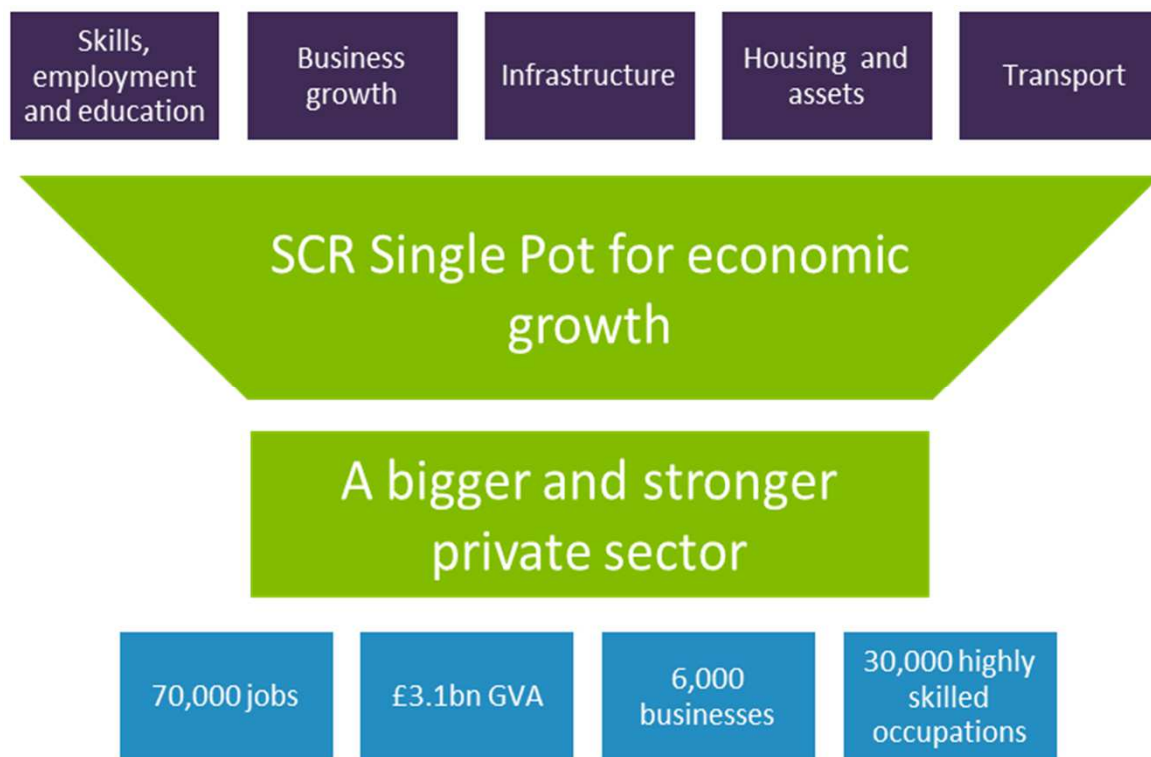
5

# THE SINGLE POT – A *CRITICAL* PART OF THE DEVOLUTION DEAL

- The single pot includes the £30m x 30 years allocation (60:40 capital / revenue split)
- This is in addition to a range of national funding streams wrapped up into one pot.

Through further detailed discussions SCR is effectively seeking:

- Provision of a multi-year allocation for national funds.
- Performance measured against jointly developed outcome measures.



**This embodies devolution rather than decentralisation**



# SCR IS ONE OF THE MOST AMBITIOUS AREAS ON TRADE & INVESTMENT



- Co-location of UKTI investment and trade resources, including alignment with SCR geography
- Joint governance
- Marketing & communications activity that showcases SCR sector strengths
- Strengthened international partnerships through Project Matchmaker
- Data and intelligence at SCR geography
- Joint trade & investment plan to allow SCR flexibility

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## **3. MARKET TESTING**

12/04/16

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# EXPORT DEVELOPMENT PROGRAMME



# EXPORT DEVELOPMENT PROGRAMME

- Commissioned in 2015 by SCC and extended to SCR in early 2015
- Looked to support 70 companies, including 40 new exporters
- Programme consisted of:
  - Intensive hand-holding support for new exporters
  - Match funded grants to bring forward/accelerate export propositions
  - Export insight visit to The Netherlands for early stage exporters
- On average companies contributed £3,237 against an average grant award of £2,239
- On average companies are forecasting additional sales of £512,864 over 3 years, and recruiting an extra 3.3 FTE
- Too early to determine how accurate these forecasts are but bode well

# EDP PERFORMANCE

	Original target	Revised target	Actual
Export Insight Visit (new)	20	10	11
Export Challenge (early stage)	20	7	7
Export Growth (experienced)	20	35	36
TOTAL	60	52	54

# EDP LESSONS LEARNED

- New exporters where market failure lies
- Far easier to locate existing exporters than companies that either didn't export at all, or exported in a limited and reactive manner
- These companies also needed a lot more support to develop a robust export strategy compared to experienced exporters
- Essential that inexperienced exporters have the capacity and drive to engage and then deliver agreed actions

# EDP LESSONS LEARNED

- There is demand for a flexible grant scheme, and grants of up to £5,000 appear to have made a difference to companies
- The larger the company the harder it becomes to prove additionality
- Demand exists for a co-ordinated marketing campaign highlighting the strengths of specific sectors in the Sheffield City Region
- Partnership working critical to generate referrals and good leads
- The online application process seemed to work well, as did the appraisal process

# WE'VE DONE SOME JOINT PROMOTIONAL ACTIVITY





# NOT DIFFICULT JUST DIFFERENT: 5 STEPS TO EXPORTING

- 3 joint NDJD events held across the SCR late 2015/early 2016
- Attracted 63 businesses
- Led to 25 assists from partners
- 9 new leads i.e. firms not engaged with before

# **BUT THE MISSING PIECE OF JIGSAW = STRONGER DELIVERY & ALIGNMENT WITH GROWTH HUB**

- SCR Export Partnership & Business Development Officer
- Act as key delivery interface between partners
- Impartiality the central principle
- Proactive – partnership engagement, marketing
- Reactive – responding to partner initiatives, coordination

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## **4. SCR EXPORT PROGRAMME**

12/04/16

17

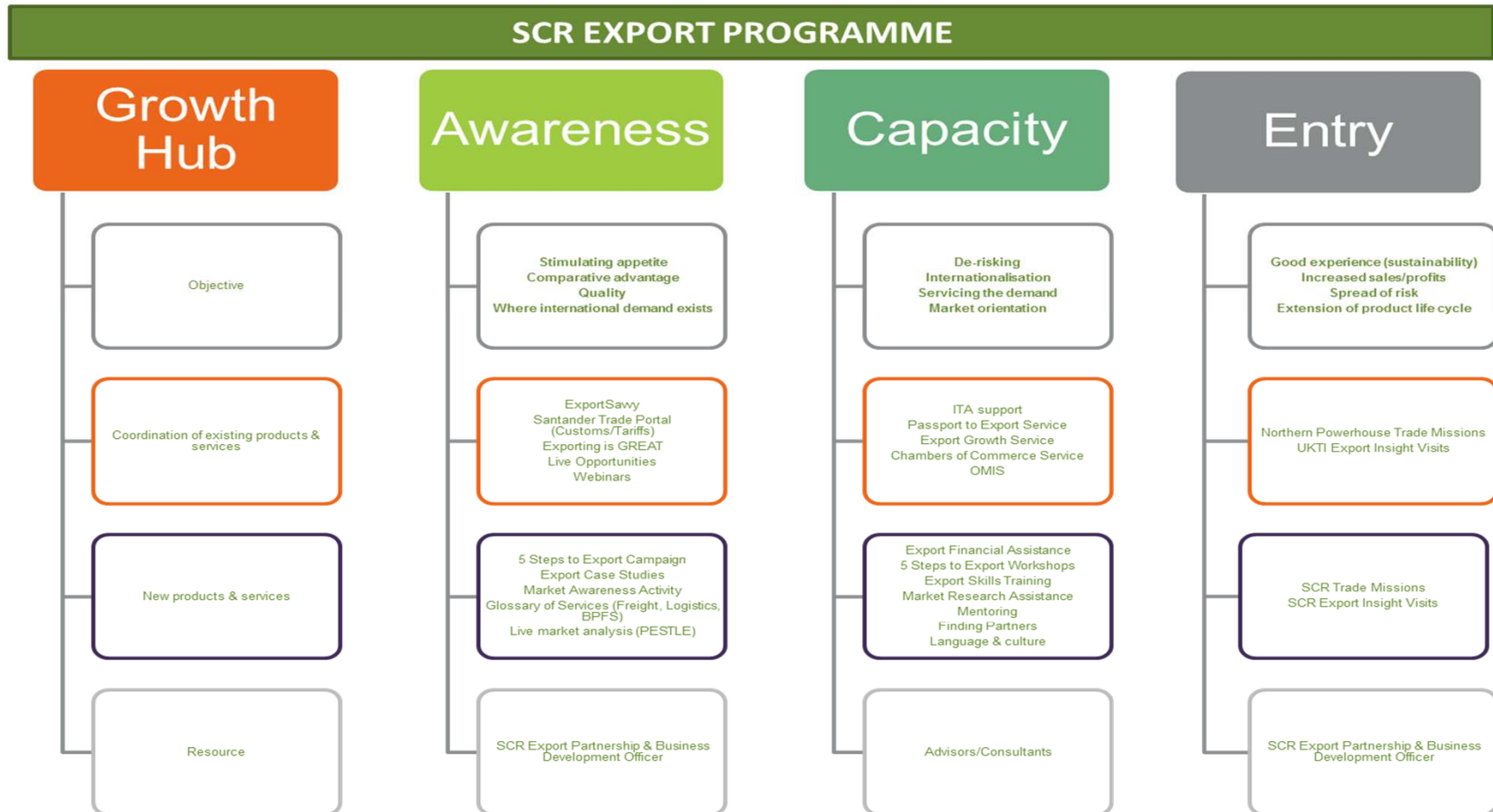
# DOING NOTHING MEANS WE WILL ONLY ACHIEVE SO MUCH OVER EACH YEAR

Year	Number of exporters assisted		
	UKTI	ESIF	SCR (Value add)
2016/17	120		
2017/18	120	70	100
2018/19	120	70	100
2019/20	120	70	100
2020/21	120		100
Total	600	210	400
	1210		

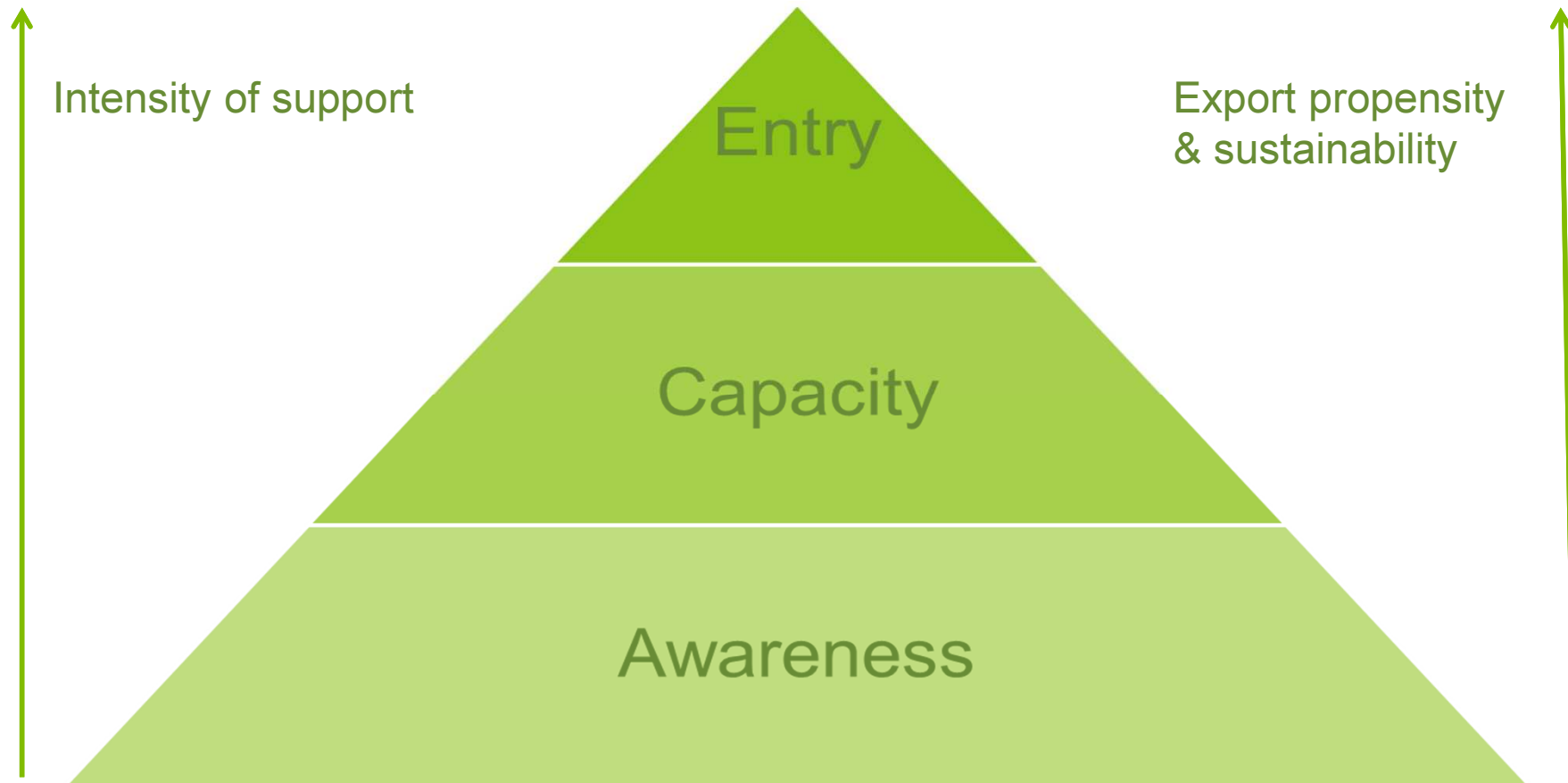
# ESIF PROGRAMME

- £960,000 funded 3 year scheme
- Supporting 3 bits of activity
  - Marketing & communications activity
  - Additional advisor support for high export potential SMEs
  - Impartial SCR Export Partnership & Business Development Officer role aligned to Growth Hub to drive demand for export support services, targeting new exporters and those with high export potential

# GAP = SCR EXPORT PROGRAMME (ACE MODEL) THROUGH THE GROWTH HUB



# THAT IS TARGETED AT NEW EXPORTERS



# AWARENESS

Objective	Coordination & simplification	New products/services	Resource required
Stimulating appetite	ExportSavvy	5 Steps to Export Campaign	Information feed on opportunities
Gaining comparative advantage	Santander Trade Portal (Customs/Tariffs)	Sector campaigns	Communication
Quality	Exporting is GREAT	Export Case Studies	Marketing
International demand	Live Opportunities	Market Awareness	Coordination
	Webinars	Glossary of Services (Freight, Logistics, BPFS)	
	Export Week	Live Market Analysis (PESTLE)	



# CAPACITY

Objective	Coordination & simplification	New products/services	Resource required
De-risking	ITA support	Export Financial Assistance	Advisors
Internationalisation	Passport to Export	5 Steps to Export Workshops	Consultants
Servicing demand	Export Growth Service	Export skills training (including sectors)	Mentors
Market orientation	Chambers of Commerce services	Market research/assistance	Ambassadors
	OMIS	Mentoring	
		Finding partners	
		Language & culture	

# ENTRY

Objective	Coordination & simplification	New products/services	Resource
Good experience	Northern Powerhouse Trade Missions	SCR Trade Missions (sector focused)	Mission leaders
Increased sales/profits	UKTI Export Insight Visits	SCR Export Insight Visits	Overseas support partners
Spread of risk			Mission organisers and facilitators
Extension of product life cycle			

# I'M SUGGESTING A £2.898M SCR EXPORT PROGRAMME TO FILL X400 GAP TO 2021

SCR EXPORT	Projected annual cost (£)	Projected cost (£) 2021
SCR Export Programme	724,500 (£6k X 100 firms)	£2.898m

# TO BE BROKEN DOWN ACCORDINGLY THROUGH THE 'ACE' MODEL

		Number of firms assisted	Projected annual cost (£)	Projected cost (£) 2021
SCR Export Programme			£724,500 (including management fee)	£2.898m
Awareness	Website	10,000	£130,000	£520k
	Marketing & comms	20,000		
	General	100,000		
Capability		400	£400,000	£1.6m
Entry		100	£100,000	£400k

# IF WE ARE IN BROAD AGREEMENT THEN SOME CHALLENGES TO OVERCOME

- Agreed definition of a 'new exporter'?
- Agreement amongst partners about how we are going to work together as part of single programme
- Avoiding duplication/double-counting in our figures

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## **5. SUMMARY & NEXT STEPS**

4/12/2016

28

# SO IN SUMMARY

- Export support landscape not at right scale to support our objectives
- Market testing shows demand and appetite for export support exists
- Challenge is getting to whatever we define as 'new' exporters, and this is where market failure lies
- Simplification of support offer through Growth Hub has value, and ACE export model helps to do this
- New products & services to increase support intensity to firms with export potential in line with Growth Hub principles, and to build internal capacity particularly amongst SMEs
- But requires SCR investment through single pot

# NEXT STEPS

- Support from Business Growth Executive Board for SCR Export Programme
- SCR Export Mandate approval
- Secure ESIF funding
- Recruit to Export Partnership & Business Development role
- Finalise the SCR Export business case
- Develop the specification
- Commission delivery



# Thank you for listening and any questions



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## SCR COMBINED AUTHORITY BUSINESS GROWTH EXECUTIVE BOARD

19<sup>th</sup> April 2016

### AGENDA ITEM 8

#### Growth Hub Implementation Update

#### Summary/Purpose of paper

This paper provides an ongoing summary of the progress being made in implementing/delivering the Growth Hub

#### 1. **Issue – Topic & Timescale**

- 1.1. The objectives of the SCR Growth Hub are to develop 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 Information**

- 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. Progress to Date

In addition to the general update at last board covering all progress in all areas, a few key areas to note on progress at this board.

- Recruitment
- Growth Hub Continuation funding
- Formal Launch
- Marketing and PR
- Website
- Gateway Development
- ESIF Enhancement Programme development
- Innovation Centre of Excellence

#### **Recruitment**

- **Head of AFCOE post –**

Re-advertised beginning of April - utilising support from external recruitment agencies due to difficulties in recruitment and recruitment process. Hopeful for a number of solid candidates with this additional assistance.

- **Administrator/project Co-ordinator Role**

Post closed and looking to Interview mid-April received 14 applications.

- **N.E. Derbyshire Districts focussed Growth Hub Advisor**

Out to Advert – looking to interview end of April.

#### **Growth Hub Continuation Fund**

The additional Growth Hub funding for SCR will be £820,000 as previously recorded from the previous growth Board. As a result of this, I have Re -profiled Growth Hub Budgets - which results in Growth Hub funding for an additional full year of funding - so extends the current funding to 2022 providing longevity for the Hub. In addition

increases next three year budgets by approx. £80k PA. This approach has been agreed in principle by finance, on agreement by the Business Growth Board that this approach is agreeable. - see additional re-profiled budget.

### **Formal Launch**

As the pilot phase of the Growth Hub comes to an end (March 20167). We are looking at a more formal launch, which will not involve a large significant event but rather 6 months of sustained PR activity and awareness raising in support of our more formal Launch from the 25<sup>th</sup> of April, -including small presentations to the local authority teams, Launch of new Website with new look and feel - Local Press – Business magazines etc, and formal engagement with external partners.

We also will have live the following offers via the Hub:

**AFCoE - Launchpad - SCR Accelerator - ESIF Export Programme - Skills Bank - Growth Hub Advisors - In addition to the ability to refer into other support across the region where applicable.**

### **Marketing and PR**

Engaged a PR company to support 'Capital B Media' - will be leading on the press activity, developing relationships with local press, ensuring right messaging – Social Media-Website etc and targeted awareness raising.

### **Ongoing Website Development**

New site will be ready for 25<sup>th</sup> April, look and feel very much in line with branding and other SCR websites – Inward Invest, Skills Bank etc and been developed from the bottom up with a number of key additions - Resource bank – Business Directory, generally more information and integrated content. – Will also feature a login section for advisors to record timesheets and invoices and also a number of tools such as postcode checkers, online diagnostics that we can utilise as/when required.

### **Gateway**

During the pilot phase of the Growth Hub, Creative Sheffield were paid to deliver the Gateway service, it has been agreed by all parties that the Growth Hub Gateway would benefit from residing with the Growth Hub core team in the new offices - being amongst the Skills team - the Inward Invest team, the Policy team etc. It has therefore been agreed that the Gateway operational delivery will transfer over to the Growth Hub, and we will be using the original Gateway budget to recruit 2 Gateway advisors who will be based with the core team, instead of using this budget to pay for an external Gateway service housed elsewhere.

We will be using a new 0300 number for the launch and all ongoing activity for the Growth Hub for the next 5 years, and with Creative Sheffield, have agreed a 3 month transition period. In addition we will be utilising some services from the National Gateway, who have a detailed and up to date knowledge bank of provision across the region so will be utilising their support. The National Gateway is used by over 75% of other Growth Hubs and provides us with additional resources and information to support our local businesses and allows us to be more targeted in our approach – this service is free to us and is funded directly by BIS, we will continue to maintain a positive working relationship with Creative Sheffield as well as all other partners etc.

### **ESIF Programme Integration/development**

In light of no formal full business case to submit – (extension has been requested for full submission until end of April) - update provided for information and budget agreement.

The ESIF programme has been developed to align with the wider approach of the Growth Hub and the separate spoke activities including Innovation, Export, the Business Investment fund, the Skills bank etc, in that we are adopting a contribution model for businesses. This ESIF Enhancement programme will be aimed at a contribution rate of 50% for businesses to access specialist Growth Advisors to support growth in Jobs and GVA. This approach also negates the use of hundreds of thousands of pounds of flexible Growth Hub funding simply being matched into a European programme to offer up 12 hour assists, which in turn offer limited capability to deliver significant jobs and GVA targets, which we as a LEP/Growth Hub are aiming for.

This model also allows for increased outputs to be generated and using this model of client contribution, it therefore allows the additional Growth Hub budget from BIS to be used to extend the longevity of the Growth Hub as detailed above to span up until 2022. This allows us to deliver a longer term and more sustainable Growth Hub model that businesses will then know will be around for some time to come, allows us to develop more meaningful and deeper relationships, and they will have confidence in engaging with us on a longer term basis.

There will also be a built into this programme a number of additional activities including one to many workshops and events alongside the potential soft landing zone element, which is still under discussion.

Key Elements of Growth Hub Enhancement programme:

- Client contribution model - 50% retrospective grant
- Utilising external specialist advisors to support growth /Jobs & GVA
- Client driven and demand led (advisor selection by company)
- Additional events/workshops
- Soft Landing zone – Inward Investment Specialist support (TBC)
- 11 regional 'Local Authority Account Managers' to engage with local businesses.
- Approximate targeted in depth business interventions – 400 / 3 years

Decision Point –

Agreement from the board that this approach is supported at full business case stage.

### **Innovation Centre of Excellence**

The overall design, aim, and objectives of the project to be delivered, has largely been agreed by the ICE panel. However the progression of the ICE project beyond the draft mandate has been stalled by SCR internal process until an approval system has been designed and approved by the performance team to deal with assessment and approval of all projects applying for Gainshare finance. Once a system has been approved, the mandate will first be submitted to the internal SCR Assurance panel for approval and will then be presented to the BGB.

In the interim, those responsible for the production of the draft ICE mandate are working with the SCR Head of Performance to ensure the project is ready to progress once the assurance process is deemed fit for purpose.

#### 4. Implications

##### i. Financial

Agreement on Allocation of Hub Funding to allow for Growth Hub longevity to 2022, in addition to slight increase in budget for the next 3 years.  
Confirmation for use of Growth Hub continuation funding as above and ESIF Enhancement therefore undertakes a contribution model as above resulting no need for significant match funds from Growth Hub budgets.

##### ii. Legal

Paper for update - No implications in this paper

##### iii. Diversity

Paper for update - No implications in this paper

##### iv. Equality

Paper for update - No implications in this paper

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Background papers used in the preparation of this report are available for inspection at: n/a	
Other sources and references: n/a	

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**SCR COMBINED AUTHORITY BUSINESS GROWTH EXECUTIVE BOARD**

**19<sup>TH</sup> APRIL 2016**

**SPOKE UPDATES**

**Purpose**

The Board is asked to note the SPOKE updates and is invited to identify further issues for attention arising out of the report.

**Inward Investment**

**Policy Objectives**

Supporting the creation of 10,000 new additional jobs by 2025 across the whole of the SCR and in collaboration between the SCR Invest team and local authorities. This is broken down via:

- Attracting 160 new foreign-owned companies to invest in the SCR, creating 4,000 additional jobs, and
- Supporting 300 existing foreign-owned companies to expand higher up the value chain, creating 6,000 additional jobs

**Progress/Key Milestones**

2015/16 headline investment figures for the SCR

The FDI figures for 2015/16 are still in the process of being fully confirmed by UKTI. Nonetheless, headline figures for this year are encouraging:

<b>2015/16</b>	
<b>Projects</b>	43
<b>Expected jobs</b>	1,365
<b>Approximate investment anticipated</b>	£100m

It is also worth noting from the above that there is a reasonable balance in these figures between domestic and overseas investment as demonstrated below:

<b>2015/16 Domestic</b>	
<b>Projects</b>	21
<b>Expected jobs</b>	352
<b>Approximate investment anticipated</b>	£15m

**2015/16 Foreign**

<b>Projects</b>	22
<b>Expected jobs</b>	1,013
<b>Approximate investment anticipated</b>	£82m

Key points to note from the above split is that the figures compare favourably to 2014/15 and there is a good spread of investment projects across the whole of the SCR.

The investment pipeline for 2016/17 and beyond is also looking positive. Highlights below include:

<b>Potential projects</b>	<b>Expected jobs</b>	<b>Anticipated investment (£)</b>
Peak Resort	1,300	£400m
Confidential Aerospace Project	1,000	£160m
Confidential Automotive Project	TBC	TBC
Hitachi	160	£70m
Ikea	400	£60m
Extra MSA Services Ltd	300	£45m

Key points to note in relation to the investment pipeline include:

- Positive position for the SCR going forward with a number of key investment projects potentially set to land
- SCR positioning itself as one of the key players in the Northern Powerhouse and will be in prime position to attract further investment going forward
- SCR will continue to use the key assets e.g. AMP/Business Park, Olympic Legacy Park, iPort/Airport, Markham Vale to promote the region on a national and international basis
- AMID beginning to play a key role in attracting new investment in to the region acting as a focal point going forward

Detailed work is being undertaken by the SCR Invest team to implement audit procedures for evidencing jobs created as a direct result of these investments into the SCR.

#### MIPIM

The SCR attended MIPIM 2016 in Cannes, France. A dedicated weekly programme of activity and events was undertaken to promote the SCR as a destination for investment. Around 100 interactions were made during the course of the MIPIM week and the Advisory Group have requested a programme of activity to be developed on planned follow-up activity on these potential leads.

#### Sector priorities

Priority sectors for the SCR Invest team for 2016/17 include:

- Advanced engineering – including aerospace, automotive and energy
- Logistics – particularly aviation with the Doncaster Sheffield Airport developments and rail freight with the Iport site
- Medical – especially in relation to developments such as the Advanced Wellbeing Research Centre and Olympic Legacy Park
- Food & drink – in collaboration with Chesterfield ahead of the Peak Park development
- Business, professional and financial services – specifically in relation to ‘north-shoring’
- Digital

The Advisory Group have requested that a pipeline document is developed in relation to this sector activity so that progress can be monitored and reported against

#### Marketing

Marketing material for the SCR has been reviewed and updated in recent months, including the development of new brochures, website refresh and increased social media activity. A marketing

strategy has also been developed to provide a sharply focused, proactive and sustained approach to marketing investment opportunities across the SCR. The SCR is focused on a step change in the marketing of our investment propositions.

### **Risks & Issues**

- Local authority teams continuing to engage and follow up on actions in line with the agreed model
- Prospective investments get over the line and are secured

### **Social Inclusion**

Through the creation of additional employment opportunities as a direct result of inward investment activity the SCR team will work with prospective investors, existing foreign-owned companies and the SCR Skills team to ensure that these employment opportunities are as accessible as possible to people located in the SCR, including those who are socially disadvantaged and continue to work to upskill the existing labour force to attract additional investment to the SCR

### **Next Steps**

- Continue to work with local authority colleagues to get prospective investment deals over the line
- Follow up on agreed actions by SCR Invest Advisory Group
- Development of Project Mandate for SCR Investment

### **Export**

This is being covered in the agenda item on 'What Good Looks Like'

### **Policy Objectives**

By 2025 to have:

- Supported 2,150 new exporters, and
- 900 experienced exporters to exploit new overseas markets

### **Progress/Key Milestones**

#### Quarterly export data

In line with a partnership agreement drawn up between SCRIPT partners we are now receiving quarterly export data from both UKTI and Chambers of Commerce. Whilst this data needs further interrogation it does represent progress in terms of partnership relationship development and the willing sharing of information. There is further progress to be made on this but it provides the SCR with an outline baseline of export data.

The SCR export data for January – March 2016 shows the following:

<b>Jan – March 2016</b>	<b>Number of exporters supported</b>	<b>Number of new exporters supported</b>	<b>Export volumes (£)</b>	<b>Top export countries by volume</b>
SCR wide (UKTI)	259	23	£5.093m	USA Thailand Japan

Doncaster (Doncaster Chamber)	92	10	£16.5m	UAE Saudi Arabia Egypt
Barnsley & Rotherham (Barnsley & Rotherham Chamber)	193	?	£10.639m	TBC
Sheffield (Sheffield Chamber)	573	20	£33,854,017.21	UAE Egypt Turkey India Kuwait Saudi Arabia
<b>TOTAL</b>	<b>1,117</b>	<b>56</b>	<b>£66,086,017</b>	

## Risks & Issues

- ESIF International Trade Programme delays – issues around UKTI securing the necessary match-funding
- Project Mandate for SCR Export Programme – discussion and feedback from SCR Appraisal Panel. The importance of the internationalisation of our business base needs emphasising at a strategic LEP level

## Social Inclusion

Through the creation of additional employment opportunities as a result of increased business growth from increased export sales the SCR will do all that it can to ensure that these employment opportunities are as accessible as possible to people located in the SCR, including those who are socially disadvantaged and continue to work to upskill the existing labour force to support increased export sales from the SCR

## Next Steps

- Development of Project Mandate and Outline Business Case for SCR Export Programme

## Access to Finance

### Policy Objectives

As set out in the Strategic Economic Plan our aim is to enable more companies within the SCR to access external finance to grow, modernise or sustain their operations AND support inward investment of strategic significance.

To achieve this aim the SCR will:

- develop a suite of financial products in order to address failure in the SME finance market and to support inward investment (“**product development**”)
- better coordinate and broker these products through the SCR Growth Hub (“**better coordination**” through the Growth Hub / AfCOE).

## Progress/Key Milestones/Next Steps

### Product development - NPIF

The key development activity relates to the development of a ~£406m **Northern Powerhouse Investment Fund** (NPIF) to provide loans and equity-linked investments to companies across the NPIF area.<sup>1</sup> Key updates are:

- The first NPIF Strategic Oversight Board met on 2 March 2016 and the second Board meeting takes place on 6<sup>th</sup> April 2016.
- The board has agreed a draft investment strategy for NPIF which will include a Micro Fund, a business loan fund, an equity fund and a 'seedcorn' fund (aimed at earlier stage companies).
- The Board has elected Nigel Brewster (Deputy LEP Chairman) as a member.
- The Board has elected Roger Marsh (Leeds City Region) as Chair.
- There was considerable debate about the extent to which the equity fund should be able to "follow its money" and what the maximum equity investment in any single company should be. A maximum of £2m has been agreed unless there are 'exceptional circumstances'.
- A Northern Powerhouse / NPIF brand has been agreed.

The next steps are that:

- Fund managers procured by ~16 May 2016.
- Contracts signed with fund managers ~20 June 2016.
- A 'live' fund by 04 July 2016 with first investments from August 2016.

### Product development – other

The SCR is working with other Yorkshire and Humber LEPs to explore the requirement for a creative content fund across the Yorkshire and Humber LEP areas. An external review has been commissioned, which will be reported to the BGB in due course.

### Coordination

AfCOE (the A2F 'spoke' of the Growth Hub) remains busy and is providing the first point of contact for enquiries relating to the LEP's Business Investment Fund. Latest KPIs are summarised below: AfCOE has dealt with 124 enquiries to date.

- 4 of these enquiries have led to grants, approved by the Business Investment Fund Programme board. This equates to £305,000 of grant funding: unlocking 2,472,000 of investment which is set to create growth leading to 52 new jobs.
- 5 companies have been supported to access finance through non-grant means: leading to £493,000 of direct investment.
- 53 projects are closed / no further action is being taken.
- The balances of the enquiries are open and are being progressed by members of the A2F team.

In addition to this, the BIF Board has recommended one significant (but commercially sensitive) inward investment project to the combined authority.

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<sup>1</sup> see: <http://british-business-bank.co.uk/ourpartners/northern-powerhouse-investment-fund/>

## **New Business**

### **Policy Objectives**

New Business is a key pillar of both the LEP's Strategic Economic Plan (SEP) and of the ESIF Strategy. The targets identified in the SEP and ESIF strategy that the New Business policy area will help to deliver are:

- An additional 6000 businesses required to reduce the enterprise deficit
- 70,000 jobs to close the gap with other parts of the country
- An increase in GVA in excess of £3billion to close the productivity gap

The objective of policy area is to enable the delivery of projects and programmes that will increase the number of people starting businesses in the City Region. By encouraging and enabling more people to start businesses in the SCR we will reduce the enterprise deficit which will increase the potential for private sector jobs and increase the economic output of the City Region.

### **Progress/Key Milestones**

The SCR Launch Pad is now contracted and delivery of the service has started.

An ICT call for proposals to deliver a connections and innovation voucher scheme has been drafted and supported by the ESIF committee.

The action for New Business from the last Business Growth Executive Board was to provide a recommendation for prioritisation for new business projects, the recommendation is as follows:

- Development of the Tech Sector, particularly around the City Centre, AMID and Rotherham.
- Incubation and Acceleration, building on the Maker Hub, Y-accelerator, universities and the facilities across the City Region, such as the BBIC, that can support growth businesses. This will support the development of the tech sector but also look at other sectors that could benefit and provide a high level of support for growth business in the SCR. The SCR policy team is commissioning a strategy that will specifically focus on how we can best develop incubation and acceleration services in the City Region.
- Networks and collaboration are crucial to a strong start-up ecosystem, therefore, developing the existing networks and further enabling collaboration will be a priority going forward.

### **Risks & Issues**

#### **Social Inclusion**

The Princes Trust are a delivery partner in the Launch Pad programme and will be delivering start-up support to Young People in South Yorkshire through this contract. They will also be delivering in the D2N2 districts via different contracts.

The Start-up Ecosystem Vision has a specific policy area to develop the entrepreneurial skills of young people and to encourage young people to see self-employment as viable career option. A good example of this in the City Region is the Sheffield Enterprise Pipeline and further activity will be undertaken to develop a City Region approach building on best practice across the SCR. Much of the activity to date has been aimed at achieving economic growth and targeting limited resources at start-up businesses with the greatest potential to grow. The projects and programmes that are being developed are open to all but they do not provide the type nor the intensity of support

that is required by those facing multiple and/or severe barriers to employment.

The Social Inclusion and Equalities Advisory Board have commissioned ESIF proposals for Social

The Social Inclusion and Equalities Board have commissioned the following ESIF activity:

- Inclusive Self-employment
- Sector Specific Support for Social and Community Enterprise.

These will provide the specialist and intensive support required for the target groups that will link with the Growth Hub.

### **Next Steps**

Work with partners on the NBP to lead the areas identified in the vision:

- Incubation and Acceleration
- Collaboration and Networks
- Entrepreneurial Skills

Create the research base so as to learn lessons from previously delivered programmes and projects. Complete the start-up eco-system canvas to map existing services across the city region.

Start to develop a programme of investments that will achieve the ambitions of the visions

Develop the web portal and start raise the profile of the new business activity. Include content on the website for the Start-up Ecosystem Canvass, Y-accelerator, and Launch Pad

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