

BUSINESS GROWTH EXECUTIVE BOARD

Date: Tuesday 23 August 2016

Venue: 11 Broad Street West, Sheffield

Time: 2.00 pm

AGENDA

Item	Subject	Method	Speaker	Page
	Introduction			
1	Welcome and Apologies	Verbal	Chair	
2	Minutes and Actions of the Previous Meeting	Paper	Chair	1 - 6
3	Declarations of Interest	Verbal	All	
4	Urgent Items/Announcements	Verbal	All	
	<u>Business Items</u>			
5	Inward Investment	Paper	David Campbell-Molloy	7 - 14
6	Growth Hub	Presentation	Dave Grimes	
	<u>Updates</u>			
7	ESIF Update	Verbal	David Campbell-Molloy	
	Growth Hub and Spoke Updates			
8	<ul style="list-style-type: none"> • Export • New Business • Access to Finance 	Paper	All	15 - 20

Item	Subject	Method	Speaker	Page
<u>Actions & Forward Planning</u>				
9	Agree Actions	Verbal	Chair	
10	Agree Items for Combined Authority Meeting 12 September 2016	Verbal	Chair	
11	Any Other Business	Verbal	All	

SCR BUSINESS GROWTH EXECUTIVE BOARD

12 JULY 2016

BROAD STREET WEST, SHEFFIELD

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) Gavin Baldwin (LEP / Doncaster Rovers)</p> <p>Apologies were received from Cllr Lewis Rose (DDDC), Cllr Julie Dore (SCC,) Dan Swaine (BoDC / NEDDC), Julie Kenny (Pyronix), Keith Jackson (JRI), Lloyd Snellgrove (SHU), Steve Mawson (DMBC)</p> <p><u>In Attendance</u> Andrew Gates, SCR Executive Team David Grimes, SCR Executive Team David Campbell-Molloy, SCR Executive Team Richard Holmes, SCC / SCR Executive Team David Hewitt, SCR Executive Team Lee Viney, SCR Executive Team Andrew Denniff (BRCoC) Edward Highfield, Sheffield City Council Chris Scholey, DB NHS FT Giles Searby, Keeble Hawson William Beckett, ITF Christian Foster, DMBC Craig Tyler, Joint Authorities Governance Unit</p> <p>For item 5 – Richard Scaife, AMRC</p>	
2	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 31st May were agreed to be an accurate record of the meeting.</p> <p>The following matters were noted as arising:</p> <p>2.9. <u>Minutes of the Previous Meeting</u></p>	

	<p>Action David C-M to arrange for the incorporation of the SCR Investment into the dashboard reports.</p> <p>5. <u>Finance Yorkshire Proposal</u></p> <p>It was reported the CA had endorsed the proposed plans for ‘bridging’ the potential funding regime gap ahead of the introduction of NPIF from January 2017. It was noted the next step will be to determine what an appropriate market loan rate might be.</p>	DCM
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>No urgent items were requested.</p>	
5	<p><u>Lightweighting Centre (LWC) / AMID</u></p> <p>The Board was presented with the outline project mandate for the AMRC Lightweight Centre project and asked to consider whether to endorse officers working up an outline business case for the project.</p> <p>It was noted the AMRC’s Lightweighting Centre is the next major development planned for the Sheffield Business Park, which together with the AMP would be the catalyst for the wider SCR Innovation District. And the place for leading manufacturers to come for industrially relevant, research, technology development and demonstration; and industrial collaboration. It was suggested that critical to the success of AMID is the continued prioritisation of innovative industry focussed research, attracting high tech businesses who can exploit the advantages gained by locating in close proximity to world class facilities.</p> <p>The Board was informed the Lightweighting Centre is directly relevant to growth industries including aerospace and automotives, and will expand the advanced materials capabilities of SCR’s manufacturing research cluster, giving a further competitive strength to the region and the AMID concept. This facility will support manufacturing companies within the SCR and attract global companies, providing access to the tools, technologies and knowledge transfer needed to exploit the commercial opportunity of increased demand for lighter, greener, cheaper materials.</p> <p>In discussion, comments by members noted:</p> <ul style="list-style-type: none"> • There is no indication ‘brexit’ will affect the feasibility of the project in any known context. • An expectation there will be no double counting in the job creation figures in respect of wider AMID developments. • A request to know more about how various sectors would be engaged / inspired by LWC. • The timescales appear to be very challenging and would 	

	<p>take up a significant proportion the available Gainshare funding (despite discussions still ongoing regarding how and where Gainshare should be invested)</p> <p>The Board acknowledged the potential significance of this project but recognised the need to see this within the context of there being numerous other potentially significant projects across the SCR geography, and the limitations of increased but still finite funding.</p> <p>It was suggested it may be beneficial to have a separate session at some stage to look at potential major investment opportunities in more detail.</p> <p>Action: Andy to consider what form this may take.</p> <p>RESOLVED:</p> <p>1. That the Board endorse the Lightweighting Centre Project Mandate being progressed to outline business case</p>	AG
6	<p><u>Performance Reporting</u></p> <p>The Board was presented with a paper setting out a proposal for how performance will be reported to the Business Growth Board in the future.</p> <p>Members were asked to note the introduction of 2 key elements; an outward-looking performance report focussing on the key elements of the Business Growth Board (BGB) Business Plan, and a 'dashboard' to provide an update on projects funded by or directly within the remit of the BGB.</p> <p>It was requested that dashboard reports be presented quarterly (i.e. every other meeting).</p> <p>The Board identified the need for a pan-SCR, pan-thematic definition of the red-amber-green classifications used in the dashboard reports.</p> <p>RESOLVED: That the Board</p> <p>1. Endorses the approach proposed in the report and agrees the proposed approach will support the BGB in fulfilling its role in the future.</p>	
7	<p><u>Growth Hub Progress</u></p> <p>A paper was presented to provide an up to date summary of progress in implementing/delivering the Growth Hub and present an opportunity for the Board to consider key areas of focus for the coming months.</p> <p>The Board was asked to note specific progress around Gateway Transition, the Growth Hub Enhancement Programme Development, staff recruitment, marketing and PR, website and dashboard / reporting.</p>	

	<p>Members considered the issues of vacancies in detail and what actions might be taken to address posts not being filled.</p> <p>Regarding the Head of AFCOE post, it was noted this has already been regraded upwards but this hadn't generated significant, additional interest in the vacancy and yet another regrade wouldnt necessarily be the best appropach. Ity was noted that 'the plan B' was for Andy McKenna to remain in post until a change was required.</p> <p>Considering Growth Hub website activity, members requested more information to explain where hits are coming from (geographically) and where the go after leaving the site.</p> <p>Action: David G to provide some additional analytical information to context web activity.</p> <p>It was confirmed the LA Account Managers (as referenced in the report) are not new posts. These are based in the LAs but are ESIF funded. The Board acknowledged the potential for duplication with Chamber of Commerce activity and efforts in place to mitigate this from happening i.e. mutual usage of CRM data</p> <p>The board agreed the need for a 'stock take' of Growth Hub activity to review where we are after ten months on the role and what progress has been made against what we want to achieve.</p> <p>Action: David G to pull together a small Review Group (c. 6 people) over the summer.</p> <p>Action: ALL to note interest in being part of the Review Group to the Chair</p> <p>The Board members thanked and congratulated David and his team on the work done to date to develop the Growth Hub.</p> <p>RESOLVED:</p> <p>1. That the Board notes the updates provided</p>	<p>DG</p> <p>DG</p> <p>ALL</p>
8	<p><u>Horasis</u></p> <p>The Board was asked to note the intention of the SCR LEP to deliver the Horasis China 2017 conference.</p> <p>It was noted the conference would attract around 350 delegates from China, comprising senior executives of major Chinese institutions. This conference is of national scale and scope and would generate significant direct and indirect benefits to the SCR.</p> <p>Members were asked to note the recommendation of the Combined Authority for the Business Growth Executive Board to lead governance</p>	

	<p>partnership developments for Horasis.</p> <p>RESOLVED, that the Board:</p> <ol style="list-style-type: none"> 1. Endorse the intention to host the Horasis 2017 conference. 2. Endorse the proposal for the Business Growth Executive Board to provide the governance for the Horasis 2017 conference to ensure that the full benefits of hosting this event in the SCR are fully maximised 	
9	<p><u>Brexit: Assessing the Impact on the SCR</u></p> <p>The Board was provided with a presentation on the potential impacts of brexit,</p> <p>It was requested that a copy of the presentation be circulated.</p> <p>Action: David H to circulate</p> <p>The information presented covered the immediate after-effects of the decision to leave, the likely consequences for the UK and the SCR economies, some specific policy consequences and how the SCR might need to position itself to respond.</p> <p>In consideration of the points raised, the Board discussed the opportunity to take a more positive stance on the potential consequences of brexit and see this as a means of maximising the positives as well as mitigating the negatives. By way of an example, the Board discussed acknowledged shortfalls with the Horizon 2020 initiative and suggested a revised funding and governance regime might be used to increase the amount of SME engagement with innovation.</p> <p>The group acknowledged the potential for short term uncertainty to affect government decisions on funding and the need to understand how these might directly and indirectly affect initiatives such as Northern Power House and also local supply chains.</p>	DH
10	<p><u>Growth Hub and Spoke Updates</u></p> <p>A report was presented to provide an update on the key areas of activity within the “spokes” of the Growth Hub (export, new business and access to finance).</p> <p>It was requested that TechTown (URBACT) updates be included in future reports.</p> <p>Action: David G to make arrangements</p>	DG
11	<p><u>Date of Next Meeting</u></p> <p>Tuesday 23rd August 2016, 2.00pm at Broad Street West, Sheffield.</p>	

BUSINESS GROWTH EXECUTIVE BOARD

23rd AUGUST 2016

QUARTERLY INWARD INVESTMENT UPDATE

Purpose

The Board is asked to note the quarterly Inward Investment Update. Members are invited to identify any further issues.

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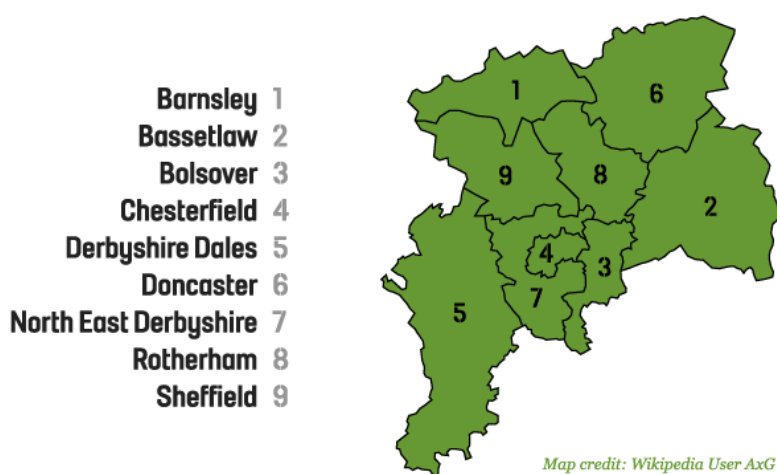
SHEFFIELD CITY REGION QUARTERLY INWARD INVESTMENT UPDATE

JULY 2016

1. Strategic Objective

The Sheffield City Region Strategic Economic Plan (SEP) emphasises the importance of inward investment to realise the aims and objectives of the SEP by 2025. Around 1 in 7 of the SEP jobs creation target is attributed towards inward investment, approximately 10,000 jobs. The delivery and achievement of this target is split by:

- 4,000 jobs created through supporting 300 foreign-owned companies already located in the SCR to grow¹
- 6,000 jobs created through the attraction of 160 new investors to the SCR²



2. Quarterly activity

Investment attraction

The SCR Invest team have this quarter promoted the SCR at the 2016 Global Petroleum Show in Calgary, Canada. This coincided with the Master Cutler’s Trade Mission to Canada which was supported by a business delegation from the SCR totalling 7 firms. A dedicated programme of activity was established with the Government of Alberta to support the trade mission including business receptions, briefings and dedicated business appointments.

SCR Invest events planned for the remainder of 2016/17 include:

Event	Date	Location
International Festival for Business	June 2016	Liverpool, UK
Farnborough Air Show	July 2016	Farnborough, UK
X3 North Shoring Events	TBC	London, UK
Innotrans	September 2016	Berlin, Germany
European 3PL Summit	October 2016	Venlo, Netherlands
MIPIM UK	October 2016	London, UK
Arab Health	January 2017	Dubai
Logistics Leaders	February 2017	Doncaster, UK
MIPIM France	March 2017	Cannes, France

¹ Based on each foreign-owned company expansion creating on average 20 jobs

² Based on each new investor creating on average 25 jobs

Foreign-owned companies

There are currently two main strands of work that we are working on in partnership with UKTI colleagues

UKTI Business Development Team:

The team met with Local Authority partners and have been working together to identify foreign owned companies within their areas, which they have previously had no interaction with. The aim is to “open doors” for the local teams, which will lead to new relationships being built with existing foreign owned companies, leading in turn to new investment projects being identified. We are working closely with UKTI to manage this piece of work and to ensure communication between UKTI, SCR and LA Partners is maintained

Key Account Management (KAM):

We have tasked our UKTI Partnership Manager with the job of collating KAM information from Local Authority partners for their foreign owned companies on a monthly basis. This was initiated a couple of months ago and we are beginning to build up a picture of the situation across the region. We have asked for the information to be collated in to a report so we can monitor the following:

- a) The Local Authority partners that are responding and those that aren't on a monthly basis.
- b) The companies that they have engaged with.
- c) When the companies have been engaged with

This will help us to identify gaps in provision and response rates and help to build a case for additional KAM resource going forward.

Strategy and policy

Within UKTI more broadly there has been a strategic review undertaken on the department's structure and way of working going forward. On the investment side, the delivery contract has been handed over to Ernst & Young for an initial 12 month period. A Director of Exports & Investment for the Northern Powerhouse has been appointed and they are expected to take up their new role commencing 1st August 2016. The SCR will continue to play a strong and active role with this individual and the Northern Powerhouse team within UKTI to continue to drive up investment into the city region.

Marketing and communications

The SCR Executive Team is currently going through an internal restructure with a centralised marketing, communications and events team being established to develop a Marketing and Communications Plan for the SCR and to manage an annual programme of small but strategically significant number of events. Both MIPIM UK and MIPIM France form part of this events programme. The success of MIPIM France 2016 will be built upon with Counter Context being retained to focus on accumulating increased private sector sponsorship and driving investors to the programme of SCR events. Overall management and delivery of the SCR programme will be held centrally within the SCR marketing and events team. The private sector steering group will continue to steer the MIPIM programme, and be chaired by Martin McKervey as LEP Board Member, with the CA overseeing the entire commissioning process.

3. Ongoing Investment enquiries

The SCR team is currently involved in 53 live projects across a range of sectors including advanced manufacturing and engineering, healthcare technologies, logistics, digital and business, professional and financial services. The caveat that comes with the below information is that the SCR is often reliant on our local authority partners to provide information. Priority projects for the SCR team include:

Project	Detail	Probability of landing	Comments
3 rail manufacturers (Spanish, German and Chinese)	All OEMs. If one of these companies wins the DfT contract to build new trains one of them could come to the SCR	Medium	Won't see any initial investment until 2017, and jobs before 2019
Irish Software Company	An acquisition which will initially safeguard jobs	High	Due to sign this month
Italian Manufacturing Business	Established Italian business based in Chesterfield who are looking to move to Markham Vale	Medium	Working with local partner
American Manufacturer	Armoured vehicle manufacturer looking at the UK	Medium	50-100 jobs estimated
American sub-assembly vehicle manufacturer	SCR up against Wales devolved administration who are throwing a lot of incentives at them	Low	40 jobs estimated
Irish Business and Professional Services Company	High growth IT services company with operations in US, Poland, Ireland, Netherlands and UK	Medium	100 high skilled IT jobs
Italian Automotive Manufacturer	Supplier into high quality components in the automotive sector. Clients include Ferrari, Lamborghini and Red Bull racing	Medium	Unknown number of jobs
UK Creative and Digital Company	Film financiers looking at the creation of studio space and an education facility in Sheffield	High	Unknown number of jobs
German Business and Professional Services Company	German owned company already based in Chesterfield looking at expansion	Medium	Creation of 200 jobs
PRS	Working through Cushman Wakefield to consolidate their operations in one location	Medium	Creation of 200 jobs

It is also worth noting that a number of logistics projects are likely to happen this financial year. For example, we expect one to announce an additional site at Markham Vale, with two more possibly signing at the iPort in Doncaster.

Brexit

The outcome of the EU referendum has understandably created a degree of uncertainty in relation to both existing and future inward investment. UKTI and Government more broadly are working to reassure existing investors to the UK about the opportunities in post-Brexit Britain. In particular, UKTI and SCR are working together to:

- Ensure we speak to our foreign investors with minimum duplication
- Share the intelligence we collect, and
- Put together a plan for countering the activity of competitors who are trying to entice our foreign investors away

The SCR is working with UKTI key account managers and our local Partnership Manager to audit what contact has been made with existing foreign investors to date and share intelligence so we can develop a joint plan of action. Brexit poses a risk to the SCR that needs to be flagged and monitored closely. This is an issue that will inevitably be ongoing and we will update public and private sector members of the LEP/CA on a regular basis.

UKTI's initial communications have sought to reassure the markets. Key messages include:

The state of the British economy

- Britain's economy is one of the strongest major advanced economies in the world, and is well placed to face the future. The UK remains a great trading nation
- The UK has low, stable inflation and the employment rate remains the highest it has ever been
- The budget deficit is down from 11% of national income, forecast to be below 3% this year
- The financial system is substantially more resilient with capital requirements for the largest banks now 10 times higher than before the banking crisis
- HM Treasury, The Bank of England and other financial authorities have spent the last few months putting in place robust contingency plans
- The Bank of England stress tests have shown that UK institutions have enough capital and liquidity reserves, and the Bank can make available £250 billion of additional funds if it needs to support banks and markets
- Retention of economic links with our European neighbours, North America and the Commonwealth, and important partners like China and India and others worldwide

Messages to businesses

- The UK remains a great place to do business and we have a strong history as a proud trading nation
- The UK is the highest ranked major economy in terms of ease of doing business
- The World Economic Forum Competitiveness Report assesses the UK to be in the top 10 for global competitiveness
- The UK is home to 18 of the world's top 100 universities, and 4 of the top 10
- The UK's corporation tax rate of 20% is the lowest in the G7 and joint lowest in the G20, and will fall to 17% by 2020

- The UK has the best superfast broadband coverage of any major European economy
- The UK has a large, integrated transport system which includes the second largest ports industry in Europe, the largest air transport system in Europe and the most improved rail network in the EU
- The UK actively welcomes entrepreneurs and has visas for those who wish to invest in the UK
- The UK is still a member of the EU. Until Article 50 is invoked, the UK will continue to engage with EU business and be engaged in EU decision-making
- There will be no immediate changes in the circumstances of British citizens living in the EU, nor for European citizens living here, nor in the way people can travel and in the way our goods can move or services can be sold

What matters to investors?

It is worth noting that the Ernest & Young 2016 Attractiveness Survey (published 24th May 2016) identified the following reasons (in ranked order) as being important to investors:

- Quality of life, diversity, culture and language
- Education
- Social stability
- Telecommunications infrastructure
- Labour skills
- Stable and transparent political, legal and regulatory environment
- Access to other overseas markets
- Strength of domestic markets
- Transport and logistics infrastructure
- Entrepreneurial culture

It is also interesting to note that 2 out of every 3 of the UK's FDI projects come from outside of the EU, and 3 out of 4 of the FDI projects that the UK is targeting are from non-EU countries.

4. Investment successes

The breakdown for SCR FDI successes for 2015/16 is shown below. These figures are in the process of being confirmed by UKTI and will be included in the UKTI LEP end of year report due to be released shortly.

2015/16 SCR FDI Successes		
Local authority area	Number of projects	Jobs anticipated
Sheffield	8	319
Doncaster	7	451
Barnsley	5	107
Rotherham	4	51
Derbyshire Dales	1	100
Chesterfield	1	1
Total	26	1029

There have been a limited number of investment successes this year, with the uncertainty surrounding both the EU referendum and the outcome of the vote delaying and potentially postponing investment decisions. This is a significant risk to the SCR and one which needs to be monitored closely. One notable investment success story is the automotive parts manufacturer Ferdinand Bilstein UK relocating its distribution operations in Kent and Pontefract to Markham Vale. This is set to bring 400 jobs to the City Region.

5. Investment losses

In addition to potential investment losses for the SCR as a result of Brexit and the uncertainty this has created the following are worthy of note at this stage:

- Biopharma Company that decided against going to the Advanced Manufacturing Park. The reason for this loss following feedback from the company was the lack of incentives on offer. The SCR was unable to persuade the company to meet with ourselves to discuss what they wanted and put together an incentives package which the Devolved Administrations subsequently did. They were also not keen on some of the AMP tenants claiming they were not green industries.
- House of Fraser: decided against investment in the SCR as concern about the availability of labour, particularly seasonal workers in the Christmas build-up period.

Report Authors: David Campbell-Molloy, Economic Policy & Delivery Officer

Matthew Payne, Investment Coordinator

Officer responsible: Rachel Clark, Investment Director, SCR Executive Team

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SCR COMBINED AUTHORITY BUSINESS GROWTH EXECUTIVE BOARD

23rd August 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

Export

Policy Objectives

By 2025 to have:

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

Progress/Key Milestones

ERDF International Trade Programme

We continue to await notification on delivery commencement of our ERDF International Trade Programme. As with all other ERDF and ESF (ESIF) programmes the outcome of the EU referendum has placed added uncertainty onto these programmes, with different programmes waiting to be signed-off by Government. Our International Trade Programme has gone through due diligence and contracting phase and is awaiting sign-off. Although all of the current indications coming out of Whitehall is that those programmes that are at an advanced stage are not at risk, the continued delay in signing these off is causing concern and uncertainty. We are continuing to lobby Government to request clarification on this as a matter of urgency but one suggestion is that the departmental change over from UK Trade & Investment (UKTI) to the Department for International Trade (DIT), who are providing the match-funding for the programme, is causing particular delays to delivery.

As a reminder, this £1m programme will provide both additional resource support and delivery capacity for our exporters to 2019, including:

Resource

- An Export Coordinator, to be located within the SCR Growth Hub, to work with partners and intermediaries to improve the reach and take-up of export support services, simplifying the export customer journey and avoiding duplication through the development of client journeys and pathways to meet their export needs
- An additional International Trade Advisor to support our high growth export potential small and medium sized enterprises to export

Delivery

- Marketing and communications export activity e.g. generic and sectors
- Match-funded export grants to de-risk and/or accelerate export activity

SCR Export Development Programme

Following feedback from the SCR Appraisal Panel and input from the Business Growth Executive Board the developing SCR Export Development Programme has been further refined so that it is specifically targeted at where it adds value and plugs gaps in existing export support so that it is at the required scale to deliver against our export objectives, does not duplicate and/or confuse the support landscape further and, in line with Growth Hub principles and provides the most intensive support to those businesses that have the greatest export potential. The outline programme is being developed into an outline business case.

Roundtable sessions have been held with SMEs in the healthcare technologies and food and drink sectors to talk in more detail about the barriers they face to either begin exporting, or exporting further. Encouragingly, the principles and support ideas behind the Export Development Programme were warmly welcomed by both focus groups to date, with the businesses involved telling us that this would be a programme they would be very interested in taking advantage of should it become available. Critically, the consistent barrier that has been identified amongst these companies has been dedicated internal export capacity to focus purely on export-related activity. This is something that has been captured and built into the Project Mandate that is awaiting the green light to progress to Outline Business Case.

Export Centre of Excellence

Our Growth Deals and Devolution Deal commit the SCR to developing an Export Centre of Excellence (ECE) as a spoke of the Growth Hub. The policy intention being to bring together existing support so that businesses receive a joined-up and objective service. This includes the key principles of:

- Co-location
- Joint marketing
- Joint customer acquisition
- Common diagnostic
- Objective support packages

Progress is being made in some of these areas but not all, as some of these components are tied into the ERDF programme e.g. Export Coordinator post and marketing. SCRIPT continue to advise and bring partners and stakeholders together and mapping existing service provision is being undertaken again to bring existing service delivery up to date through the Growth Hub website. Commissioning programme activity to fill gaps is included as part of the SCR export offer and this is where we see the Export Development Programme (above) meeting this requirement.

Risks & Issues

- Department for International Trade (now replacing UKTI) strategic review being undertaken, and potential implications for future service provision in the SCR
- Export support needs to be identified as a priority through the SCR prioritisation process. There is a need for revenue funding to become available and be released to
- ERDF International Trade Programme delivery continuing to be delayed. No announcement coming out of CLG which is continuing to cause uncertainty about the likelihood of this activity getting underway. EGS potentially having to go through a redundancy procedure if clarification is not provided in the next few weeks

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

Further development of Outline Business Case for SCR Export Development Programme and Export Centre of Excellence development through SCRIPT

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

- Development of the Tech Sector
A brief has been drafted to undertake research into the Sheffield City Region's Digital Economy. The research is being developed and funded by the SCR Exec Team, Sheffield City Council and both Sheffield Universities.
- Incubation and Acceleration Sub-group
The Incubation and Accelerator group have drafted the key elements of the Accelerator Strategy that will be drafted.

The UKSE Y-accelerator programme received 33 applicants which have been assessed and taken onto the programme.
- The undergraduate has been appointed and started the research into networks and events that are operating in the Sheffield City Region.
- Entrepreneurship and Collaboration group has drafted a Youth Entrepreneurship paper that identifies the gaps in provision and potential activity to increase entrepreneurship in the SCR.
- It has recently come to our attention that the KTN Entrepreneurs Network has had its funding withdrawn, we have received a report on the gap that has been left and are investigating the benefits of continuing something similar on an SCR geography.

Risks & Issues

Managing the emerging work with existing activity and ensuring that new programmes are joined up and provide additionality.

That the resources are slow coming forward and potentially losing access to EU funds.

Social Inclusion

In addition the activity being delivered by the Princes Trust through the Launch Pad programme the Entrepreneurship group have identified gaps and activity that will support young people currently, and at risk of being, NEET through self-employment.

Next Steps

Work with the Skills team and external partners to undertake the research into the digital economy. Work with the Skills team to develop entrepreneurship programmes for young people, pre-18 years old

Work with the Accelerator group to write the Strategy and develop a ESIF call for proposals for an ERDF funded Accelerator 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

BIF programme

On 22nd June 2015 – CA approved the investment strategy for “BIF”. There are two sub-funds:

- Support for inward investment - £26m.
- Grant support for indigenous companies - £26m.

12 projects approved to far:

- £16.01m BIF (including ‘Project mercury’).
- Forecast £77.1m investment
- ~847.7 plus 67 (really) safeguarded jobs.

Northern Powerhouse Investment Fund

£406m loan and equity fund managed by the British Business Bank. The SCR has a £15m interest and sits on the Strategic Oversight Board for the fund. Fund management procurement taking place. Uncertainties over future ESIF funding a major risk (see below).

Content funding

The four Yorkshire LEPs commissioned an independent report, providing an assessment of whether (or not) the LEPs should invest in a creative content fund (to fund film/screen productions). The conclusion of the LEPs in light of this report is that no further action should be taken. A copy of this report is available on request.

Risks & Issues

Northern Powerhouse Investment Fund

The Northern Powerhouse Investment fund relies on ~£50m of ESIF funding:

- SCR - £15m ESIF
- Leeds CR - £18.66m
- York, North Yorks & East Riding - £7m
- Humber £5.7m
- Contribution from legacy funds (i.e. SYIF) £3.64.

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

In light of 'Brexit' – there is uncertainty over the status of these funds – and it is safe to assume no funding will be available after 2018. The LEP Chairman is writing/ has written the Sajid Javid to raise the importance of NPIF, and requesting urgent clarification of the funding position.

Social Inclusion

No direct impacts.

Next Steps

A "ex ante" has been commissioned/ will be commissioned to assess the case for using unallocated ESIF funds / devolved funds to support CDFI lending in the SCR. A report will be provided to the BGB where there are significant conclusions on this matter.

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