

BUSINESS GROWTH EXECUTIVE BOARD

Date: Tuesday 4 October 2016

Venue: 11 Broad Street West, Sheffield

Time: 2.00 pm

AGENDA

Item	Subject	Method	Speaker	Page
	<u>Introduction</u>			
1	Welcome and Apologies	Verbal	Chair	
2	Minutes & Actions of the Previous Meeting & Matters Arising	Paper	Chair	1 - 6
3	Declarations of Interest	Verbal	All	
4	Urgent Items/Announcements	Verbal	All	
	Business Items			
	<i>Business Case Endorsement</i>			
5	Growth Hub Full Business Case	Paper	D Grimes	7 - 18
6	Growth Hub ESIF Enhancement Contractual Outputs	Paper	D Grimes	19 - 22
	<u>Updates</u>			
7	Business Growth Update	Presentation	D Grimes	
8	SPOKE Update	Paper	D Hewitt	23 - 26
9	Quarterly Inward Investment Update	Paper	R Clark	27 - 34

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Actions & Forward Planning

10	Agree Actions & Summary for Resolution Log	Verbal	Chair	
11	Any Other Business	Verbal	All	

DATE OF NEXT MEETING - 15 November 2016

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

4th October 2016

APPRAISAL PANEL BUSINESS CASE RECOMMENDATION

Purpose of Report

In line with the Sheffield City Region Single Assurance Framework, projects seeking CA funding have been considered and recommended for Executive Board endorsement, prior to presentation to the CA.

This cycle the Full Business Case (FBC) for four projects seeking Full Approval and Award of Contract has been reviewed by the SCR Appraisal Panel.

The technical recommendation for the Growth Hub Tools is now presented for consideration.

Thematic Priority

The Business case for the SCR Growth Hub is a cross cutting thematic priority primarily focussed on achieving priorities:

1. *Ensure new businesses receive the support they need to flourish.*
2. *Facilitate and proactively support growth amongst existing firms.*
3. *Attract investment from other parts of the UK and overseas, and improve our brand and*
4. *Increase sales of SCR's goods and services to other parts of the UK and abroad.*

Freedom of Information

This paper is not exempt under the Freedom of Information act 2000

[Part II of the Freedom of Information Act 2000](#)

Recommendations

Consider and endorse progression of SCR Growth Hub to Full Approval and Award of Contract at a cost of up to £5.32m, subject to the conditions set out in the Project Approval Summary Table attached at Appendix 1. Noting that endorsement of this recommendation is subject to consideration and approval by the SCR CA.

1. Introduction

Assurance Framework

- 1.1** The SCR Assurance Framework requires that all schemes seeking investment undergo a thorough and proportionate scheme appraisal following the Treasury Green Book approach.
- 1.2** Before papers are submitted to Executive Boards an independent technical appraisal has been undertaken and reviewed by a panel of Officers representing the Statutory Officers of the SCR Executive. Where appropriate, due to the scale /risk and complexity of the project, this is supplemented by external appraisal from a panel of Consultants referred to as Central Independent Appraisal Team (CIAT).
- 1.3** The technical appraisal will scrutinise the business case documents submitted by scheme promoters to ensure completeness and test the responses to each of the 5 cases (Strategic, Economic, Financial, Management and Commercial) and will present their findings for each case and the project overall.
- 1.4** These findings will inform the s151 Officers view regarding the Value for money Statement and the Monitoring Officers view regarding the relative risks of the scheme presented.
- 1.5** This cycle the Full Business Case (FBC) for four projects seeking Full Approval and Award of Contract has been reviewed by the SCR Appraisal Panel;
- SCR Growth Hub (BGEB)
 - SCR Strategic Testing Tools (HEB / TEB / IEB)
 - Enterprise Zone (EZ) Accelerator Fund (IEB)
 - SCRIF – Chesterfield Northern Gateway (IEB)
- 1.6** The technical recommendation for the Growth Hub is now presented for consideration at cost of £5.32m to the SCRCA

2. Proposal and justification

- 2.1** The Business Growth Executive Board (BGEB) are asked to consider the recommendation to progress the scheme business cases to Full Approval and endorse the entering into Contracts as required at a cost of up to £5,320,000.
- 2.2** The Growth Hub pilot commenced in 2015/16 and has now successfully transitioned into its operational phase having successfully secured approvals from the SCRCA to fund individual elements for delivery.
- 2.4** During 15/16 the Continuation fund was received in addition to the Pilot and LGF funding resulting in a revised total funding allocation of £5.32m
- 2.5** The Full Business case has been assessed at this revised value for all elements (including the Pilot) so as not to disaggregate the value of benefits although it is understood that spend approvals are already in place to cover a significant element of the business case.
- 2.6** Growth Hub full launch activity being successfully delivered through a number of significant programmes including RISE, Launchpad, Y-Accelerator, utilising funding from LGF and ESIF.

3. Consideration of alternative approaches

- 3.1 Alternative approaches including do nothing and do less were considered as part of the options appraisal in the Economic Case of the FBC, all of which were not viable alternatives or would significantly impact the value for money of the project.

4. Implications

4.1 Financial

Financial implications have been fully considered by a representative of the S151 officer and included in the recommendations agreed by the Appraisal Panel as presented in this report.

Endorsement is sought to progress the scheme business cases to Full Approval and endorse the entering into Contracts for Strategic Testing Tools at a cost of up to £5,320,000.

Two conditions of approval have been recommended;

1. Options to capitalise the elements of work resulting in a capital grant be considered. E.g. include management costs as part of the BIF programme
2. Growth Hub to work with SCR Finance team to develop a Medium Term Financial Strategy for the Hub to ensure sustainability.

4.2 Legal

Legal implications have been fully considered by a representative of the Monitoring officer and included in the recommendations agreed by the Appraisal Panel as presented in this report.

4.3 Risk Management

The hub has its own risk register which is regularly reviewed and updated to ensure mitigations are undertaken as necessary.

4.4 Equality, Diversity and Social Inclusion

None as a result of this paper

5. Communications

- 5.1 *None as a result of this paper*

6. Appendices/Annexes

- 6.1 Appraisal Panel Comments / Record of Approval – Appendix 1

Assessment Summary – Appendix 2

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Background papers used in the preparation of this report are available for inspection at:

Other sources and references:

***Thematic Priorities**

1. Ensure new businesses receive the support they need to flourish.
2. Facilitate and proactively support growth amongst existing firms.
3. Attract investment from other parts of the UK and overseas, and improve our brand.
4. Increase sales of SCR's goods and services to other parts of the UK and abroad.
5. Develop the SCR skills base, labour mobility and education performance.
6. Secure investment in infrastructure where it will do most to support growth.

Appendix 1

Scheme Details		Appraisal Panel Comments		Recommendations / Conditions	
SCR Executive Board	Business Growth	Strategic Case	The Growth Hub has a clear and well defined strategic case which is a core contributor to achieving the outcomes of the SCR CA SEP.	Funding	Pilot funding, LGF Cap Rev Swap and Continuation Fund
Project Name	Growth Hub	Value for Money	<p>The economic case not only demonstrates good Value for Money in its current format but also the capacity to grow further should additional funds become available.</p> <p>The project indicates a SCR £ / job of £2,128 which represents very good value for money.</p>	Approval Requested	Full approval and award of funding.
Scheme Promoter	SCR Growth Hub	Risk	The commercial and financial case for the project indicates there is a very low level of risk associated with the growth hub particularly as the funding allocations for this activity have been granted to SCR CA for this purpose	Grant Award	£5.32m Revenue funding
SCR Funding	£5.32mm			Grant Recipient	SCR Growth Hub
Total Scheme Cost	£5.32mm	State Aid	State Aid does apply to this project under the De-minimis provision. State aid is assessed at first engagement with a business and all businesses must complete a declaration of state aid assistance. This is captured using a self-declaration form which assesses the identified amounts received during the previous 3 year period. This is recorded on the CRM system and each time businesses access support it logs the De-Minimis amount received and declared and notifies the total amount received.	Payment Basis	Defrayal in arrears

Appendix 1


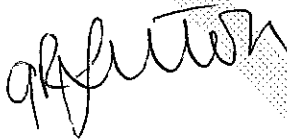
% SCR allocation	100%	Delivery	The management case of the hub is very well developed and provides the Appraisal Panel the confidence that the scheme will be delivered as set out to achieve the range of benefits proposed.	Claw Back Clauses	Not recommended
Description				Conditions of Award	
<p>The long term aspiration of the Growth Hub is to be able to ensure the region's businesses have access to a world class offer of support that will develop over time and for it to be self-sustainable on a long term basis, building on its partnerships and driving long term growth, and the aspiration to create 70,000 jobs and 6000 new businesses across the region in addition to supporting 2000 businesses to begin exporting.</p> <p>The Growth Hub aims to deliver a fully inclusive service offering a graduated level of support, with higher growth potential businesses receiving greater support to help achieve it's full potential.</p>				<ol style="list-style-type: none"> Options to capitalise the elements of work resulting in a capital grant be considered. Eg include management costs as part of the BIF programme Growth Hub to work with SCR Finance team to develop a Medium Term Financial Strategy for the Hub to ensure sustainability. 	

Appendix 1

Deliverable	Total for Scheme (All years)
<i>Direct Outputs</i>	
Businesses supported	5,000
Businesses engaged	6,500
Businesses referred to wider support or partner support	1,000
<i>Direct Outcomes</i>	
Jobs Created	2,500

Spend Profile £	15/16	16/17	17/18	18/19	19/20	20/21	Total
Growth Hub Core	500,000	580,000	580,000	540,000	500,000	500,000	3,200,000
Growth Hub supporting activity	351,815	773,034	649,906	275,670	69,575	0	2,120,000
Total	851,815	1,353,034	1,229,906	815,670	569,575	500,000	5,320,000

Appendix 1

Record of Approvals					
Growth Hub					
Appraisal Panel		Executive Board		CA	
Date of Meeting	27-09-2016	Date of Meeting		Date of Meeting	
SCR Officer Presenting Paper	Melanie Dei Rossi	SCR Officer Presenting Paper		SCR Officer Presenting Paper	
Signature		Signature		Signature	
Approving Officer	Gareth Sutton	Approving Officer		Approving Officer	
Signature		Signature		Signature	
Date	27/09/16	Date		Date	

ASSESSMENT SUMMARY (TO BE COMPLETED BY THE ASSESSOR)

Please summarise your assessment of the scheme's Strategic Case and set out any recommendations.

The Growth Hub encompasses the key goals and objectives in the Strategic Economic Plan to support business growth and the resulting operating model is set up to support this. This aligns with the longer term outcomes and objectives of the SCR and effectively support the region's businesses through working in partnership and developing key policy where there is market failure

The project is aligned to support all the themes of the SCR Strategic Economic Plan – to create jobs, develop a stronger business base, increase the business start- up rate, increase survival rates, encourage companies to grow faster and increase the number of businesses trading overseas and exporting.

The Growth Hub is supported by the Business Growth Board and the wider thematic advisory boards, the boards are engaged regularly, and all support the direction of the Growth Hub as the regional business support offer.

The objectives of the growth hub are clear and a CRM system has been established to monitor the activity and performance of the hub.

Key performance indicators to provide quarterly tracking of outputs and outcomes to be feed into the wider SCR Performance Management reporting.

Appraisal Panel note that previous approvals for elements of the Growth Hib have been granted and this business case covers all the elements of the growth hub.

Please summarise your assessment of the scheme's Commercial Case and set out any recommendations.

Demand for the hub has been extrapolated from similar local schemes undertaken in the last 2 years and gives a strong indication that the service will continue to have a good take up with a strong potential overtime as the service matures to reduce the level of funding support required from SCRCA.

The Growth hub has been set up during the pilot phase as a directly delivered function, the costs provided cover all phases of delivery (including the pilot phase). As such there will not be a procurement phase of the direct service. Any subsequent service procurement undertaken by the hub for individual spokes / services will follow the SCR CA procurement processes.

Full Business Case Appraisal Summary Appendix 2



Please summarise your assessment of the scheme's Economic Case and set out any recommendations.

The funding requested is unique for this scheme as it has been provided to SCR CA for the expressed purpose of investment in the growth hub. Pilot funding (£500k) was received in 15/16, the Capital / Revenue swap (£4,000,000) and the additional £820K to be received in 16/17 and 17/18. Totalling £5,320,000.

Outputs and outcomes for the hub are set out below.

Deliverable	Total for Scheme (All years)
<i>Direct Outputs</i>	
Businesses supported	5,000
Businesses engaged	6,500
Businesses referred to wider support or partner support	1,000
<i>Direct Outcomes</i>	
Jobs Created	2,500

The primary outputs are the number of businesses engaged / supported and referred for wider support, outcomes to be measured are the jobs created.

Economic Impacts based on jobs created, businesses supported, businesses engaged referred to wider or partner support have been appropriately assessed and based on a SCR cost per job of £2,128 represents very good value for money.

These scheme further supports the creation of an environment for growth and inward investment, although these benefits are not monetised further improve the potential of the Growth hub to achieve good Value for Money and achieve the outcomes of the SEP.

There are no significant environmental or social impacts / dis-benefits envisaged as a result of the project.

The Value for Money range the project has demonstrated indicates that the Scheme could readily accommodate increased funding if such funds became available.

Full Business Case Appraisal Summary Appendix 2



Please summarise your assessment of the scheme's Financial Case and set out any recommendations.

The financial case presented includes activity in 15/16 and 16/17 for which CA approval has already been granted, the business case presented is a roundup of all activity including those elements previously approved.

The funding is ring fenced to the works described however the scheme finances have been assessed appropriately and there is a management plan in place to deal with any additional funding which could be received.

The entire scheme costs are Revenue funded and at point of use this is entirely appropriate, however some of the works undertaken go on to then be put forward for capital funding via the BIF programme. For these schemes the costs incurred by the Growth Hub to progress the applicant to full funding could also be capitalised.

It is recommended that options to capitalise the elements of work resulting in a capital grant be considered. Eg include management costs as part of the BIF programme.

It is also recommended that a medium term financial strategy be developed in coordination with SCR Finance Team Growth Hub ensure sustainability.

Please summarise your assessment of the scheme's Management Case and set out any recommendations.

The growth hub has a clear and robust delivery plan and has commenced its operational phase.

The State aid requirements are well understood and processes are built into the management processes to ensure that thresholds are recorded and not exceeded.

The hub has its own risk register which is regularly reviewed and updated to ensure mitigations are undertaken as necessary.

There is a well-established monitoring and reporting process in place for the Business Growth Boards and work is underway to further integrate this into the wider SCR performance management reporting processes.

Summarise your overall assessment of the scheme and recommendations for SCR.

Having benefited from a pilot period to become established the Growth Hub has a clear and well defined strategic case which is a core contributor to achieving the outcomes of the SCR CA SEP.

The hub is now in its operational phase and is gearing up to full capacity to meet the demand in the region for the service. In delivery a number of procurements will need to be undertaken and it would be appropriate seek delegated authority to enter into agreements which form part of this overarching business case.

The economic case not only demonstrates good Value for Money in its current format but also the capacity to grow further should additional funds become available.

The financial case for the hub is well defined and is unique in that the funding allocated to SCR has been ring fenced for use by the Growth Hub. The funding is however 100% revenue and at appraisal it has been highlighted that some of the costs associated with the Hub could be capitalised and the Growth Hub are recommended to explore this option as an opportunity to extend the currently funded operational period.

The management case of the hub is very well developed and provides the Appraisal Panel the confidence that the scheme will be delivered as set out to achieve the range of benefits proposed.

It is therefore to recommend full approval and funding of the Full Business Case and propose the following conditions be applied.

- 1. Options to capitalise the elements of work resulting in a capital grant be considered. Eg include management costs as part of the BIF programme.*
- 2. A medium term financial strategy be developed in coordination with SCR Finance Team to ensure sustainability.*

BUSINESS GROWTH EXECUTIVE BOARD

4th October 2016

Growth Hub ESIF Enhancement Contractual Outputs

Purpose of Report

This paper seeks endorsement from the Business Growth Board regarding the contractual outputs of the grant element of the enhancement programme (300 Financial projects) and that these should sit with the Growth Hub.

Thematic Priority

Thematic Priority 2 - To facilitate and proactively support growth amongst existing firms.

Freedom of Information

No exemption

Recommendations

It is recommended that Business Growth Board endorse that the grant targets for the enhancement programme contractually sit with the Growth Hub. Members are asked to note that the agreement will entail taking on the contracted outputs despite having no delivery capacity and will result in some constraints to advisor capacity.

1. Introduction

- 1.1** SCR Growth Hub is part of the business growth strand of the Strategic Economic Plan and a key delivery mechanism as part of the response to the challenges facing the City Region's businesses over the coming decade.

A European project has been developed to enhance the offer of the Growth Hub using the City Region ESIF funds.

The project comprises 2 main aspects;

- Establishing of 11 Key Account Managers (KAMs) in the 4 South Yorkshire areas who will contribute to the delivery of the Growth Hub offer and services. These are fully funded posts and are the only delivery element supported under the programme.

- Growth Hub enhancement funds, by putting in place a programme of intensive specialist support grants at 50% delivered through business consultants and specialists, where support is not covered by the 5 existing/planned Growth Hub spokes, the grant will be administered and approved by the Growth Hub team.

In terms of outputs for the project, there is a target across the three years, for a total of 1100 business engagements, this includes '12 hour assisted engagements' and also 'specialist grant subsidised interventions'.

The 11 Key account managers will each have a target to deliver 800 '12 hour assisted engagements' with businesses over the duration of the programme. Equating to roughly 22 per annum per KAM. The 12 hours delivered by the KAM will be a mixture of 1-2-1 support and masterclass events.

In addition, there are 300 'Specialist grant interventions' to be delivered as part of the project, where a growing business can receive a 50% grant towards a business growth project utilising an external specialist consultant/expert.

This project has been discussed and approvals received at previous Business Growth Board meetings.

- 1.2** The Board is asked to note that Accountable Body (Sheffield City Council) is being asked to allow the contractual outputs of the grant element of the enhancement programme (300 Financial projects) to sit with the Growth Hub.

This would mean that the Growth Hub would be contractually responsible for delivering all the financial projects, and that Growth Hub advisors should be responsible for delivering the majority of the 300 financial project targets.

2. Proposal and justification

- 2.1** Various options have been explored but no compromise could be reached that was suitable for the accountable body. As the grant projects form the fundamental element of the enhancement programme, and with the partners reluctant to accept any contractual responsibility for the grant targets, the Growth Hub is required to contractually take on responsibility for delivering the 300 financial project targets. It should be noted that the agreement is to take on the contracted outputs despite having no delivery capacity as part of this programme.

Therefore the request for approval to the Business Growth Board is therefore that the contracted grant targets to sit with the Growth Hub. It has otherwise been suggested the Enhancement programme would be undeliverable should this not be agreed. If agreed the Growth Hub will encourage our Growth Advisor team to ensure that contractually we achieve this number despite them not being part of this programme. The following has been provisionally agreed:

1. Growth Hub will take responsibility for the full 300 grant outputs. The funding Agreement between SCC (Accountable Body function) and the SCR (GH) will reflect this in the form of an agreed output schedule.
2. The commitment of the Local Authorities to contribute towards, and support the delivery of the grant outputs will be formalised in writing between both parties by the Accountable Body in the form of a side letter to the partner funding agreements.
3. Partner support and contribution towards the delivery of the targets would be described as follows:

- a. Promotion of the Growth Hub grant product through existing and ongoing contacts with businesses in the locality.
 - b. KAM's support businesses on their current caseloads to obtain a grant where appropriate.
 - c. Locally based business support providers can refer clients into the KAM to obtain a grant where appropriate.
 - d. Sharing of information on client caseloads.
 - e. Participation at regular operational project meetings to ensure outputs are maximised and risks around under achievement in this area are mitigated.
4. The Accountable Body will take responsibility for ensuring each partner is honouring their commitments as described above e.g. through the provision of relevant Management Information.
 5. The Accountable Body will regularly review management and output information to ensure any issues are identified and addressed.

3. Consideration of alternative approaches

3.1 A number of alternatives were discussed including:

- The partners collectively sharing contractual targets through their fully funded posts.

This option was felt by the accountable body to be heavy on the Key Account managers to have to contractually be responsible for delivering.

- Split responsibility between partners and the Growth Hub on the 300 contractual outputs

Again this option was felt to be too complicated by the accountable body and not one that could practically be delivered.

3.2 As the Growth Hub Advisors would be working to undertake in depth business reviews and deliver support and guidance into growth businesses, they would utilise this support programme as one of their key business support tools and would no doubt be referring significant numbers of businesses into the support offer. The only option available after discussion that is deemed suitable, is that the Growth Hub and the Advisor team therefore be contractually responsible for the 300 outputs.

4. Implications

4.1 Financial

This paper proposes that the Growth Hub use £328,000 of resource from the LGF Revenue Reserve towards the ESIF Enhancement programme.

This contribution supports the cost of the Accountable Body Team, Administration costs, and Marketing and Events.

It should be noted that in entering into this transaction the Growth Hub team would be taking on contractual responsibility to deliver the 300 Financial Assistance project outputs. To deliver on these outputs, the paper proposes that existing resource is diverted from its primary core focus to deliver the new work stream.

This diversion represents a realignment of resource and capacity. The cost of this activity is estimated at £120k per annum.

Unless that resource is back-filled, it is possible that there would be a deterioration in the quality of service being delivered by the core Growth Hub team.

4.2 Legal

The Combined Authority would be entering into a contractual obligation with SCC to deliver the 300 Financial Assisted project outputs for the enhancement programme. This will have to be by way of an Agreement between the parties negotiated to resolve issues of liability, responsibility and appropriate performance. The SCR's legal advisers will be instructed to assist in formulating this Agreement.

4.3 Risk Management

The risks associated to this are minimal as the Enhancement Targets are comparatively low. However the agreements from the partners in supporting the achievement of these outputs is fundamental and needs monitoring and enforcing by the accountable body as has been agreed and highlighted above in section 2.1.

The Growth Hub advisors would be referring growth businesses into the programme for specialist support in any case, however there is also a minimal risk, that they could spend significant amounts of time supporting this enhancement programme and less time delivering added value into growing businesses if the partners do not support the approach and the accountable body do not monitor and enforce the agreement.

4.4 Equality, Diversity and Social Inclusion ([Equality Act - Public Sector Equality Duty](#))

The project will be delivered in line with the contracted guidelines on Equality, Diversity and Social inclusion and this paper does not introduce any change to the original contracted proposal.

5. Communications

5.1 Intended for discussion at the Business Growth Board - internal board approval and not for public circulation.

6. Appendices/Annexes

6.1 None

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There are no Background papers used in the preparation of this report.

Other sources and references: NA

*Thematic Priorities

1. Ensure new businesses receive the support they need to flourish.
2. Facilitate and proactively support growth amongst existing firms.
3. Attract investment from other parts of the UK and overseas, and improve our brand.
4. Increase sales of SCR's goods and services to other parts of the UK and abroad.
5. Develop the SCR skills base, labour mobility and education performance.
6. Secure investment in infrastructure where it will do most to support growth.

BUSINESS GROWTH EXECUTIVE BOARD

4th October 2016

SPOKE UPDATES

Purpose

The Board is asked to note the SPOKE update 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

ESIF International Trade Programme

We have received confirmation of our £1m International Trade ESIF Programme, to be delivered by Enterprise Growth Solutions (who currently hold the UKTI/DIT core contract). This programme is expected to begin delivery in the next couple of months subject to processes and procedures being in place, and will help deliver additional export support to SCR businesses to 2019.

As a reminder, this £1m programme will provide both additional resource support and delivery capacity for our exporters, 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. Interviews for the Export Co-ordinator role will take place at the beginning of October
- 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.

Recent discussions and debates at SCRIPT have centred on the need/desire for other forms of support to be developed for our existing exporters, particularly in the context of Brexit and the need to develop stronger links with overseas markets beyond the EU, such as China and India for example (see below). This is currently being worked up into an outline proposal. However, a strategic decision will need to be made soon on where the future international trade priorities for the SCR lie, whether this in new exporters, existing exporters or both and be prepared to invest in the cost of suggested schemes.

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 ESIF 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.

In light of changes in the external environment and departmental changes, SCRIPT took the decision at its last meeting to undertake a re-mapping exercise of existing export support provision across the city region.

Northern Powerhouse

The Department for International Trade has recently appointed Marian Sudbury as the Director of Exports & Inward Investment for the Northern Powerhouse. This is a welcome appointment and the SCR looks forward to working with Marian and her team on driving more trade and investment into

and from the North of England. This new Unit is being structured on the prime capabilities of the Northern Powerhouse, with sector specialists appointed to support these sectors and improving links with overseas posts in significant foreign markets to drive Northern trade and investment activity. A Northern Powerhouse investment pitchbook is also in development and the SCR Invest team are providing support to ensure SCR projects are included. In addition, A Northern Powerhouse trade and investment proposal is being developed to feed into Autumn Statement spending considerations.

Overseas markets

In light of Brexit, there is a growing need for the SCR to prioritise its outward-facing international activity and engagement on markets beyond the EU and to some of the fastest growing markets such as China and India.

There have been some considerable successes with China in recent months in the SCR, such as the Chinese investment announcement in Sheffield and projects such as New Era Development Chinatown scheme. In addition, some of our respective local authorities, universities and Chambers of Commerce have been developing their own individual links with different Chinese provinces. We are exploring the possibility of pulling this activity together at a strategic level across the SCR to maximise impact.

On India, the SCR is looking to commission an initial research scoping piece to align our comparative strengths and capabilities with a target region in India to develop closer links with. The intention is for this to be a strategic piece that pulls together partners across public, private and academia with an action plan proposed to deliver on the research recommendations.

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 support delivery
- Partners disengaging due to perceived lack of progress in certain areas

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

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

Three key points for this month’s update are:

- CDFI ex-ante** – Microfinance (£25- £100K is a part of the Northern Powerhouse Investment Fund (“NPIF”).¹ Based on the previous fund models, we believe the amounts allocated may be insufficient to meet demand amongst SMEs in the SCR. To test this view, the SCR has commissioned Bluesky Corporate finance to produce an ex-ante assessment for a microfinance fund utilising EU Structural Funds (prior to Article 50 being triggered). This report / model will be provided to the next BGB.
- Creative Content Fund** – Along with other Yorkshire LEPs, the case for a creative content fund (a similar model to Screen Yorkshire) has been examined. On the basis of the (lack of) sustainability of such funds and the uncertainty of more localised benefits, it is not recommended that further steps are taken.
- AfCOE performance** – AfCOE continues to perform strongly – supporting companies through the growth hub to access external finance. Latest performance date is included in *Table 1* below.

Area	Companies supported	Project value	Potential jobs	Jobs supported	BIF potential	BIF awarded
Barnsley	6	£ 9,121,000	164		£ 369,000	
Bassetlaw	4	£ 1,650,000	10		£ -	
Bassetlaw	1	£ 1,175,000	40			
Bolsover	2	£ 1,120,000	9		£ 150,000	
Chesterfield	21	£ 17,021,000	270	12	£ 514,000	£ 34,000
Derbyshire	1	£ 100,000				
Derbyshire Dales	4	£ 950,000	5		£ 30,000	
Doncaster	31	£ 9,460,260	186		£ 1,206,000	
Rotherham	37	£ 18,898,000	163	163	£ 1,254,000	£ 1,069,000
Sheffield	115	£ 48,429,500	466	148	£ 3,226,000	£ 791,500
Grand Total	222	£ 107,924,760	1313	323	£ 6,749,000	£ 1,894,500
Total	444	£ 215,849,520	2626	646	£ 13,498,000	£ 3,789,000
* note this excludes inward investment and FY loan						

Risks & Issues

- The Board should note that the proposed Finance Yorkshire loan is looking increasingly unlikely. To date, it has not been possible to find suitable terms and conditions.

Social Inclusion

- Although lending to for-profit companies in most circumstances – the micro fund has the potential to have significant social benefits.

Next Steps

- NPIF launch, autumn 2016. Update to be provided at next BGB.

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

BUSINESS GROWTH EXECUTIVE BOARD

4th October 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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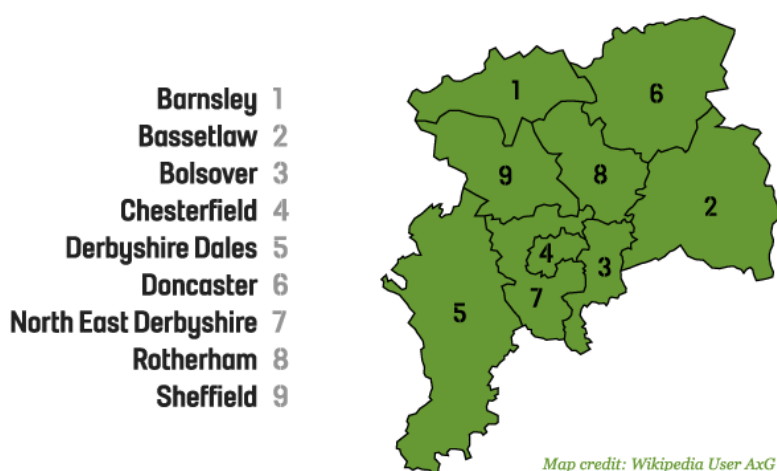
SHEFFIELD CITY REGION QUARTERLY INWARD INVESTMENT UPDATE

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.

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