

SCR BUSINESS GROWTH EXECUTIVE BOARD

10th JANUARY 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</p> <p><u>In Attendance</u> Andrew Denniff, BRCoC Paul Woodcock, Rotherham MBC Edward Highfield, Sheffield CC Chris Scholey, Doncaster Bassetlaw NHS Foundation Trust David Grimes, SCR Exec Team Richard Howard, SCC / SCR Exec Team David Campbell-Molloy, SCR Exec Team (for item 7) Lee Viney, SCR Exec Team (for item 7) David Hewitt, SCR Exec Team (for items 6 and 9) Ruth Adams, SCR Exec Team Craig Tyler, Joint Authorities Governance Unit</p> <p>Apologies were received from Cllr Lewis Rose (DDDC), Cllr Julie Dore, SCC), Gavin Baldwin (LEP), Dan Swaine (BoDC / NEDDC), Julie Kenny (Pyronix), Rachel Clark (SCR Executive Team), Giles Searby (Keeble Hawson), Lloyd Snellgrove (SHU), Steve Mawson, Peter Dale (DMBC) Keith Jackson (JRI) and Andrew Gates (SCR Exec Team)</p>	
2	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 15th November were agreed to be an accurate record of the meeting.</p> <p>Further to comments expressed at previous meetings it was noted that future presentations will be more focussed and centred on clearer questions rather than the provision of general information.</p>	

	<p><u>1.8 Spoke Updates</u> It was reiterated that ‘innovation’ will be included on future spoke update reports.</p> <p>Action: Ruth / SCR Exec officers to make arrangements for the inclusion of this information</p> <p><u>2.9. Quarterly Inward Investment Updates</u> The Board considered what may constitute an appropriate amount of Inward Investment reporting. It was suggested quarterly would be useful, with a more detailed ‘end of year’ report. It was suggested that reports being collated for other reporting purposes would suffice to avoid the need for extra work.</p> <p>Action: Ruth to discuss with Rachel Clark</p> <p><u>5. MIPIM</u> It was confirmed a ‘pre-MIPIM’ update would be provided at the next meeting.</p> <p>Action: Ruth to arrange</p>	<p>RA</p> <p>RA</p> <p>RA</p>
3	<p><u>Declarations of Interest</u></p> <p>The Chair declared an interest in the matters to be considered at item 8 noting that the South Yorkshire Investment Fund is a client of Grant Thornton LLP.</p>	
4	<p><u>Urgent Items / Announcements</u></p> <p>No urgent items were requested.</p>	
5	<p><u>Growth Hub Performance Dashboard</u></p> <p>A report was presented to provide the Growth Hub’s actual performance to date after 6 months of operation to November 2016 and an opportunity to help identify any change or additional requirements for future presentations.</p> <p>The report set out the performance metrics to be reported to the Department for Business, Energy and Industrial Strategy (BEIS) and, as requested by the Board, a further breakdown of overall Growth Hub performance of support including programmes that are funded, co-funded or part of the core Grow Hub/spoke offer, along with separate breakdown of the internal growth advisor teams. It was noted this does not include data from Local Authorities on the number and level of support that they are providing directly to local businesses and suggested this is something the Board way wish to receive in future reports.</p>	

	<p>It was confirmed the engagement figures are cumulative.</p> <p>It was noted as ‘actual jobs created’ metric will be added to future reports as ‘expected jobs’ come to fruition.</p> <p>Noting that a number of the annual targets appear to have almost been met only 6 months into the year, consideration was given to whether the Growth hub has over-performed or whether the targets were too low. It was acknowledged there will be a blend of factors influencing these (evidence based) figures and noted that benchmarking nationally has indicated the SCR is performing as well as or better than business growth initiatives nationally.</p> <p>It was agreed this format of reporting is capable of facilitating ‘what more can we do’ discussions and suggested it may be useful to commission a smaller working group to ‘crunch’ the figures and provide the BGEB (and potentially other Boards) with some targeted suggestions for future actions.</p> <p>It was suggested it would be useful for future reports to capture relevant job creation and business engagement data from the district to help inform the extent to which the SCR is on track to meet its 70k job creation target.</p> <p>It was acknowledged that additional actions are likely to come with calls for additional resources and requested that resourcing implications are tabled in respect of each action as they develop.</p> <p>It was noted the next update report would be due after June 2017.</p> <p>RESOLVED, that the Board notes the contents of the report</p>	
6	<p><u>Thinking Place Action Plan Response</u></p> <p>Following on from the Thinking Places presentation to the Business Growth Board 15th November, a paper was presented to outline a number of key actions to progress in the next phase of the Growth Hub development. It was noted this work is complementary to LEP Board consideration of further Growth Hub development.</p> <p>The Board was therefore asked to consider the following actions:</p> <ul style="list-style-type: none"> • To review and develop an overall Growth Hub message • To review the wider messaging, language for marketing and web site content to simplify, remove jargon (e.g. references to spokes etc.), and lessen public sector language, with less focus on LA areas and geographies which may be seen as reinforcing public sector driven, boundary based approaches • To ensure the Growth Hub is recognised as the single place 	

	<p>to access Business Support in the SCR, with this message coming directly from, and endorsed by, the CA / LEP.</p> <ul style="list-style-type: none"> • To use more case studies and references from successfully supported businesses to help demonstrate and communicate engagement opportunities. • To identify ‘front facing champions’ from the private sector, with key roles and responsibilities. • To undertake a review of other Growth Hub models that are ‘arms- length’ and private sector led and delivered <p>Regarding branding and overall growth hub messaging, it was suggested ‘Growth Hub’ should be retained as the overarching name for the initiative but may benefit from an additional strapline to place this in context e.g. ‘the region’s business support’.</p> <p>The Board endorsed David taking the above actions forward and present updates to the next meeting.</p> <p>Action: David G to take forward the proposed actions</p> <p>RESOLVED, that the Board notes the contents of the report and endorses the undertaking of further work in respect of the above development actions</p>	<p>DG</p>
<p>7</p>	<p><u>Science and Innovation Audit</u></p> <p>A report was presented to remind Members that the SCR, in conjunction with Lancashire LEP, was one of five LEP regions to be shortlisted by Government to undertake a first round Science and Innovation Audit (SIA), the purpose of SIAs being to analyse and evidence regional strengths, and identify mechanisms to help realise their potential. The report also reminded members our SIA was submitted to Government in September 2016 demonstrating the SCR’s global leader status in high value manufacturing as part of a broader ‘Northern Advanced Manufacturing Corridor’ that stretches to Lancashire.</p> <p>The report summarised the key findings of the SIA and the implications for the business growth agenda, in respect of strengths and weaknesses, whilst noting the SCR response to our Science and Innovation Audit will be diverse with implications across all programme areas</p> <p>The Board was asked to consider the proposed action plan (at appendix A to the report).</p> <p>It was agreed the SCR is well placed to bid for any national funding when it is made available.</p> <p>The Board discussed the need to tie actions around science and</p>	

	<p>innovation to business incubation and acceleration realisation, particularly in the digital sector. It was noted the SCR is developing a draft Digital Action Plan, overseen by a Digital Action Plan Steering Group for which a BGEB representative has been requested.</p> <p>It was agreed that clarity is required to determine how the Digital Action Plan Steering Group fits with the Science and Innovation Board.</p> <p>Action: ALL to send any offers to represent the BGEB on the Digital Action Plan Steering Group to Lee</p> <p>It was agreed to look at a rationalised / prioritised version of the draft Digital Action Plan in more detail at the next meeting.</p> <p>Action: SCR Exec Team officers to present the latest version of the Digital Action Plan to the next meeting</p> <p>It was requested that Science and Innovation Board maintains regular reporting into BGEB</p> <p>Action: SCR Exec Team officers to ensure this happens</p> <p>RESOLVED, that the Board notes the implications of the Audit for the business growth agenda in anticipation of a full discussion at the LEP Board.</p>	<p>ALL</p> <p>SCR</p> <p>SCR</p>
8	<p><u>Micro-Fund Ex-Ante Report</u></p> <p>A paper was presented to provide the Board with the findings of an ‘ex-ante’ report that has been commissioned to test the demand within the SCR for the development of a ‘Micro Fund’, providing debt finance to SMEs following concerns that the NPIF microfinancing allocation is insufficient in respect of the SCR’s requirements.</p> <p>It was noted the ex-ante report highlights:</p> <p>(a) that there is considerable evidence of demand for a Micro Fund in the SCR (~£6.28m p/a);</p> <p>(b) that this Micro Fund would be complimentary to the provision of the Northern Powerhouse Investment Fund (or “NPIF”) and would not displace mainstream provision;</p> <p>(c) that this Micro Fund could deliver substantial economic benefits at a low net cost (£10m of investment could support 400 SMEs and deliver a legacy of £9.798m).</p> <p>The report also invited consideration of the options for the future development of this fund, including matters such as the optimal size of the fund, the recommendation being approximately £20m</p>	

	<p>over 5 years (i.e. £4m PA 2017/18 to 2021/22).</p> <p>It was asserted that all potential risks need to be identified i.e. ant additional match funding conditions. It was confirmed these would be set out in future versions of the report as it develops.</p> <p>It was noted the report hasn't been 'through' the Access to Finance (A2F) Board which hasn't met for some time. It was requested that the report be considered by the A2F board members (either via a physical meeting or by email) to ensure the capture of any additional comments.</p> <p>Action: David H to make arrangements for A2F member engagement on the report</p> <p>RESOLVED, that the Board:</p> <ol style="list-style-type: none"> 1. Notes the potential to develop a Micro Fund in the SCR with a view to the SCR Executive producing a full options report for the LEP and CA to include consideration of the use of South Yorkshire Investment Fund ("SYIF") legacies; SCR funds (including those currently allocated to grant programmes); match funding provided by any future fund manager; commercial borrowing and other options. 2. Supports the development of an ESIF funding proposal in order to provide £5m of funding towards a SCR Micro Fund and (subject to a positive decision request) the SCR Executive to develop this proposal and build ESIF into the options paper outlined at recommendation 1, noting this proposal would require an entrusted entity to be appointed 	<p>DH</p>
<p>9</p>	<p><u>Northern Powerhouse Investment Fund</u></p> <p>A report was presented to update the Board as to the progress made in development of the £400m+ Northern Powerhouse Investment Fund (NPIF) noting the SCR has £15m of ESIF funding allocated to NPIF.</p> <p>It was noted there are three sub-funds within NPIF:</p> <ul style="list-style-type: none"> • Lot 1 Equity - equity investments between £50,000 and £2,000,000; at least 20% of initial investments will be in amounts of under £250,000 and at least 70% of initial investments will be in amounts of under £750,000. • Lot 2 Debt – loans between £100,000 and £750,00; at least 25% of initial investments will be in loans of under £200,000 and at least 70% of initial investments will be in loans of principal amounts of under £500,000 • Lot 3 Micro Finance – loans between £25,000 and £100,000; at least 25% of initial investments will be in loans 	

	<p>of under £50,000, and at least 70% of initial investments will be for loans under £75,000 (as referred to at agenda item 8)</p> <p>It was noted there has been an extensive procurement process to find fund managers for the above 'Lots' - this is expected to be concluded early in 2017 and fund managers will be (contractually) obliged to work with and alongside Growth Hubs.</p> <p>The report noted that as the SCR is represented on the Strategic Oversight Board and suggested that Andrew McKenna (Head of AFCoE) be the SCR's representative on the Regional Advisory Board which reports to the Strategic Oversight Board. This was endorsed by the Board.</p> <p>RESOLVED, that the Board notes the development of the NPIF</p>	
10a	<p><u>Forward Plan</u></p> <p>It was agreed that the next meeting should focus on the Industrial Strategy, Science and Innovation Audit and Digital Action Plan. An update on pre-MIPIM plans will also be provided.</p>	
10b	<p><u>Industrial Strategy</u></p> <p>An interim report was presented requesting the Board note that a substantive paper will be presented for discussion at the next meeting</p>	
11	<p><u>Any Other Business</u></p> <p>No additional matters requested.</p>	
12	<p><u>Date of Next Meeting</u></p> <p>Tuesday 21st February 2017, 2.00pm at Broad Street West, Sheffield.</p>	