

## BUSINESS GROWTH EXECUTIVE BOARD

**Date:** Tuesday 17 April 2018

**Venue:** the AMP Technology Centre, Waverley, Rotherham, S60 5WG

**Time:** 2.00 pm

### AGENDA

Item	Subject	Method	Speaker	Page
	<b><u>Introduction</u></b>			
1	Welcome and Apologies	Verbal	Chair	
2	Declarations of Interest	Verbal	All	
3	Minutes of the Last Meeting	Verbal	Chair	1 - 6
	<b><u>For Decision</u></b>			
4	Growth Hub Review findings	Presentation	Regeneris	
5	Start and scale-ups	Paper	L Viney	7 - 10
6	Supply Chain Programme	Paper	H Lazarus	11 - 14
	<b><u>Updates</u></b>			
7	Trade & Investment Board	Verbal		
8	BIF Panel	Verbal		
9	Growth Hub Operational Board	Verbal		
10	Delivery Plan Dashboard	Verbal		
	<b><u>Actions and Forward Planning</u></b>			
11	Agree actions and Resolution Log summary	Verbal	Chair	
12	Any Other Business	Verbal	All	

**DATE OF NEXT MEETING - 9th June 2018**

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**SCR BUSINESS GROWTH EXECUTIVE BOARD**

**27<sup>th</sup> FEBRUARY 2018**

**BROAD STREET WEST, SHEFFIELD**

No.	Item	Action
1	<p><b><u>Welcome and Apologies</u></b></p> <p>Present:</p> <p><u>Board Members</u> Neil MacDonald (LEP) – CHAIR Laura Bennett (LEP)</p> <p><u>In Attendance</u> Matt Gladstone (BMBC) Tim O’Connell (RMBC) Chris Scholey (LEP) Julie Kenny (LEP) Peter Dale (DMBC) Sarah Want (TUoS) Ed Highfield (SCC) Helen Lazarus (SCR Exec Team) Mark Lynam, SCR Exec Team Craig Tyler, Joint Authorities Governance Unit</p> <p>+ Kate Downes (Regeneris) for item 4</p> <p>Apologies were received from Cllr Julie Dore (SCC), Diana Terris (BMBC), Kevin Kerrigan (SHU), Andrew Denniff (BRCoC) and Damien Wilson (RMBC)</p>	
2	<p><b><u>Declarations of Interest</u></b></p> <p>No specific declarations of interest in relation to the matters to be discussed on today’s agenda were noted.</p>	
3	<p><b><u>Minutes of the Previous Meeting</u></b></p> <p>The minutes of the previous meeting held on 23<sup>rd</sup> January were agreed to be an accurate record.</p>	

	<p>It was noted the Digital Action Plan - Industry Panel event is scheduled for 13<sup>th</sup> March.</p> <p>Regarding BGEB membership the Board was advised Professor Kevin Kerrigan would be the SHU representative.</p>	
4	<p><b><u>Growth Hub Review</u></b></p> <p>A report and presentation were received to update Members on the early stages of the independent review of the SCR Growth Hub.</p> <p>The report noted the Government confirmed its commitment to continuing to support Growth Hubs in the 2017 Autumn Statement. It was therefore suggested it is timely to take stock of our current Growth Hub model and agree a future direction to ensure that both policy and finances are directed towards achieving the ‘best benefit’ for the SCR,</p> <p>It was noted Regeneris Consulting were commissioned in January 2018 to undertake the review. Members were asked to note this is a review rather than an evaluation.</p> <p>The presentation provided information regarding the review’s substantive stages, noting this has commenced with a data review and interviews / consultation with stakeholders (e.g. local authorities, Chambers of Commerce, other partner organisation, universities and also Hub user and non-user representatives etc.).</p> <p>It was noted that private sector LEP Board members have not yet been interviewed.</p> <p><b>Action: Helen to schedule interviews with Julie Kenny, Chris Scholey and Neil MacDonald to discuss the Growth Hub review.</b></p> <p>It was noted an options workshop will be held mid-April to give further attention to the key matters identified and attempt to establish some consensus propositions. It was confirmed all stakeholders will be invited to the event.</p> <p>An update to be presented at BGEB on 17<sup>th</sup> April</p> <p>End reports will be presented by Regeneris by 30<sup>th</sup> April.</p> <p>It was acknowledged that nationally there are 39 Growth Hubs, each with a different model of operation, and therefore difficult to draw ‘benchmarkable’ comparisons between them. The Board was informed BEIS has a framework for what needs to constitute the</p>	HL

	<p>minimum requirements of a Growth Hub, but beyond which, it is for each individual Growth Hub to determine what it chooses to aspire to.</p> <p><b>Action: Mark to present the BEIS ‘opinion of the SCR Growth Hub to the next meeting.</b></p> <p>It was suggested the review will broadly assess whether the Growth Hub has achieved against its original expectations. However, it was acknowledged there has never been a wholly shared understanding of the role of the Growth Hub and how this fits with the complementary business support services provided by the local authorities and other agencies. It was confirmed this issue is within the scope of the review.</p> <p><b>RESOLVED, that the Board approve the Growth Hub review process</b></p>	<p><b>ML</b></p>
<p><b>5</b></p>	<p><b><u>Business Growth Plan</u></b></p> <p>A report and presentation were received to update the Board on the development of a SCR Business Growth Plan (as instigated at the previous meeting) and to invite Members input into the current draft.</p> <p><b>Action: Helen to circulate the presentation</b></p> <p>It was noted the Plan will essentially fill a space between the overarching strategy of the SEP, and the detail of the Business and Investment Delivery Plan, in that the Plan will determine how one is translated into the other, promoting the instigation of SEP-achieving actions that are capable of delivery against a number of defined principles.</p> <p>The draft principles were presented as:</p> <ul style="list-style-type: none"> <li>• Improving the productivity of the SCR’s business to reduce the gap to the national average.</li> <li>• A higher proportion of GVA growth occurring across the SCR’s priority sector businesses.</li> <li>• More of the SCR’s indigenous businesses participating in supply chain opportunities</li> <li>• More of the SCR population creating businesses, a high proportion of which can scale up to achieve additional growth</li> <li>• Increased levels of private sector financial investment to support business expansion and improvement.</li> </ul> <p>It was suggested the potential actions that may then arise from these principles could generate a different approach to how the</p>	<p><b>HL</b></p>

	<p>SCR achieves its business growth ambition (beyond the current Growth Hub and BIF model), such as through increased collaboration and the co-design of plans with partners, more cross-boundary working and more pilot undertakings, all supported by a culture of not being afraid of failure.</p> <p>It was suggested these principles need to be developed in line with, and capable of delivering, the SCR's inclusive growth agenda and met with general support from Board members.</p> <p>Discussion took place on the prioritisation of sectors, the role of the Growth Hub, identifying existing good practice which may be scaled-up, the need to demonstrate additionality.</p> <p>It was suggested this approach risks being too 'big' and efforts should be maintained to keep the focus on business growth rather than risk writing another SEP or unnecessarily overlapping with the work being led by the other SCR Executive Boards.</p> <p>It was suggested the Plan may be in-part a means of capturing, promoting and scaling up current exemplar business growth practices.</p> <p>It was agreed there needs to be a commonality of language between the various strategic tiers (SEP, Growth Plan and Action Plan)</p> <p><b>Action: Helen to present the draft Business Growth Plan to the next meeting.</b></p> <p><b>Action: ALL to provide Helen with any more comments</b></p> <p><b>RESOLVED, that the Board notes the content of the current draft and instructs offices to develop this further in recognition of the comments received as the priority proposals are developed in relation to each of the principles</b></p>	<p>HL</p> <p>ALL</p>
6	<p><b><u>Draft Business and Investment Delivery Plan</u></b></p> <p>A report was received to provide the Board with a draft of the Business and Investment Delivery Plan, and to invite any additional comments prior to the current draft being finalised.</p> <p>The Board was reminded the current SCR Strategic Economic Plan (SEP) is in the process of being refreshed, and will be supported by a number of discrete Delivery Plans concerning; Place, Business and Investment, Transport, Education, Employment and Skills and Research and Innovation. The purpose of these plans being to capture what activity is being</p>	

	<p>delivered against the identified programmes within these themes, along with proposed additional activity which will focus the work of the LEP over the next three years.</p> <p>It was noted the Plans will be kept under constant review.</p> <p>It was noted the plans will provide a basis for what matters (by exception) are presented to the Boards for steer and consideration.</p> <p>It was noted the metrics contained within the circulated report have been superseded and new figures are available.</p> <p><b>Action: Mark to circulate an updated version of the Plan</b></p> <p>The Board acknowledged the wealth of activity being led by other partners and agencies that aims to deliver the same outcomes as the Plans, but isn't LEP-led. It was confirmed the Delivery Plans will focus on actions the LEP is taking a lead on but the Executive Board will provide the opportunity to consider matters within a wider context.</p> <p>It was noted the Delivery Plans also act as frameworks for helping determine the activities of each of the SCR commissioning teams.</p> <p><b>RESOLVED, that the Board endorse the current draft and agree to dashboard updates on identified activity being presented back to future meetings</b></p>	ML
7	<p><b><u>Quarterly Economic Survey</u></b></p> <p>The Board was advised a report was received at the last SCR LEP Board meeting (5<sup>th</sup> February) to inform the Board of the outcomes of the last Quarterly Economic Survey (QES) and invite views on the survey's continuation.</p> <p>It was reported the Board members expressed opinions that there is room for improvement in both the numbers of businesses responding to the survey and in how the results are used, and agreed there was a need to continue to monitor the efficacy of the survey.</p> <p>However, in light of the LEP Board not being able to formulate a unanimous opinion on whether to continue the QES Surveys, it was reported the responsibility for making a decision was delegated Business Growth Executive Board, with the direction to BGEB being to consider whether the QES is a useful barometer of business confidence and intelligence within the City Region.</p>	

	<p>The Board acknowledged the survey is not primarily a policy-influencing initiative but rather an engagement tool and a means of strengthening engagements with the Chambers and the business community. It was agreed the survey is a useful barometer of business confidence and intelligence within the City Region.</p> <p>It was noted there are intentions to do ‘more’ with the survey results, such as using these to inform subsequent thematic engagement events.</p> <p><b>RESOLVED, that the Board agrees to support the continuation of the QES, noting the cost of this activity will be £24k.</b></p>	
8	<p><b><u>Business Investment Fund Panel</u></b></p> <p>The Board was provided with the BIF Panel meeting update of 13<sup>th</sup> February.</p> <p>This noted there were 5 indigenous applications for funding considered and awards totalling £657k were made, creating 98 new jobs. An additional inward investment application was supported in principle with the request this be brought before the next meeting for more detailed consideration.</p> <p>It was noted the BIF Panel is spending ‘ahead of plan’ and may have the capability to oversee the award of additional investment should it be made available.</p> <p>Regarding the potential appropriation of additional funding, the Board was reminded of plans to arrogate some degree of control over the South Yorkshire Investment Fund (SYIF) legacy which amounts to c£15m and is effectively awaiting a decision on its usage (to be ‘managed’ by Finance Yorkshire at DHCLG’s direction). It was noted more information on this matter will be available at the next meeting.</p>	
9	<p><b><u>Any Other Business</u></b></p> <p>No further matters requested.</p>	
11	<p><b><u>Date of Next Meeting</u></b></p> <p>Tuesday 17<sup>th</sup> April, 2.00pm at AMP Technology Centre, Rotherham</p>	



## BUSINESS GROWTH EXECUTIVE BOARD

17<sup>th</sup> APRIL 2018

### SCR START-UP AND SCALE-UP

#### **Purpose of Report**

To receive a presentation which examines in further detail, the following Business and Investment Delivery Plan programme area:

*Stimulate the creation of more new businesses to increase individuals' access to productive enterprise, support scale-ups, and encourage high-technology innovative spin-outs.*

The presentation outlines the evidence, suggests a series of areas which the Business Growth Board may wish to consider further, and invites a discussion about how to achieve this objective.

#### **Thematic Priority**

Start-ups and scale-ups are relevant to 2 of the LEP's current thematic priorities:

1. Ensure new businesses receive the support they need to flourish.
2. Develop the SCR skills base, labour mobility and education performance.

#### **Freedom of Information**

This paper is not exempt from Freedom of Information requests.

#### **Recommendations**

Business Growth Board members are asked to:

- Consider the evidence discuss how the desired outcomes could be achieved.
- Agree activities for further consideration and updates to the Business and Investment Delivery Plan accordingly.

## 1. Introduction

1.1 The SCR Business and Investment Delivery Plan is one of five Plans that are being developed as part of the SCR Strategic Economic Plan (SEP) refresh. It has four integrated principal priorities of which one is to ***stimulate the creation of more new businesses to increase individuals' access to productive enterprise, support scale-ups and encourage high-technology innovative spin-outs.***

1.2 It is recognised that there is a need to undertake a more thorough examination of this programme area, in order to ascertain whether the proposed activities are sufficient in order to

achieve the objective set out. The accompanying presentation is a first step in this process, outlining the evidence and rationale for the priority and then exploring suggested areas of activity which could accelerate performance in this area for the Business Growth Board to consider.

## **2. Proposal and justification**

- 2.1** Increasing the net number of businesses in the SCR by an additional 6000 over the 10-year period (2014-2024) is a central objective of the SEP. This target was identified on the basis that it would halve the gap between the business density of the City Region and the national average.
- 2.2** For the 10 year period from 2005 to 2015 the City Region has experienced significant fluctuation in the net number of businesses within the area. Prior to the recession this net figure broadly equated to 1,000 additional enterprises per annum. However, since 2013 the net number of enterprise in the City Region has increased significantly, growing by 8000 between 2011 and 2015.
- 2.3** An analysis of the data has indicated that this has been fuelled by a growth in the number of business births with survival rates remaining stable and in line with the national average. However, 2016 saw a reduction in the number of births and a widening of the gap to the national start-up rate.
- 2.4** The Business Growth Board is asked to consider the evidence contained in the presentation, discuss the implications and examine the proposed areas for further investigation or action.

## **3. Consideration of alternative approaches**

- 3.1** Do Nothing – Supporting a growth in start-ups is a key target of the existing SEP. In addition, the continued support for start-ups linked to high value, high value job creating sectors, is identified as a priority in the emerging SEP refresh.
- 3.2** Do Less Option – Fluctuations in start up rates suggest that a continued focus on supporting start-ups (and scale-ups) should remain a focus of the Business Growth Board's ongoing work.
- 3.3** Do More – The presentation, and previously discussed delivery plan, suggests areas which the Business Growth Board may wish to consider for further action or emphasis.

## **4. Implications**

### **4.1 Financial**

There are no direct financial implications arising from this presentation. However, any future activities or programmes of work which emerge may have financial implications which will require more detailed costed options. Any proposal seeking LEP / CA resource is subject to the agreed Assurance Framework processes.

### **4.2 Legal**

There are no current legal implications arising from this paper

### **4.3 Risk Management**

Subject to the outcome of the discussion, the Executive Board will need to develop a clear approach to management of risks at the policy and programme level in regards to any future activities that arise, agreeing an approach to mitigating such risks and testing the adequacy of any controls.

#### 4.4 Equality, Diversity and Social Inclusion

In developing any future activities, we will seek to ensure we comply with the Equality Act 2010 and will aim to provide an equalities impact assessment, as appropriate, to validate this.

#### 5. Communications

- 5.1 Following the initial discussion of this paper at the Executive Board it is anticipated that there will be a requirement for wider stakeholder engagement to develop the proposal from the evidence of concept phase into the planning phase. As part of this planning phase a detailed stakeholder engagement plan will be required. Executive Board Members are asked to provide advice regarding the stakeholder management plan development.

#### 6. Appendices/Annexes

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

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## BUSINESS GROWTH EXECUTIVE BOARD

17<sup>th</sup> APRIL 2018

## SUPPLY CHAIN PROGRAMME DEVELOPMENT

### **Purpose of Report**

To update members on the proposed development of a regional Supply Chain programme, highlighted as a cross-cutting priority in all the SCR Delivery Plans, and to meet the following strategic objective:

*An international City Region with a higher number of growing businesses, creating more and better jobs through improvements in sectoral productivity driven by targeted support and investment*

The report highlights our proposal to achieve the aim of enhanced supply chain networks.

### **Thematic Priority**

Enhancing supply chain networks will support 3 of the LEP's current thematic priorities:

1. Facilitate and proactively support growth amongst existing firms.
2. Attract investment from other parts of the UK and overseas, and improve our brand.
3. Increase sales of SCR's goods and services to other parts of the UK and abroad

### **Freedom of Information**

This paper is not exempt from Freedom of Information requests.

### **Recommendations**

Business Growth Board members are asked to consider the proposal to develop a supply chain programme in SCR, focussed on manufacturing and digital, and the recommendation to develop a detailed programme to be considered at a future Business Growth Board meeting.

## **1. Introduction**

- 1.1 Whilst there has been a net increase in private sector jobs in the City Region over the last 5 years, driven in no small part due to growth in the manufacturing as well as service sectors, in

order to embed and sustain those advances we need to improve supply chains and encourage growth in related and supporting sectors.

- 1.2 This paper outlines why investing in improvements to existing and developing supply chains could be beneficial to the ongoing growth of the SCR economy, and starts to set out a series of areas which may warrant further examination in the development of a supply chain programme.

## 2. Proposal and justification

- 2.1 Evidence from the SEP Refresh suggests that supply chains in our key sectors are undeveloped, with growth in manufacturing not being linked to growth in professional and service sectors. In addition, if the aim of the SCR Trade and Investment Plan is to attract Original Equipment Manufacturers (OEM) and Tier 1 suppliers into the City Region, the greatest benefits will not come from that one company, but will be derived from the subsequent knock on investment by related suppliers, either currently within SCR or who may invest as a result.
- 2.2 It is therefore proposed that a targeted SCR supply chain programme is developed, which begins to support related initiatives such as AMID to build clusters of activity which can spread out across the City Region to major growth areas such as Junction 36 of the M1 in Barnsley and the Aerocentre at Doncaster Sheffield Airport, but also be linked to the potential of our emerging digital sector to encourage cross collaboration between digital and manufacturing (Industry 4.0). This concept is consistent with our ambition to create a Global Innovation Corridor within the City Region, linked with the findings of the Science and Innovation Audit.
- 2.3 The development of a focussed and manufacturing specific City Region wide supply chain programme could:
  - improve our understanding of the City Region key competencies and supply chain capabilities;
  - develop the capacity of existing regional SMEs to respond to existing and emerging supply chain opportunities via the Growth Hub;
  - seek to identify and attract tier 1 and 2 suppliers through SCRInvest; and
  - link to a City Region wide programme of connecting digital to manufacturing and the benefits of collaboration between the two sectors.
- 2.4 The Business Growth Executive Board is asked to consider the merits of developing such a supply chain programme, focussed on manufacturing but also its broader relationship with digital. This 'narrow and deep' approach would ensure that SCR's resources are used to best effect by focussing attention on a growing part of the economy and one which aligns well with the Trade and Investment Plan, allowing the Business Growth Board to examine how to:
  - address the gap between manufacturing and growth in business services
  - support the digitisation of manufacturing to meet the challenges and opportunities of Industry 4.0
  - further exploit the inward investment opportunities identified within the SCR Trade & Investment Plan
- 2.5 It is proposed that, subject to the support of the Business Growth Board, a further, more detailed paper is brought back in due course which starts to unpack the opportunity and the types of interventions which are required. This may consider:
  - what success looks like, including understanding how similar initiatives elsewhere have succeeded or failed.
  - how partners better understand and coordinate existing regional activity.
  - how supply chain networks can be built.
  - research and map existing supply chains and sub clusters that exist in SCR.

- begin development work with the region's OEMs and Tier 1 suppliers, and those slightly further afield, to understand the requirements of their supplier base, begin to forge strong relationships and develop a local engagement programme.
- scope out a Supply Chain Readiness programme, to be delivered by the Growth Hub, to support our local businesses to be 'sector' supply-ready, and ensure we have the necessary advisors and specialists in place to develop and deliver this activity.

The output will be a detailed programme of work that will lay the foundations for future activity.

### **3. Consideration of alternative approaches**

- 3.1** The proposed approach is one which is 'narrow and deep', focussed on manufacturing and digital. An alternative approach would be 'broad and shallow' and involve engaging with a wide range of businesses from across the City Region and not limiting the sectors.
- 3.2** This option would enable a wide range of City Region SMEs to receive a limited degree of support. It may be considered that this approach would be more inclusive, ensuring that access is open to all, and may require less planning in researching the target market. However, the evidence from the SEP refresh suggests that supporting further growth in manufacturing, taking advantage of the opportunities to link this with the digital agenda, could yield the greatest additional benefit for the economy. It is therefore proposed that a 'narrow and deep' approach offers the greatest return on investment and enables a 'pilot' programme to be developed which could be subsequently rolled out wider in future.

### **4. Implications**

#### **4.1 Financial**

The detailed development of the supply chain programme, as proposed in section 2.2, will necessitate financial resource to be available. Allocation of resource will be considered by the SCR Statutory Officers taking into consideration the Executive Board discussion on the suggested programme.

#### **4.2 Legal**

There are no current legal implications arising from this paper

#### **4.3 Risk Management**

The risks in developing a new programme include financial and reputational in failing to: incur expenditure to deliver interventions where required; achieve beneficial impact of such interventions; collaborate effectively with influential stakeholders; achieve the financial resource necessary to sustain programme development. These risks may be mitigated by:

- learning from the strengths and weaknesses of other supply chain programmes delivered elsewhere across the country
- basing programme design upon the data evidenced through the SEP refresh
- securing a Programme Lead with specialist supply chain experience
- identifying key stakeholders and securing their support early in programme development
- tasking the Programme Lead to identify ongoing sustainable programme funding
- developing a detailed implementation plan, which includes:
  - risk mitigation for each resultant project
  - detailed budget planning
  - timed milestones and KPIs
  - communication and stakeholder engagement
  - monthly reporting and quarterly reviews

#### 4.4 Equality, Diversity and Social Inclusion

Enhancing the supply chain capability of the City Region's SME base will support indigenous job creation and broaden opportunities across the City Region for inclusive economic growth

### 5. Communications

5.1 Early discussions with Local Authority and Universities partners have indicated general support for developing a regional approach to supply chain development. If approved, an early priority for the Programme lead will be to scope existing supply chain activity, identify key partners and develop a plan for stakeholder engagement. Further detailed consideration will be given to the communication requirements of proposed individual projects during programme development.

### 6. Appendices/Annexes

6.1 None

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: