

SCR BUSINESS INVESTMENT FUND PANEL

21st MARCH, 2019

BROAD STREET WEST, SHEFFIELD

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Panel Members</u> David Grey - Chairman Mary Broadhead Mike Thomas Lee Manterfield Matt Gladstone Helen Lazarus</p> <p><u>In Attendance</u> Laura Wheatley Andy McKenna Jenny Holmes Gareth Morgan – for item 4 Henry Murch – for items 6 and 7 Rachel Fletcher – for item 8 Steve Carroll for items 9 and 10 Craig Tyler, Joint Authorities Governance Unit – minutes</p> <p>Apologies were received from Diana Terris</p>	
2	<p><u>Declarations of Interest</u></p> <p>No declarations of interest were reported in relation to any item of business on today's agenda, any activity undertaken since the last formal meeting, or in relation to any forthcoming activity.</p>	
3	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 6th February were agreed to be an accurate record.</p>	

4	<p><u>BIF Approval – Company Ref. 0094.</u></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £1,980,000 to Company 0094.</p> <p>It was reported this will generate 53 new jobs by Q4 2020/21 at a cost per job of £37,358, considered acceptable value for money for the LGF investment.</p> <p>It was reported Company 0094 is a UK headquartered global engineering business undertaking technology innovation and production in high value adding activities. The company has requested BIF grant to support investment in a production facility focused on the development and industrialisation of new manufacturing processes for a product related to the transport sector.</p> <p>Panel members expressed general support for this application.</p> <p>Panel members probed whether the Company could make the investment using their own resources and whether funding at this level is required. It was reported that in the absence of grant the investment would not go ahead in the SCR as the return on investment is not strong enough for the case to proceed within the Group. If a lower grant were approved other options including taking forward development next to existing sites would become more attractive.</p> <p>It was agreed the award should be conditional on the Company attaining an expected contract within a given timeframe.</p> <p>It was noted there is an apparent drop in profits reported in the management accounts for which an explanation has not been provided.</p> <p>Action: Tim to attain the required explanation, with responsibility to determine whether this explanation is sufficient delegated to Mike.</p> <p>It was agreed the award should be conditional on the Company providing further information in respect of its intended graduate and apprentice programmes, with numbers.</p> <p>It was requested the Company provide additional information to describe its position on supporting local supply chains.</p> <p>RESOLVED, that the Panel APPROVE the application to make an award of £1,980,000 to Company 0094, subject to</p>	ToC
---	---	-----

	<p>the conditions contained within the report and additional conditions noted above, with delegation given to Mike and Helen (support by Laura as Managing Agent) to determine that these conditions have been met.</p>	
5	<p><u>BIF Approval – Company Ref. 0092.</u></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £300,000 to Company 0092.</p> <p>It was reported this will generate 30 new jobs by Q4 2020/21 at a cost per job of £10,000, considered acceptable value for money for the LGF investment.</p> <p>It was reported Company 0092 is a Doncaster based manufacturing company operating in the print and publishing sector. The company has an innovative product line and has experienced growth including in overseas markets. To continue to grow the company needs to relocate to larger premises and invest in new machinery.</p> <p>It was reported the company has requested BIF grant to support capital investment in machinery to be able to bring more production in house, increase outputs and productivity and reduce waste.</p> <p>It was noted that the Company is a Partnership rather than a Limited Company, with the Partners being 5 Limited Companies that are owned by the management team and that any contract will need to reflect this.</p> <p>Clarity was requested regarding whether the Company's patents cover the UK or are worldwide.</p> <p>Action: Andy to obtain information relating to the Company's Intellectual Property arrangements.</p> <p>It was agreed the award should be conditional on the Company keeping its annual disbursements under £300k p.a. for the period of the BIF award contract.</p> <p>RESOLVED, that the Panel APPROVE the making of an award to Company 0092, subject to the conditions contained within the report and additional condition noted above.</p>	AM

6	<p><u>BIF Approval – Company Ref. 0093.</u></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £400,000 to Company 0093</p> <p>It was reported this will generate 40 new jobs by Q4 2020/21 at a cost per job of £10,000, considered acceptable value for money for the LGF investment.</p> <p>It was reported Company 0093 is a railway storage and maintenance company operating within the region. The company intends to improve a recently acquired site in Bassetlaw to be able to offer additional storage and maintenance in response to a buoyant market place.</p> <p>It was reported the company has requested BIF grant to support investment in the facilities required to undertake more complex maintenance and heavy engineering work at the site.</p> <p>The Panel discussed the inherent complexities of the rail maintenance sector.</p> <p>It was confirmed the vehicles that will be stored in the facility are currently being manufactured.</p> <p>It was agreed the grant awarded should be phased in respect of the expected jobs being created. The approach would be endorsed at the next Panel meeting.</p> <p>It was confirmed a thorough check of the management accounts would be undertaken as part of the standard monitoring regime.</p> <p>It was agreed the award should be conditional on the Company keeping its annual disbursements under £120k p.a. for the period of the BIF award contact (noting this is in line with forecasts) and that the loan referred to in the application is in place. It should also be confirmed that there are no additional grants financing this project.</p> <p>RESOLVED, that the Panel APPROVES the application to make an award of £400,000 to Company 0093, subject to the conditions contained within the report and additional conditions noted above, with delegation given to Mike to determine that these conditions have been met.</p>	
---	---	--

7	<p><u>BIF Approval – Company Ref. 0082</u></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £30,000 to Company 0082.</p> <p>It was reported this will generate 5 new jobs by Q4 2020/21 at a cost per job of £6,000, considered acceptable value for money for the LGF investment.</p> <p>It was reported Company 0082 is a Sheffield based specialist catering company currently producing small volumes of artisan products. The company is seeking to grow in response to enquiries from potential buyers but to do this needs to manufacture in higher volumes to be able to supply retailers and wholesalers.</p> <p>It was reported the Company has requested BIF grant to invest in specialist catering machinery which will speed up the production process, reduce costs and allow for greater volumes to be produced.</p> <p>RESOLVED, that the Panel APPROVES the making of an award of £30,000 to Company 0082 subject to the conditions contained within the report.</p>	
8	<p><u>BIF Approval – Company Ref. 0096.</u></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £249,000 to Company 0096.</p> <p>It was reported this will generate 15 new jobs by Q4 2020/21 and an additional 5 jobs by Q1 2021/22 at a cost per job of £12,450, considered acceptable value for money for the LGF investment.</p> <p>It was reported Company 0096 is a Chesterfield based manufacturer and distributor operating in the leisure and health sectors. The Company has grown quickly and is manufacturing and selling overseas.</p> <p>It was reported Company 0096 is growing significantly and is currently turning down orders as it is unable to store, retrieve and distribute products in the volume required. The company has requested BIF grant to support building larger premises allowing the company to improve performance through increasing stock, improving operations times and supporting greater sales.</p>	

	<p>It was noted the premises would include storage space, a showroom and office facility.</p> <p>It was noted the Company has also received an in-principle award (subject to due diligence) of £150k from the D2N2 LEP (conditional on job creation). Members were informed of confidence there has been no double counting in the proposed job creation figures provided to the 2 LEPs.</p> <p>Members discussed the rationale of some aspects of the bid including why the Company had not elected to utilise commercial temporary storage as a solution to its capacity constraints.</p> <p>It was also requested that more information be provided to break down the project costs to explain what the award would be spent on.</p> <p>Action: Rachel to seek feedback on these questions</p> <p>It was requested the Company's finances be suitably scrutinised to ensure it has enough working capital to operate and to finance the stock that the new facility would hold.</p> <p>The Panel noted that whilst not bound by previous decisions it rarely supported property development projects.</p> <p>RESOLVED, that the Panel DEFER the decision on the making of an award to Company 0096, pending the Company addressing the questions raised by the Panel.</p>	RF
9	<p><u>BIF Approval – Company Ref. 0097</u></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £25,000 to Company 0097.</p> <p>It was reported this will generate 1 new job by Q4 2020/21 at a cost per job of £25,000, considered acceptable value for money for the LGF investment.</p> <p>It was reported Company 0097 is a Sheffield based scientific services company. The Company has been selected to partner on an international contract to provide a product that has advanced materials applications.</p>	

	<p>Company 0097 has requested BIF grant to support investment in the specialist equipment required to handle and store sensitive materials.</p> <p>It was reported that the Company has received a BIF grant previously and risks clawback. One of the two jobs created under the previous contract had been filled but is now vacant.</p> <p>Members questioned whether this application represents a true business investment growth opportunity or is more fundamentally a research project. It was agreed an argument could be made for the former.</p> <p>It was agreed that award must be made conditional to sight of the written contract to provide the product.</p> <p>The Panel sought assurance that the Company is receiving business support to ensure it can make a success of this investment and is in a position to grow after this contract.</p> <p>RESOLVED, that the Panel APPROVE the making of an award of £25,000 to Company 0097, subject to the conditions contained within the report and additional conditions noted above</p>	
10	<p><u>BIF Approval – Company Ref. 0088 – Reconsideration from 06.02.2019.</u></p> <p>A report was received to enable the Panel to reconsider a decision whether to support the proposal of a BIF (LGF) grant of £135,000 to Company 0088.</p> <p>It was reported this Investment will generate 10 new jobs by Q4 2019/2020 at a cost per job of £13,500, considered acceptable value for money for LGF investment.</p> <p>It was confirmed the questions raised at the previous meeting, which led to the Panel deferring its decision on making an award, had now been appropriately addressed.</p> <p>RESOLVED, that the Panel APPROVE the making of an award to Company 0088 subject to the conditions contained within the report.</p>	
11	<p><u>Programme Management Update</u></p> <p><u>a) Programme Management Report</u></p> <p>Provided for information</p>	

	<p><u>b) BIF Pipeline</u></p> <p>A list of projects within the BIF pipeline was tabled for information.</p>	
10	<p><u>Any Other Business</u></p> <p>Members were advised the LEP had approved the creation of 2 new Industry 4.0 related BIF categories (focused on stimulating productivity improvements and supporting industrial digital technology adoption).</p> <p>These will be overseen by the SCR Business Growth Executive Board.</p>	
9	<p><u>Date of Next Meeting</u></p> <p>Thursday 2nd May 8.30am – HSBC, Europa Way, Sheffield</p>	