

Business Recovery and Growth Board

30 June 2022

Create Growth Programme

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan?	No

Director Approving Submission of the Report:

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Executive Summary

The Department for Digital, Culture, Media & Sport (DCMS) is inviting local area partnerships in England to submit expressions of interest (EOIs) to participate in the Create Growth Programme (CGP). Each successful local area partnership will be awarded approximately £1.275 million in grant funding for business support aimed at connecting existing clusters of creative industry with the finance required to support their growth and development.

What does this mean for businesses, people and places in South Yorkshire?

Fundamental to the Strategic Economic Plan is the ambition to provide the enabling conditions that underpin the transformation of the South Yorkshire economy. Increasing the volume of Creative start-ups and scale-ups and supporting existing businesses to generate routes to secure financial investment will help deliver a thriving business eco-system where businesses, entrepreneurs and individuals are engaged and inspired to create and develop new business opportunities.

Recommendations

That the Business Growth and Recovery Board notes the Create Growth EOI process and endorse the work underway to investigate the potential for a submission from South Yorkshire.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Non-Applicable

1. Background

- 1.1 During 2021 the South Yorkshire Mayoral Combined Authority (SYMCA) commissioned the Fifth Sector to research and map the creative sectors in South Yorkshire. The work had two primary objectives:
- To **provide evidence for policy** by:
 - Addressing gaps in evidence.
 - Providing a robust evidence base that would both, “Support, develop and advocate for this sector in the future” and “Inform the development of a wider South Yorkshire Arts, Culture and Heritage strategy.”
 - To **identify opportunities for new investment**, including:
 - Arts Council England and DCMS priorities.
 - Other public sector “levelling up” funds.
 - Increased employer investment in training and skills.
 - Business start-up, scale-up and inward investment.
- 1.2 The initial (to date unpublished) research has demonstrated that South Yorkshire’s creative industries comprise over 4,000 companies and a workforce of over 31,000 people. Both these figures are larger than suggested by national statistics. The region demonstrates clustering of some creative sectors, including Architecture, Crafts, Design and Publishing, mostly centred in Sheffield; but overall, it has a smaller creative and digital business base than other core cities and city regions.
- 1.3 Whilst the research undertaken by the Fifth Sector clearly indicates that the sector is larger than previously understood it is also clear that there is a significant shortfall in investments over the last decade, both in absolute terms and relative to competitor cities and city regions across the North. The Create Growth Programme could play an important role in redressing this balance.

This paper provides an overview of the Create Growth programme and activities underway across South Yorkshire to consider developing a proposal for submission. Note: it should not be considered a firm commitment of entering a submission.

2. Key Issues

- 2.1 The Creative Scale Up pilot commissioned by Government in 2019 delivered a bespoke package to support creative businesses at the scaling stage and to build investor networks. The pilot was undertaken by three Combined Authorities (Greater Manchester, West of England and West Midlands). SYMCA have been

exploring the programme with the West Midlands Combined Authority team to understand the key facets of success.

2.1.1 Evaluation of the three pilots indicates that recipient businesses on average experienced increases in turnover of £91,000 (per business) and employment growth of 23%. UK Business Angels Association have estimated that the approximate investment capacity to date of investors registered to the toolkit developed in the pilot is in the range of £149 million and £303 million.

2.1.2 **The Create Growth Programme:**

Following from the learning of the Creative Scale Up DCMA are now looking to commission further activity in the following areas:

- Business Support – Targeting high-growth potential creative businesses, to support improved management skills and a greater understanding of the routes to financial support. The offer must include a suite of workshops, one-to-one mentoring and peer-learning covering intellectual property, business models and access to new markets.

A national delivery provider will be appointed to deliver two additional elements of the programme:

- Investor Capacity Building - Increasing the number of private investors willing to invest in creative businesses outside London. This will include a combination of pitching events, investor outreach and an investor toolkit.
- Finance - Targeted finance will be provided to selected businesses to act as a stimulus for growth and investment, through leveraging in further private investment.

2.1.3 Applicants must be either a Combined Authority, Local Authority or Local Enterprise Partnership (LEP). In the case of a consortium application, the lead organisation must be either a Combined Authority, Local Authority or LEP.

2.2 **Progress to Date:**

2.2.1 Early discussion between SYMCA, Barnsley Council, Sheffield Council, Doncaster Council and Rotherham Council along with a selection of key partners have been engaged in discussion to understand the appetite for a consortia proposal.

2.2.2 The Fifth Sector research will provide a foundation for targeted activity and further discussion will take place with the initial group on Thursday the 23rd of June to understand if a viable proposition can be developed in the timeframe required.

2.2.3 In the event of a positive result from the workshop on the 23rd of June an expression of interest will need to be completed in relatively short order. Note: This expression of interest does not commit the combined authority to submitting a full application to the fund.

3. **Options Considered and Recommended Proposal**

3.1 N/A – discussion paper

4. Consultation on Proposal

4.1 N/A – discussion paper

5. Timetable and Accountability for Implementing this Decision

5.1 The EOI opened for applications on Thursday 9 June 2022. The closing date for submitting EOI applications is Thursday 7 July 2022. This is a relatively short application (c1000 words). If successful we will be invited to submit a full application during August, formal approval for a full submission will be sought before the work is undertaken.

6. Financial and Procurement Implications and Advice

6.1 N/A – discussion paper

7. Legal Implications and Advice

7.1 N/A– discussion paper

8. Human Resources Implications and Advice

8.1 N/A– discussion paper

9. Equality and Diversity Implications and Advice

9.1 N/A– discussion paper

10. Climate Change Implications and Advice

10.1 N/A – discussion paper

11. Information and Communication Technology Implications and Advice

11.1 N/A – discussion paper

12. Communications and Marketing Implications and Advice

12.1 N/A – discussion paper

List of Appendices Included*

None

Background Papers

None