

Business Recovery and Growth Board

30 June 2022

Programme Performance Report

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

Director Approving Submission of the Report:
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Executive Summary

This paper provides the Board with the latest performance information on Business Recovery and Growth programmes being delivered on behalf of the MCA.

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

Through the delivery of these programmes the MCA is investing in the people and businesses of South Yorkshire which support the MCA's aspirations. Performance information supports the robust oversight and management of this delivery.

Recommendations

That Board members:

- Consider the performance information provided to identify future performance deep-dives or significant areas of risk.

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

None

1. Background

- 1.1 The South Yorkshire Mayoral Combined Authority currently has twenty-one projects which fall within the remit of the Business Recovery and Growth Board.

The schemes are funded from various funding streams with a total value of £46.10m.

This report gives an overview on the performance of programmes and the projects within them, highlighting management actions being taken to mitigate risks.

- 1.2 The expenditure baseline for 22/23 was initially set at £33.16 with the latest forecasts suggesting outturn expenditure of £32.71m. This level of expenditure will be generating a material underspend of £0.45m. The variance in the funding lines is due to the re-design of projects within the renewal action plan allocation.
- 1.3 Of the total projects value £0.37m is funded from conditional grant from government for the Made Smarter programme. The MCA is awaiting final confirmation for a further 3-year programme. BEIS have agreed to fund £375k of Made Smarter 2 monies to bridge the gap between the pilot programme and the commencement of the full programme.

2. Current Position by Funding Stream

- 2.1 The table presented below highlights the forecast full-year expenditure profiles set against the baseline targets.

Funding Stream	2022/23 Baseline	2022/23 Forecast	22/23 Variance
	£m	£m	£m
Legacy Capital	£8.67	£8.67	£0.00
Gainshare Capital	£21.55	£21.55	£0.00
Gainshare Revenue	£2.57	£2.12	-£0.45
BEIS - Made Smarter 2	0.37	£0.37	£0.00
	£33.16	£32.71	-£0.45

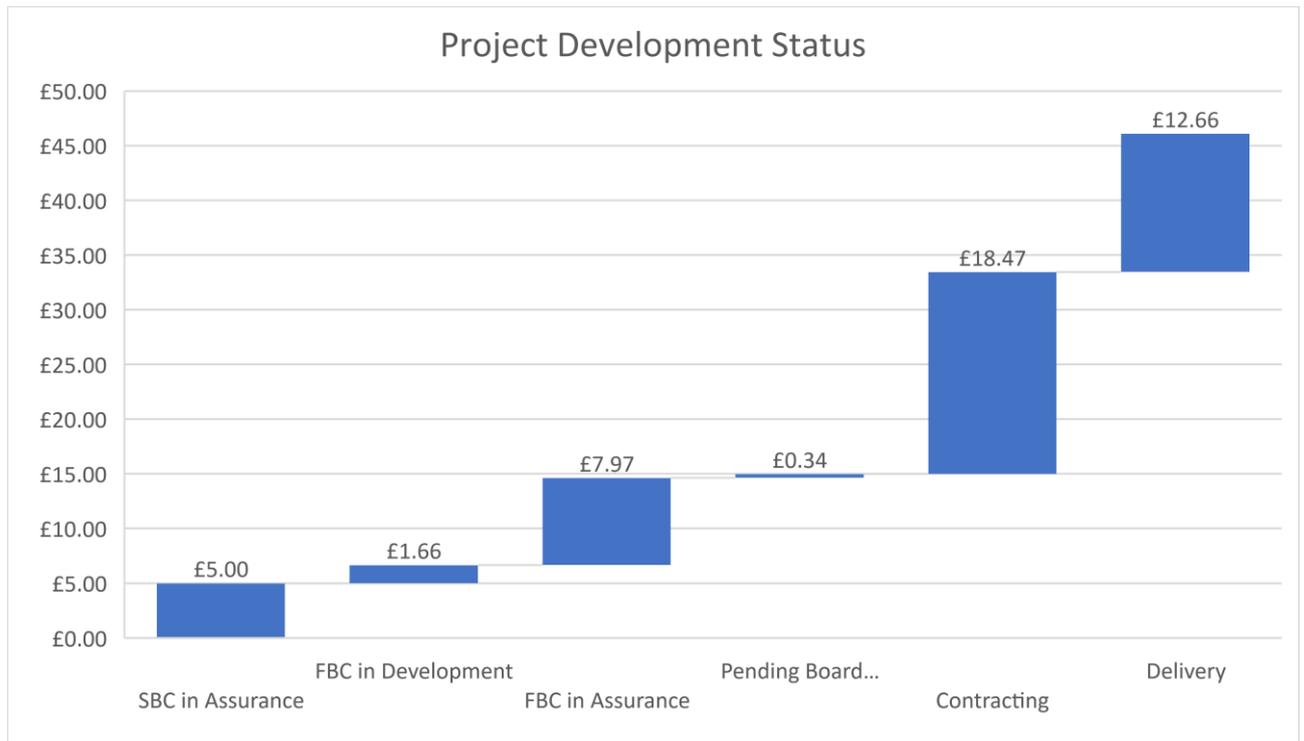
The table below shows 2022/23 current forecast against claims received to date

Funding Stream	2022/23 Baseline	2022/23 Claims	22/23 Claims
	£m	£m	%
Legacy Capital	£8.67	£1.98	23%
Gainshare Capital	£21.55	£0.00	0%
Gainshare Revenue	£2.12	£0.11	5%
BEIS - Made Smarter 2	£0.37	£0.37	0%
	£32.71	£2.09	28%

Made Smarter 2 baseline targets are set by government, requiring in-year allocations to be fully defrayed within the financial year. There is no comparative grant conditionality timeline pressure on gainshare and the legacy activity.

2.2 Development Status of Projects

2.3 The graphic below exemplifies the milestone status of projects by value.



2.4 The graphic highlights that of the twenty-one projects in the portfolio at a total of £46.10m.

27% of total value (seven schemes) are in the delivery phase with a value of £12.66m, this includes two legacy programmes coming towards the end of their delivery.

40% (six schemes) are approved and in contract negotiation phase with a value of £18.47m approved.

1 scheme is pending board approval and is included in item 10

32% (seven schemes) are progressing through the development stages at a total value of £14.63m.

3. Management Actions

3.1 Following a previous request from members, Appendix A shows all projects that currently fall within the Boards remit, the information details the split between Capital and Revenue funding.

3.2 Close monitoring is on-going and full programme reviews, where they have not already commenced will be undertaken. This will reaffirm delivery status and inform remedial actions required to address risk. In this context schemes recommended for approval will be made to the board highlighting the risks on a scheme-by-scheme basis. Appendix B details actions taken to date

3.3 In March 2021 the MCA board approved a set of principles in relation to the South Yorkshire Renewal Fund. One of these principles was sustained investment, the board agreed that where possible and appropriate, the MCA would seek a financial return on investments to enable evergreening of funds and to help deliver a sustained programme of activity. Within the capital schemes that fall within the remit of the Business Growth and Recovery Board five schemes have been fully approved since March 21 with a total value of £20.64m. £5.17m (25%) has been taken as loan, and two projects have entered into profit sharing agreements with the authority.

4. Consultation on Proposal

4.1 Project sponsors are required to publish business cases on their own websites (or an appropriate summary of the submission) and must consider all comments received and reflect this in the next stages of the application process.

5. Timetable and Accountability for Implementing this Decision

5.1 Updates to the Board will continue to be made throughout the year.

6. Financial and Procurement Implications and Advice

6.1 This report notes the slower than forecast pace of the Gainshare.

7. Legal Implications and Advice

7.1 The funding agreement for the schemes provide that any failure to make adequate progress against the spend profile identified may result in the reduction or withdrawal of further funding.

8. Human Resources Implications and Advice

8.1 None

9. Equality and Diversity Implications and Advice

9.1 Appropriate equality and diversity considerations are taken into account as part of the assurance of project business cases.

The premise of the engagement is based upon a deal where greater social value is negotiated and the business commits to supporting local supply chains, local labour market, training and taking on apprenticeships, for example.

10. Climate Change Implications and Advice

10.1 Climate change impact is assessed as part of the assurance process for any proposed activity.

11. Information and Communication Technology Implications and Advice

11.1 None

12. Communications and Marketing Implications and Advice

12.1 None

List of Appendices Included

- A. Appendix A – Project List
- B. Appendix B – Liability List

Background Papers

None