

Business Recovery and Growth Board

30 June 2022

Programme Approvals

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

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

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Executive Summary

The paper seeks progression to full approval and award of £0.34m for the Tech Welcome pilot project.

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

This report is seeking approval for a proposal which will support the MCA's aspirations.

Recommendations

The Board consider and approve:

- Progression of the Tech Welcome pilot to full approval subject to the conditions in the Assurance Panel Summary attached at Appendix.
- Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme covered above.

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

Assurance Panel

09 May 2022

1. Background

- 1.1 In March 2021 the Mayoral Combined Authority (MCA) board allocated funding in response to the pandemic to support business. The funding was for a range of interventions including provision of specialist advice, access to digital adoption and upskilling support as well as supply chain development which would help business to innovate, grow and create opportunities for employment .
- 1.2 In addition to these measures to support economic recovery, it is vital that these ambitions are also considered in the medium term. The adoption of digital technologies across all industry sectors and markets is increasing and has moved dramatically as a response to the Covid -19 restrictions transforming the way people, businesses and places work. It is becoming increasingly critical that South Yorkshire maximises its opportunities to grow the digital/tech ecosystem.
- 1.3 These behaviour shifts have the potential to act as a driver of productivity regionally. Strong progress has been made through the Team South Yorkshire (Team SY) provision (80 start-ups and scale ups have been supported with a further 100 in the pipeline) and the recently commissioned supply chain activity. The development of the tech welcome package will compliment Team SY, Launch Pad and Digital Innovation grants by effectively supporting access to incubator space to ensure programme beneficiaries remain located in South Yorkshire
- 1.4 The pilot offers scaling grants for inwardly investing companies bringing business and jobs into South Yorkshire. It offers a grant to cover accommodation costs paid directly to the business in arrears, subject to presentation of invoices and proof of payment. As a condition of the grant, companies will be expected to commit to a minimum period in the region. £0.30m is allocated to Tech Welcome, administrated by Barnsley Metropolitan Borough Council (BMBC) and the remaining £0.04m will be used for the procurement of Transform SY as part of the Team SY programme.
- 1.5 Team SY will work across the South Yorkshire region to support early-stage entrepreneurs and tech start-ups to establish and scale their businesses here. Programmes will range from pre-accelerators, to venture builders and full accelerator programmes as well as funding readiness programmes. The project is based on a successful model delivered by Capital Enterprise in London, CASTS, and is their first programme outside of the capital, designed to reflect the regional landscape and opportunity.

2. Key Issues

- 2.1 The most significant risks highlighted in the business case include ongoing pandemic related absence, overly complex business support eco-system, poorly designed evaluation approach and more generous offer in competing regions.

3. Options Considered and Recommended Proposal

3.1 Option 1

Approve all recommendations

3.2 Option 1 Risks and Mitigations:

Approval of the investment proposition would require a commitment being made against the Renewal Action plan gainshare allocation.

3.3 Option 2

Reject the recommendations

3.4 Option 2 Risks and Mitigations:

Rejection of the recommendations in this report would mean the region foregoing the forecast benefits arising from the investment

3.5 Recommended Option

Option 1

4. Consultation on Proposal:

4.1 The Tech Welcome programme directly responds to the following recommendation of the Department for Digital, Culture, Media & Sport: 'Assessing the UK's Regional Digital Ecosystems'

5. Timetable and Accountability for Implementing this Decision

5.1 Subject to the approval of the recommendations, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into legal agreements with BMBC and Transform SY.

6. Financial and Procurement Implications and Advice:

6.1 The projects presented for approval today are profiled to draw down up to £0.34m from Gainshare.

7. Legal Implications and Advice:

7.1 The legal implications of the project have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed within the Assurance Summaries as presented in the Appendices. Projects have taken full legal advice regarding subsidy control.

7.2 The level of grant that will be given to the recipients will be below the minimal financial assistance levels. Records must be kept about the amount of Subsidy they are receiving over a rolling three-year period. Provided the recipients has not received other minimal financial assistance taking their total receipt above the threshold there will not be a Subsidy Control issue.

8. Human Resources Implications and Advice

8.1 N/A

9. Equality and Diversity Implications and Advice

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

10. Climate Change Implications and Advice

10.1 Appropriate climate change considerations will be taken into account as part of the assurance of the project grant application process.

11. Information and Communication Technology Implications and Advice

11.1 N/A

12. Communications and Marketing Implications and Advice:

12.1 The approvals provide positive opportunities to highlight the difference the MCA's investments will make to people and passengers, businesses and places across South Yorkshire and how Members are taking action to support the region's recovery from COVID

List of Appendices Included

A Assurance Summary – Tech Welcome

Background Papers

None