

## Business Recovery and Growth Board

27 October 2022

### Programme Approvals

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

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#### **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 of a Strategic business Case (SBC) to the MCA board for the approval to progress to Outline Business Case (OBC) for a business based in Doncaster.

#### **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 endorse:

- Progression of "D0049" project to the MCA board for approval to progress from SBC to OBC subject to the conditions in the Assurance Panel Summary attached at Appendix A.

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

Assurance Panel

18 October 2022

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## 1. Background

1.1 This report details the results of the SBC assurance process of one currently unfunded proposed capital investment totalling c. £7m. The report recognises that the proposal meets the threshold for investment – subject to a number of conditions

### 1.2 Progression of scheme from SBC to OBC

This project represents the first 9 months of a 10-year delivery programme that presents the opportunity to create a world-leading green aerospace cluster in Doncaster, South Yorkshire, anchored and catalysed by establishing the company's manufacturing, test and operations centre delivering UK-developed and certified aircraft into export markets worldwide.

A British private limited company has developed the aircraft and the underlying hybrid aircraft technology, this is the first in a planned family of aircraft using this technology.

This new aircraft type has been designed from the ground up to maximise efficiency, improve the flying experience, and enable a range of civilian and defence use cases. The company is the world leader in hybrid aircraft and after more than a decade of UK-based R&D, has now developed the aircraft to the point of readiness for commercial production.

This project will enable the creation and establishment of the South Yorkshire base and comprises of:

- On-going development of plans to realise the establishment of three production facilities in South Yorkshire
- On-going research and development of the concept and prototype including:
- Product development and the creation of a dual pilot flight simulator
  - preliminary design review of the major systems/sub-assemblies
  - The establishment of an office in South Yorkshire and recruitment of the regional team to manage the facility construction, coordinate local supply chain and academic institute engagement

## 2. Options Considered and Recommended Proposal

### 2.1 **Option 1**

Approve the recommendation

### 2.2 **Option 1 Risks and Mitigations:**

Approval of the progression of the investment proposition may result in a commitment being made against the MCA's 2022/23 gainshare allocation

### 2.3 **Option 2**

Reject the recommendation

### 2.4 **Option 2 Risks and Mitigations:**

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

## **2.5 Recommended Option**

Option 1

## **3. Consultation on Proposal:**

- 4.1 Discussions for this project will continue with the thematic board during project development.

## **5. Timetable and Accountability for Implementing this Decision**

- 5.1 Subject to the approval of the recommendation, the project will be developed further.

## **6. Financial and Procurement Implications and Advice**

- 6.1 At this stage there are no funding implications however the project is seeking a loan investment of £7m.

## **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 will take full legal advice regarding subsidy control.

## **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 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 – Project D0049