MCA - BUSINESS RECOVERY AND GROWTH BOARD

MINUTES OF THE MEETING HELD ON:

THURSDAY, 15 DECEMBER 2022 AT 2.00 PM

SOUTH YORKSHIRE MCA, 11 BROAD STREET WEST, SHEFFIELD, S1 2BQ

SOUTH YORKSHIRE SYMCA MAYORAL COMBINED AUTHORITY

PRESENT:

Mayor Ros Jones CBE (Co-Chair)	Doncaster MBC
Neil MacDonald (Co-Chair)	Private Sector LEP Board Member
Councillor Glyn Jones	Doncaster MBC
Councillor Chris Lamb	Barnsley MBC
Councillor Martin Smith	Sheffield City Council
Sharon Kemp	Rotherham MBC
Richard Stubbs	Private Sector LEP Board Member
Jim Dillon	SYMCA Executive Team

IN ATTENDANCE:

Gareth Sutton	Chief Finance Officer/S73 Officer	SYMCA Executive Team
Rachel Clark	Assistant Director Trade & Investment	SYMCA Executive Team
Clare Monaghan	Executive Director of Strategy and Development	SYMCA Executive Team
Muz Mumtaz	Assistant Director - Development and Business Support	SYMCA Executive Team
Joseph Quinn	Innovation Project Director	SYMCA Executive Team

APOLOGIES:

Councillor Denise Lelliott	Rotherham MBC

51 **Welcome and Apologies**

The Chair welcomed attendees to the meeting.

Apologies for absence were noted as above.

52 **Declarations of Interest by individual Members in relation to any item of business on the agenda.**

None.

53 **Urgent items / Announcements**

None.

54 **Public Questions of Key Decisions**

None.

55 **Minutes of the Previous Meeting**

RESOLVED: That the minutes of the meeting held on 27th October 2022 be agreed as a true record.

56 **Matters Arising / Action Log**

It was noted that most open actions would be closed following presentations and reports within this agenda.

The Tech South Yorkshire proposal was currently undergoing the assurance process which would likely be complete early in the new year.

RESOLVED: to note the Action Log and updates.

57 **Development: Overview of SYMCA Assurance Process**

A presentation was given which summarised the MCA's funding and assurance processes for Business Recovery and Growth (BRG) projects.

The presentation gave the Board detail on:

- The responsibilities of the BRG Board to bring together public and private leadership to deliver the MCA's Strategic Economic Plan (SEP), to scrutinise ongoing activity and to develop policy on issues related to business recovery, innovation, enterprise, and growth.
- The 3 pillars of the SEP: Growth, Inclusion and Sustainability, and key interventions made to support the Growth pillar.
- The governance of the wider MCA in relation to the BRG Board.
- The specific responsibilities of the Board: shaping and reviewing policy, priorities, and programmes, and awarding and monitoring grants and contracts.
- The kind of information provided to the Board to support its decision making.
- The MCA Assurance and Appraisals process and assessment criteria.

It was noted that the BRG Board does not have access to a specific fund for general investment, but does have access to funding for specified programmes of activity. This includes programmes such as Made Smarter along with funding provided by the MCA Board for bodies of activity such as the Business Renewal Action Plan work.

Members of the Board were critical of the length of time it could take to fund projects. The response was given that a balance is needed between an

appropriate level of assurance to satisfy Government devolution requirements and the speed of the process. It was noted that how the MCA's obligations towards assurance are discharged is currently being reviewed with an emphasis on ensuring that the balance between the rigour of appraisal and speed of delivery is appropriate.

A summary was then given of the current financial position in the Business area of the MCA's work, noting:

- The position of both revenue and capital activity in the current financial year, and how the business pipeline could be funded based on recommendations from the Board.
- That the MCA Board could choose to allocate budget where a fund does not already exist for activity.

Roughly £4m of funds remained in the Business Renewal Action Plan (RAP) previously provided in 2021, and the Board requested an update on Renewal Action Plan to be presented to the next Board meeting.

ACTION: Innovation Project Director to provide an update to the February Board meeting regarding the impact of spent RAP funds, and recommendations for allocating the remaining amount.

An overview of how the business pipeline is funded was given, noting that:

- There was no dedicated funding stream owned by the Board for funding general business investment although the Board could endorse opportunities to the MCA Board who could choose to award funding
- The Assurance Framework was a mechanism for ensuring that this money was spent responsibly.
- The MCA Board has made a £26m capital fund available for financial years 2022/23 and 2023/24 against which the five authorities had sought money for schemes. 20% would be retained by the MCA to deliver the Mayoral manifesto and regional priorities
- Beyond 2024, each of the four LAs would receive a long-term Gainshare commitment to develop and deliver Place plans whilst the MCA would receive 20% of funding to develop and deliver a regional level plan.
- A financial update would be presented to the MCA Board meeting in January, with detail on how funding had been allocated and spent.
- Wherever possible, Gainshare funding was used sustainably, including by making loans as opposed to grants where possible.

RESOLVED: To note the information given in the presentation.

58 **SYMCA Support for Access to Finance for Business**

A report giving an overview of support for access to finance for business was presented to the Board.

The report outlined that MCA advisors prioritise access to private sector funders for all initial enquires for support, including referrals to:

- Northern Powerhouse Investment Fund (NPIF) funders (locally these are Mercia and Finance for Enterprise).
- UK Steel Enterprise.

- Finance Yorkshire.
- Secondary funders such as Funding Circle.
- Primary banks.
- Asset based lenders such as Invoice Finance or Asset Finance providers.
- Key Fund.

It was noted that the MCA is often a lender or funder of last resort once other options are exhausted and therefore there may be many reasons not to fund certain requests, which presents challenges in making funding decisions.

It was noted that a variety of circumstances determined whether businesses are offered financial support, and if so, whether they are offered a loan, grant, or other financial assistance, such as:

- The size of the investment being requested.
- Whether making a grant would accelerate a project and its outcomes.
- Whether funding a proposal would feed into MCA strategies such as growth or skills building in the region
- Whether the burden of repaying a loan will prevent a business from growing.

It was asked how SYMCA's approach compared to other Combined Authorities, and whether more favourable terms could be provided for investment in South Yorkshire. It was noted that West Yorkshire Combined Authority have an allocated fund for inward investment, but most other authorities do not deliver the same kind of support as the MCA.

Further detail was requested regarding how larger projects may withdraw from the MCA business pipeline, and whether a specific fund could be created for inward investment in South Yorkshire.

ACTION: Director of Trade and Investment to provide a response on these concerns at a future Board meeting.

It was noted that MCA investment at this time was focussed on large major investments, but that small grant schemes may exist in future. Some small grants were being made, including a 'soft landing' package to support new businesses with rent payments. Small grants would also be a possibility within the Made Smarter scheme.

RESOLVED: to note the report.

59 **Business Investment Pipeline**

A Status Update on Business Development Projects was presented to the Board. It stated that there were 68 active enquiries at that time.

RESOLVED: To note the Business Development Projects Status Update.

60 **Project Mandate Approval**

A Project Mandate seeking approval to progress through the SYMCA

assurance process was presented to the Board.

RESOLVED: To accept the Mandate and allow it to progress further through SYMCA's assurance process.

61 **Any Other Business**

The Board requested an update on the progression of the UK Shared Prosperity Fund. An update was given that:

- Government had approved Year 1 of the Investment Plan and provisionally approved Years 2 and 3, dependant on the successful delivery of Year 1.
- The MCA would be passing on funding to Local Authorities by the end of January.

The Board asked that information on the progression of Year 2 funding for business support be brought to the next Board meeting.

ACTION: Innovation Project Director to update on this at the next Board meeting.

The Board noted that this was the Director of Business & Skills final Board meeting, and thanked him for all of his work at the MCA.

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed .....

Name .....

Position .....

Date .....