Assurance Summary

SOUTH YORKSHIRE SYMCA MAYORAL COMBINED AUTHORITY

1 – SCHEME DETAILS

Project Name	Tech South Yorkshire (Tech SY)	**Type of Funding**	Grant (Revenue)
Grant Recipient	BMBC (Lead Local Authority)	**Total Scheme Cost**	£856,859
Programme name	Feasibility Fund (Gainshare)	**MCA Funding**	£856,859
Current Gateway Stage	Feasibility Fund Application	**% MCA Allocation**	100%
		MCA Development Costs	£128,000
		% of total MCA allocation	15%

2 – PROJECT DESCRIPTION

The Tech South Yorkshire (Tech SY) is a two year pilot programme that will provide businesses in the tech and digital sector across South Yorkshire with the support and capability to start-up and scale-up. Following previous investment in the digital infrastructure resource in Barnsley, BMBC will deliver the programme through a new team of staff on behalf of SYMCA and the four local authorities in South Yorkshire.

The programme will take a 'test and learn' approach to supporting businesses and entrepreneurs to drive growth in the tech and digital sector but there will be three elements to the support that will be provided through the programme:

1. *Strategy and Engagement* – this includes consulting and engaging with businesses across all sectors to identify their technology and digital needs, mapping and benchmarking the tech and digital sector's products and performance to meet demand, co-creating a 5-year Action Plan for technology and digital economic growth in South Yorkshire and developing a plan for establishing new incubation and workspace for indigenous and start-up companies in the tech and digital sector.

2. *Positioning* – building international, transnational and industrial relationships to develop potential trade opportunities for existing or new goods and services available from South Yorkshire's tech and digital sector, through events and an Annual Tech Summit and the production of an annual SY Tech report and ongoing performance data and reporting for the tech and digital sector.

3. *Product* – the delivery of programmes and provision of grants to enable businesses and entrepreneurs to pilot and test ideas for new products and services, accelerate growth and market reach in their business and receive the support and advice from a Tech Adviser on business scale-up.

The intention of the programme is to grow the tech and digital sector economy in South Yorkshire through a boost in productivity, and increased trade and turnover.

3. STRATEGIC FIT & EVIDENCE OF NEED

There is a clear alignment with the Stronger strategic pillar of the Strategic Economic Plan, specifically in relation to supporting innovation and supporting the start-up, scale-up and growth of businesses in South Yorkshire. The programme also offers an opportunity for South Yorkshire's businesses to develop and deliver products and services using technology and internet-based solutions and applications to improve productivity and efficiency. The programme is also aligned to the region's ambitions for the Investment Zone.

There is a recognised and significant productivity gap between South Yorkshire and the rest of the UK, particularly in regards to the creation of higher-skilled, higher paid jobs, and this programme aims to multiply job opportunities through driving innovation and supporting business start and scale-up and growth. The application also refers top a 38% decline in investment in the tech and digital sector between 2022 and 2023, despite annual sectoral growth of 7% in the region between 2016 and 2021, and a larger share of the Clean Tech economy than that of Greater Manchester and the West Midlands, despite jobs growth in the sector being dominated by West Yorkshire and Humber. South Yorkshire is currently at risk of constraining the growth in the tech and digital sector in South Yorkshire that has emerged in the last decade.

4. FINANCIAL

SYMCA would be providing 100% of the funding for the 2 year pilot, however the programme aims to build the evidence for securing a significant Research and Development asset, such as a Catapult into The Seam at Barnsley, alongside additional private sector investment, to further develop the region's potential and reputation for innovation.

SYMCA funds will be used for:

- Staff including Tech Advisers
- Small Grants
- Specialist support for engagement, incubation and workspace
- The Annual Tech Summit, events and annual reporting on the tech and digital sector in South Yorkshire
- Other marketing and strategic positioning materials
- Monitoring and Evaluation, including performance mapping and benchmarking

5. VALUE FOR MONEY

The programme intends to deliver the following outputs and outcomes within the two-year pilot period:

- Increase the number of tech and digital start-ups and scale-ups in South Yorkshire by 5%
- Support the growth of high potential start-ups and scale-ups in the region (70 new high-growth businesses started-up in South Yorkshire and 200 businesses received support through the pre-cursor TEAM SY project)
- Create 150 new higher-value jobs in Southy Yorkshire
- Attract and retain 5 early stage tech investors to South Yorkshire (eg. angel investment, venture capital)
- Secure £60m of private sector investment into South Yorkshire's tech and digital sector (£16m per annum higher than in 2023)
- Launch 5 new projects and initiatives between tech and digital businesses and other industries such as manufacturing, healthcare)
- Achieve recognition in 6 national tech and digital sector reports/analysis
- Develop and implement a joint public-private Tech and Digital Sector Strategy for South Yorkshire
- Increase referrals by tech and digital sector businesses to SYMCAs Skills Bank programme by 5%

For a two-year pilot programme, the funding is considered to present value for money for the expected outputs and outcomes.

6. DELIVERY

The timetable for the delivery in regards to recruitment, procurement and evaluation is reasonable. The timetable for delivering the key activities for the programme is less clear, although all three workstream elements will commence following funding approval. Procurement will be led by BMBC in line with normal procurement procedures.

A workplan should be produced which sets out a schedule for when delivery of the activities under each of the three workstream elements will take place.

7. RISK

The top three risks for the project are:

No.	Risk	Likelihood (High, Med, Low)	Impact (High, Med, Low)	Mitigation
1	Unable to recruit to new roles. This may result in reduced capacity to set up and deliver the programme.	Med	High	Will look at procurement of provision as required
2	Lack of demand for 'product' elements of programme. This may result in low output levels and reduced progress towards objectives.	Low	Med	Investment into marketing and relationships
3	Failure of programme to deliver outcomes and SMART objectives. This may result in reputational risk for SYMCA and LAs	Low	Med	Strong governance, regular reporting and performance management

Risk 1 is considered to have a medium likelihood of occurring with a high impact. Delivery of the programme is dependent on having project staff in place to manage and deliver the programme.

Risks 2 and 3 are both considered to have a low likelihood of occurring with a medium impact. The programme is a pilot with activity and 'products' designed and delivered in response to demand.

8. MONITORING & EVALUATION

The plan for monitoring and evaluation with a mid-term and final evaluation is reasonable and in line with SYMCA policy on conducting annual evaluation of pilot schemes.

The programme would benefit from a Theory of Change and logic map being drafted for the programme.

The budget of £15k is considered to be insufficient to cover the cost of the evaluation required. The recommended investment in evaluation activity is £45k to cover the two interim evaluations to assess management, delivery, achievements and impact.

9. RECOMMENDATION AND CONDITIONS

Recommendation	Full approval and award of grant funding
Payment Basis	Defrayal

Conditions of Award (including clawback clauses)

- As a pilot programme, the budget for evaluation should be increased from £15k to £45k