

BUSINESS GROWTH BOARD

25th February 2020

FOR INFORMATION - Performance Dashboard

Purpose of Report

This paper, and accompanying performance dashboards, provide board members with up to date performance information on all business growth programmes delivered on behalf of the LEP and MCA

Thematic Priority

- Ensure new businesses receive the support they need to flourish.
- Facilitate and proactively support growth amongst existing firms

Freedom of Information

The paper and six annexes will be available under the Combined Authority Publication Scheme. The headline summary of BIF schemes at annex 1c is exempt from publication under paragraph 3, part 1, section 12A of the Local Government Act 1972.

Recommendations

That Board Members:

1. Scrutinise the performance information provided in order to identify future performance deep-dives or significant areas of risk;
2. Review the format and detail of information to inform future iterations of the dashboard.

1. Introduction

1.1 Performance dashboards for the business growth programmes of the LEP and MCA are attached for members to review

- Business Investment Fund - **Appendix 1**
- SCR Growth Hub - **Appendix 2**
- Inward Investment Key Account Management – **Appendix 3**

The information contained within the dashboards provides the position as at Q3 2019/20.

2. Proposal and justification

2.1 The following is a summary of performance by programme:

2.1.1 Business Investment Fund

Further programme detail is provided in **Appendix 1a**
A full performance dashboard is provided at **Appendix 1b**

The £52m Business Investment Fund programme was established from the £360m Local Growth Fund allocation with the aim of supporting beneficial schemes of inward investment and to enable more indigenous companies to access external finance to grow, modernise or sustain their activities. It aims to:

- support investment in indigenous companies where there is a demonstrable case for grant;
- support significant inward investment into the Sheffield City Region, and
- invest in technology and other small-scale investments to promote growth (Made Smarter / Productivity Challenge).

The original £52m BIF funding is now largely contained within completed and approved schemes. There are a further five projects worth circa £32m who are in active discussions with the SCR Executive Inward Investment / Growth Hub Teams with a view to submitting a business case requesting grant funding, the majority will require additional future funding. One major inward investment scheme, targeting the current LGF programme, is proposing to locate in Rotherham. This scheme is currently in appraisal and will be presented to the MCA for a decision as it exceeds the delegation level of the Business Growth Board.

The outputs we are seeking to achieve from the Business Investment Fund are:

Outputs	Target (lower)	Target (upper)
Jobs Created	1,830	2,370
Private Sector Leverage	£118m	£160m

Performance summary

To the end of Q3 2019/20 the Business Investment Fund has:

- created 2,998 jobs
- levered over £91m in private investment.

The total BIF awarded to date is £38m, with two projects pending contract for an additional £8.6m grant. In addition to this there is an additional inward investment scheme in appraisal seeking c£10m investment and a number of other schemes in active discussion seeking entry to the pipeline (noting funding for these will be from a future LGF or other programme) which are to be discussed at LEP Board for programme entry.

Regarding financial progress, around half of the £52m is expected to be spent in the last 15 months of the LGF Programme window. A significant amount of funding is contained within a small number of Inward Investment schemes so close scrutiny of key projects progress is in place. **A headline summary of all approved BIF schemes is provided at Appendix 1c.**

Management Action

- Projects that remain behind profile on output delivery can be considered for clawback of funding. Statutory Officers are considering a BIF clawback paper setting out the principles and criteria for the application of clawback. If this is agreed Board Members will be provided with an update of the schemes that may be subject to clawback.
- Close scrutiny of large value projects continues, two projects have recently had their offer of funding withdrawn due to not progressing to the delivery stage.

Projects which are in development have been issued deadlines to address critical project milestones. Missing milestones will allow other projects to proceed and secure LGF.

- All BIF project sponsors have received notification that they should submit monthly claims so close monitoring of progress can continue throughout the remainder of the LGF Programme window.

2.1.2 SCR Growth Hub

Further programme detail is provided in **Appendix 2a**
A full performance dashboard is provided at **Appendix 2b**

The Growth Hub is one of 38 in England providing a ‘gateway’ to access specialist growth support including innovation, exporting, finance and skills training. Progress is reported into Government on a bi-annual basis, therefore the information contained within this report remains the same as was reported to the last Business Growth Board.

The following outputs and outcomes have been agreed with BEIS for activity 2015-2021:

Outputs:

- Jobs Created: 2,500
- Businesses Supported: 5,000

Outcomes:

- Businesses Engaged: 6,500
- Businesses referred to support: 1,000

Performance Summary

Current performance against agreed outputs outcomes are:

Outputs and Outcomes	Target	Actual
Jobs Created:	2,500	2,228
Businesses Supported	5,000	6,873

Management Action

The Programme is on target to achieve its outputs and outcomes and no remedial action is necessary.

2.1.3 Inward Investment Key Account Management

Further programme detail is provided in **Appendix 3a**
A full performance dashboard is provided at **Appendix 3b**

The Key Account Management programme is targeting the delivery of additional Foreign Direct Investment into Sheffield City Region through identification and engagement with existing foreign investors who may be looking to develop a second project in the local area to generate additional re-investment.

The outputs we are seeking from this investment are:

Outputs	Target	Achieved
Interventions	30	30
Successes	8	9

Performance summary

Activity is progressing well. Engagement has taken place with 80 companies:

- 30 companies are undergoing substantive account management activity
- 9 companies have made new capital investment leading to new jobs.

Management Action

Activity is progressing well, and regular review meetings are arranged to discuss progress with potential business investments. Growth Hub Advisors are providing specialist support for Brexit issues where this is requested.

3. Consideration of alternative approaches

- 3.1** The Performance Dashboard is the third iteration of data for the Thematic Boards. Members can shape how the dashboard looks and the data and information included to fulfil their remit for performance management.

4. Implications

4.1 Financial

LGF – Allocations must be spent within the funding year, therefore all approved projects which enter into contract are monitored closely to ensure any potential underclaims are mitigated to prevent loss of funding to the programme and the scheme promoter.

4.2 Legal

Funding Agreements are in place for all projects/programmes where the MCA is the accountable body, where appropriate they include payment/clawback clauses linked to performance.

4.3 Risk Management

Risks on all projects are recorded in a project Risk Register and mitigation actions are reviewed and escalated as appropriate. Risks are incorporated into the individual programme dashboards.

4.4 Equality, Diversity and Social Inclusion

All projects promote inclusivity to ensure residents across SCR can access support/opportunities regardless of where they live. A series of inclusive growth targets have recently been included in all new LGF approvals.

5. Communications

- 5.1** All existing projects form part of the organisations communication plans.

6. Appendices/Annexes

- 6.1** Appendix 1 (a), (b) and (c) the Business Investment Fund
Appendix 2 (a) and (b) the Growth Hub
Appendix 3 (a) and (b) the Inward Investment Key Account Management

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