

**BUSINESS GROWTH BOARD**

**17<sup>th</sup> July 2019**

**Business Investment Fund Approvals**

**Purpose of Report**

This paper requests approval for 4 schemes with a total value over all years of £488,252 and seeks delegated authority be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

**Thematic Priority**

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

**Freedom of Information and Schedule 12A of the Local Government Act 1972**

This paper will be available under the Combined Authority Publication Scheme however, appendix E is exempt from publication under paragraph 3, part 1, section 12A of the Local Government Act 1972.

**Recommendations**

Business Growth Board members are asked to consider and approve:

1. Award of £121k grant to Company 99 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix A
  2. Award of £100k grant to Company 100 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix B
  3. Award of £100k grant to Company 101 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix C
  4. Award of £167,252k grant to Company 102 subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix D
- NB – Appendix E which is exempt from publication reiterates information provided in Appendices A to D but includes reference to the individual companies seeking funding
5. Delegated authority be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes covered in 1-4 above

**1. Introduction**

- 1.1 The LEP Board and MCA have approved revised governance arrangements and associated constitution with delegated approval authority for projects below £2m which came into effect on 1<sup>st</sup> April 2019. The Business Growth Board will consider projects below the £2m LGF threshold including the Business Investment Fund (BIF). This paper seeks approval for four BIF projects totalling £488,252 and securing 60 jobs as set out in Appendices A-D.

## 2. Proposal and justification

- 2.1 Company 99** is seeking a grant of £121,000 to support a £1,200,000 project to relocate into the SCR. The company, headquartered in the South East and operating in the security sector, requires larger and higher specification premises.

The move would create a Northern hub for the company and result in 35 jobs which equates to a cost per job of £3,474. On this basis, the LGF investment will offer good value for money.

Appendix A provides a summary of project appraisal and the suggested conditions of award.

- 2.2 Company 100** is a Rotherham based company seeking a grant of 100k to support a £300k project to secure the development of innovation new software. The company operates in the IT sector and is seeking BIF investment to secure additional resources for R&D.

The investment will create 9 new jobs which equates to a cost per job of £11,758. On this basis, the LGF investment will offer good value for money.

Appendix B provides a summary of project appraisal and the suggested conditions of award.

- 2.3 Company 101** is a Sheffield based manufacturing company seeking a grant of £100k to support a £1,606,000 project. In response to securing a significant contract the company needs more production space which will be satisfied at a temporary site initially with later investment in existing production sites.

The investment will create 10 new jobs which equates to a cost per job of £10,288. On this basis, the LGF investment will offer good value for money.

Appendix C provides a summary of project appraisal and the suggested conditions of award.

- 2.4 Company 102** is a Barnsley based company seeking a grant of £167,252 towards a new £445,572 project towards a new production line facility, equipment and internal building works to support installation. The innovative company operates in the textiles sector. The equipment will double output and ensure continuous production runs.

The investment will create 6 new jobs which equates to a cost per job of £25,810. On this basis, the LGF investment will offer good value for money.

Appendix D provides a summary of project appraisal and the suggested conditions of award.

## 3. Consideration of alternative approaches

- 3.1** These BIF projects were appraised in line with the new appraisals arrangements agreed through the SCR governance review.
- 3.2** As the Local Growth Fund draws to its conclusion the Business Growth Board will want to evaluate the impact of the Business Investment Fund to inform the design of future business finance programmes.

## 4. Implications

### 4.1 Financial

The four projects applying for BIF are seeking a total of £488,252 which would be invested by the end of March 2021.

### 4.2 Legal

All approvals will be subject to a standard funding agreement, to include any scheme specific conditions as appropriate. These will be issued and managed by the SCR MCA in accordance with the approved terms and conditions.

### 4.3 Risk Management

All grant recipients' agreements have contractual milestones and performance reviews as standard clauses. These form the basis of robust project management and are reviewed on a monthly basis. Underperforming projects will be subject to clawback.

#### **4.4 Equality, Diversity and Social Inclusion**

By increasing profitability the applicant organisations may safeguard current roles and are creating new jobs which supports more opportunities for residents within the SCR area. Conditions of grant can include working with local suppliers and delivering apprenticeships.

### **5. Communications**

**5.1** Proactive communications materials will be released, including an online news story, social media and a press release, following the Business Growth Board meeting. There may also be opportunities to use businesses who have received these grants as case studies for future communications work.

### **6. Appendices/Annexes**

Appendix A Company 99 Appraisal Panel Summary Table  
Appendix B Company 100 Appraisal Panel Summary Table  
Appendix C Company 101 Appraisal Panel Summary Table  
Appendix D Company 102 Appraisal Panel Summary Table  
Appendix E Company Information (Exempt Paper)

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ