

BUSINESS INVESTMENT FUND PANEL

TUESDAY 24TH APRIL 2018 16:00-18:00

HSBC, EUROPA LINK, SHEFFIELD S9 1XE

No.	Item	Method	Speaker
1	Welcome and Apologies	Verbal	Chair
2	Declarations of Interest <ul style="list-style-type: none">• In relation to any agenda item• In relation to any activity since the last formal meeting• In relation to any forthcoming activity	Verbal	All
3	Notes of Last Meeting <ul style="list-style-type: none">• Matters arising	Paper	Chair
For Discussion			
4	BIF Project Approvals <ul style="list-style-type: none">• Project/Company Ref 0010• Project/Company Ref 0011• Project/Company Ref 0012	Paper Paper Paper	Andy McKenna Laura Wheatley Andy McKenna
5	BIF Process	Paper	Helen Lazarus
6	BIF Programme Update <ul style="list-style-type: none">• Programme Management Report• BIF Pipeline	Paper Verbal	Laura Wheatley Andy McKenna
7	AOB	Verbal	All

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BUSINESS INVESTMENT FUND PANEL

20TH MARCH 2018

HSBC, EUROPA LINK, SHEFFIELD S9

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u></p> <p>David Grey Chris Scholey Mary Broadhead Diana Terris Lee Manterfield Mike Thomas Helen Lazarus</p> <p><u>In Attendance</u></p> <p>Laura Wheatley Andy McKenna Mark Ross Tony Corby (SCRINVEST adviser) Scott Cardwell (DMBC Chief Planning Officer) Tim O'Connell (Head of RiDO) Jo Flanagan (SCR Growth Hub adviser) Kevin Bennett (Head of Business Sheffield) Rachel Fletcher (AFCOE Adviser)</p>	
2	<p><u>Declarations of Interest</u></p> <p>No specific declarations of interest relating to the business to be transacted at the meeting were noted.</p>	
3	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 13 February 2018 were presented for consideration and agreed to be an accurate record.</p>	
4	<p><u>Declaration of Interests</u></p> <p>No interests were declared.</p>	

5	<p><u>BIF Applications</u></p> <p>Ref 0001 - £4.1m BIF grant towards total project cost of £36m in return for 265 jobs created</p> <p>A paper was presented highlighting work that had been undertaken since the February board meeting to address board members' concerns regarding the proposed grant to Company 0001.</p> <ul style="list-style-type: none"> • Board members were MINDED TO ENDORSE the project for CA decision, subject to: <ul style="list-style-type: none"> ○ Evidence of Directors contribution being in place from the beginning, and remaining in the company until the project outcomes have been achieved. ○ Provision of a detailed breakdown of other investors' funding, including directors' contributions. ○ Completion of SCR CA internal assurance exercise. ○ Confirmation of SME status and funding profile further to confirming investors. ○ Provision of updated forecasts, reflecting funding secured (and associated cost). ○ Ensuring the company understands and accepts the BIF grant defrayal process and timescales (Specifically; that the monies will be defrayed on capex in arrears on receipt of quarterly claims; and that all phase 1 spend needs to be completed by March 2021). <p>Ref 0009 - £1.6m BIF towards total project cost of £19.3m in return for 40 jobs created</p> <ul style="list-style-type: none"> • BIF grant of £1.2m (assuming additional support of £300k JESSICA grant to fund access road) APPROVED, subject to: <ul style="list-style-type: none"> ○ Provision of bank funding evidence ○ Completion of site acquisition ○ Provision of a Parent Company Guarantee from Group entity <p>Ref 0010 - £84k BIF towards total project cost of £195,357 in return for 7FTE jobs created</p> <ul style="list-style-type: none"> • Decision DEFERRED, subject to: <ul style="list-style-type: none"> ○ Provision of final 2017 accounts, and draft 2018 accounts. ○ Provision of forecasts for 2019/2020; reflecting impact of project ○ Details of income received from SCC (distinguishing applicant and JV) ○ Confirmation as to availability of other funding (asset finance, UoS) <p>Ref 0007 – BIF Appeal - £1.15m BIF towards total project cost of £20,085,680 in respect of estimated 2 years salaries for 817 jobs created</p> <p>AGREED to remain at original offer of £1.15m in return for 817 jobs.</p>	
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	<p>Ref 0008 - £96k BIF grant towards total project cost of £482k in return for 39 jobs created</p> <p>The Board considered the application and APPROVED the grant, subject to:</p> <ul style="list-style-type: none"> ○ Confirming SME status via updated shareholder declaration ○ Completion of lease 	
6	<p><u>BIF and RGF Programme Update</u></p> <p>BIF allocation 18/19</p> <ul style="list-style-type: none"> • The Board was notified of the CA's approval to accelerate £8m funding from future years' funding allocation, resulting in an 2018/19 allocation of £18m. • Confirmed this was being taken from future years' allocation. It was confirmed that the programme was exceeding KPIs and was well placed to request additional funds for future years, at the appropriate time. <p>Ref 0011 - £630k BIF grant in return for 155 jobs created</p> <ul style="list-style-type: none"> • This grant had been approved at a previous meeting in July 2017 subject to provision of a satisfactory due diligence report. • The due diligence exercise had been concluded with the result that only 81 jobs were now forecast to be created in SCR, further to a number of strategic acquisitions across the UK reducing the headcount requirement for the Sheffield site. • The Board asked for a full paper to be brought to the next board meeting to discuss options in more detail. 	
7	<p><u>Any Other Business</u></p> <p>No further matters noted.</p>	
8	<p><u>Date of Next Meeting</u></p> <p>24th April 2018.</p>	

Business Investment Fund Panel

24th April 2018

Investment Proposal - Company 0010

Purpose of Report

The purpose of this report is to provide the additional information relating to the proposal to provide a grant to company 0010 as requested at the BIF Panel meeting 20th March 2018.

Thematic Priority

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

Freedom of Information

This paper will be available under the Combined Authority Publication Scheme.

Annex A of this paper is exempt under paragraph 3, part 1, section 12A of the Local Government Act 1972.

Recommendations

The BIF Panel are asked to consider and agree the proposed grant, to enable the Head of Paid Service to enact the decision under the delegation made by the CA.

1. Introduction

- 1.1** The Business Investment Fund strategy was approved by the CA in 2015 with the purpose of enabling more companies within the City Region to access external finance to grow, modernise or sustain their activities. All Business Investment Fund awards are appraised using the “Green Book” methodology – leading to a cost/benefit appraisal of each proposed investment. Further to unanimous agreement by the Panel the CA has delegated authority to the Head of Paid Service to approve grants and loans of up to £2m.
- 1.2** For grants or loans of over £2m, the BIF Panel is asked to make a recommendation to the CA, who ultimately make any investment decision. The BIF Programme Board and / or other statutory officers may be given delegated authority by the CA to agree the terms and conditions of any grant or loan award, within the parameters agreed by the CA.

2. Proposal and justification

- 2.1** Company 0010 has identified an opportunity to significantly increase its current productivity levels, make much better economic use of its land and buildings and develop

new jobs and training opportunities through the delivery of a programme of capital investment.

Company 0010 has a wide range of clients and income streams. Income from Local Authority contracts making up 11% of the total, the majority of income therefore being earned commercially and profitably.

The expansion of operational facilities would allow Company 0010 to increase production of their specialist offer, expanding both their sales reach and on-site operational capacity to drive forward this growth and meet forecast global growth. A bespoke production facility is required to achieve this.

2.2 To support their ambition Company 0010 has secured a social enterprise grant to support them in achieving long term sustainable business model.

2.3 In March 2018 BIF Board considered a request by Company 0010 for the investment of £84k from the Business Investment Fund to achieve long term growth aspirations. A decision was deferred pending additional information:

1. Provision of final 2017 accounts, and draft 2018 accounts.
2. Provision of forecasts for 2019/2020; reflecting impact of project
3. Details of income received from local authority
4. Confirmation as to availability of other funding (asset finance)

This information has now been provided and an assessment included within annex A.

2.4 Investment in Company 0010 will drive company growth, with an aim of generating approx. £500k per annum by 2020, leading to the creation of 9 new jobs (equivalent to 7 FTE).

3. Consideration of alternative approaches

3.1 Company 0010 have explored a number of alternative funding options including securing a bank loan. Further to a review this is not an option. The absence of a grant would have significant impact on the growth and sustainability of the Company.

4. Implications

4.1 Financial

£84,000 from the Business Investment Fund is sought to support this project. 42% of this is eligible under De Minimis regulations. BIF grant represents only 20% of the total investment required.

4.2 Legal

Any agreement to operationalise the funding will be by way of the SCRCA's Funding Agreement with suitable terms and conditions to protect the SCRCA's interests – including any special conditions that assist in addressing specific risk issues identified in a business case.

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

There are no equality, diversity and social inclusion implications.

5. Communications

5.1 Standard SCRCA promotions will be undertaken with the applicant upon receipt and acceptance of the grant funding note.

6. Appendices/Annexes

6.1 Annex A – exempt from publication under paragraph 3, part 1, section 12A of the Local Government Act 1972.

REPORT AUTHOR	Andy McKenna
POST	Team Leader - AFCoE
Officer responsible	Mark Lynam
Organisation	Sheffield City Region
Email	Mark.lynam@sheffieldcityregion.org.uk
Telephone	0114 2203445

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

Other sources and references:

Business Investment Fund Panel**24th April 2018****Investment Proposal - Company 0011****Purpose of Report**

This report summarises the results of a due diligence exercise undertaken to verify estimated costs in relation to the grant application submitted 25th July 2017 by Company 0011.

Thematic Priority

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

Freedom of Information

This paper will be available under the Combined Authority Publication Scheme.

Annex A of this paper is exempt under paragraph 3, section 12A of the Local Government Act 1972.

Recommendations

The BIF Panel are asked to review the options and consider whether to proceed with the offer of a grant. Any such offer will be enacted by the Head of Paid Service under the delegation made by the CA.

1. Introduction

- 1.1** The Business Investment Fund strategy was approved by the CA in 2015 with the purpose of enabling more companies within the City Region to access external finance to grow, modernise or sustain their activities. All Business Investment Fund awards are appraised using the “Green Book” methodology – leading to a cost/benefit appraisal of each proposed investment. Further to unanimous agreement by the Panel the CA has delegated authority to the Head of Paid Service to approve grants and loans of up to £2m.
- 1.2** For grants or loans of over £2m, the BIF Panel is asked to make a recommendation to the CA, who ultimately make any investment decision. The BIF Programme Board and / or other statutory officers may be given delegated authority by the CA to agree the terms and conditions of any grant or loan award, within the parameters agreed by the CA.

2. Proposal and justification

2.1 At its meeting on 25th July 2017 the Business Investment Panel approved a grant of £630k towards the estimated 2 year salary costs of £6.3m in respect of 155 jobs to be created in the City Region by 2019. This was conditional on the following:

- A satisfactory due diligence report
- Provision of a parent company guarantee
- A contractual obligation to provide monitoring information relating to capital investment

2.2 This paper summarises the due diligence exercise to verify the projected salary costs. This is included at annex A. The business plan for Company 0011 has evolved since their original application to the Business Investment Fund in July 2017. The rationale for the changes to the original business plan have been assessed to be sound from an operational perspective. The current business plan includes a revised forecast headcount of 81 (of which 35 posts are already occupied). Despite this reduction and a reduction in scope and scale of the investment, Company 0011 are still seeking the same amount of grant funding.

3. Consideration of alternative approaches

3.1 Company 0011 have been unable to secure additional investment from the market place. The absence of a grant would have significant impact on the growth and sustainability of the Company

Grant award options are outlined in annex A.

4. Implications

4.1 Financial

The total cost of the Business Investment Fund project is:

Total Project Cost £6,300,000

Grant Requested £630,000

4.2 Legal

Any agreement to operationalise the funding will be by way of the SCRCA's Funding Agreement with suitable terms and conditions to protect the SCRCA's interests – including any special conditions that assist in addressing specific risk issues identified in a business case..

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

There are no equality, diversity and social inclusion implications.

5. Communications

- 5.1 Standard SCRCA promotions will be undertaken with the applicant upon receipt and acceptance of the grant funding note. If successful, scheme details will be reported to the CA.

6. Appendices/Annexes

- 6.1 Annex A – exempt from publication under paragraph 3, section 12A of the Local Government Act 1972.

REPORT AUTHOR	Laura Wheatley
POST	BIF Programme Manager
Officer responsible	Mark Lynam
Organisation	Sheffield City Region
Email	Mark.lynam@sheffieldcityregion.org.uk
Telephone	0114 220 3445

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

Other sources and references:

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Business Investment Fund Panel

24th April 2018

Investment Proposal - Company 0012

Purpose of Report

The purpose of this report is to provide the information required to support the proposal to provide a loan of £250k to Company 0012.

Thematic Priority

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

Freedom of Information

This paper will be available under the Combined Authority Publication Scheme.

Annex A of this paper is exempt under paragraph 3, section 12A of the Local Government Act 1972.

Recommendations

The BIF Panel are asked to consider and agree the proposed grant, to enable the Head of Paid Service to enact the decision under the delegation made by the CA.

1. Introduction

- 1.1** The Business Investment Fund strategy was approved by the CA in 2015 with the purpose of enabling more companies within the City Region to access external finance to grow, modernise or sustain their activities. All Business Investment Fund awards are appraised using the “Green Book” methodology – leading to a cost/benefit appraisal of each proposed investment. Further to unanimous agreement by the Panel the CA has delegated authority to the Head of Paid Service to approve grants and loans of up to £2m.
- 1.2** For grants or loans of over £2m, the BIF Panel is asked to make a recommendation to the CA, who ultimately make any investment decision. The BIF Programme Board and / or other statutory officers may be given delegated authority by the CA to agree the terms and conditions of any grant or loan award, within the parameters agreed by the CA.

2. Proposal and justification

- 2.1** Company 0012 is a subsidiary company whose parent has provided start-up capital for the business. To support their ambition, Company 0012 has begun to commercialise. Overall, they have raised £500k of investment from several investors (typical investment £10-50k)

and £80k from another source. Whilst revenue is confirmed from April, the business is still too early-stage to attract mainstream funding therefore Company 0012 has submitted an application for a loan to cashflow the start-up phase of their business.

- 2.2** The company has requested a £250k loan (in total), to be repaid over 3 years. It is to cover working capital requirements during the first year, in particular some initial set-up costs including the employment of new staff ahead of them actually being income-producing.

3. Consideration of alternative approaches

- 3.1** The Company has indicated they would investigate whether a loan through another source can be obtained. This would mitigate SCR's position.
- 3.2** Consideration will also be given to staging the drawdown of the loan so that £150,000 is released initially with the remaining £100,000 to be provided if the business is shown to be performing satisfactorily.

4. Implications

4.1 Financial

The requirement is for a £250k loan (in total), to be repaid over 3 years. Maximum exposure to the CA is £125k and potentially lower if initially only £150K is drawn down.

No tangible security is available. A cross-guarantee from A 'Corporate Parent' would be available but of little financial value.

4.2 Legal

Any agreement to operationalise the funding will be by way of the SCRCA's Funding Agreement with suitable terms and conditions to protect the SCRCA's interests – including any special conditions that assist in addressing specific risk issues identified in a business case.

4.3 Risk Management

Whilst key partners of Company 0012 are confident there will be sufficient demand for service, at time of writing, there is no direct evidence to support this.

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

There are no equality, diversity and social inclusion implications.

5. Communications

- 5.1** Standard SCRCA promotions will be undertaken with the applicant upon receipt and acceptance of the grant funding note.

6. Appendices/Annexes

6.1 Annex A – exempt from publication under paragraph 3, section 12A of the Local Government Act 1972.

REPORT AUTHOR	Andy McKenna
POST	Team Leader - AFCoE
Officer responsible	Mark Lynam
Organisation	Sheffield City Region
Email	Mark.lynam@sheffieldcityregion.org.uk
Telephone	0114 220 3445

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

Other sources and references:

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Business Investment Fund Panel

24th April 2018

BIF Process

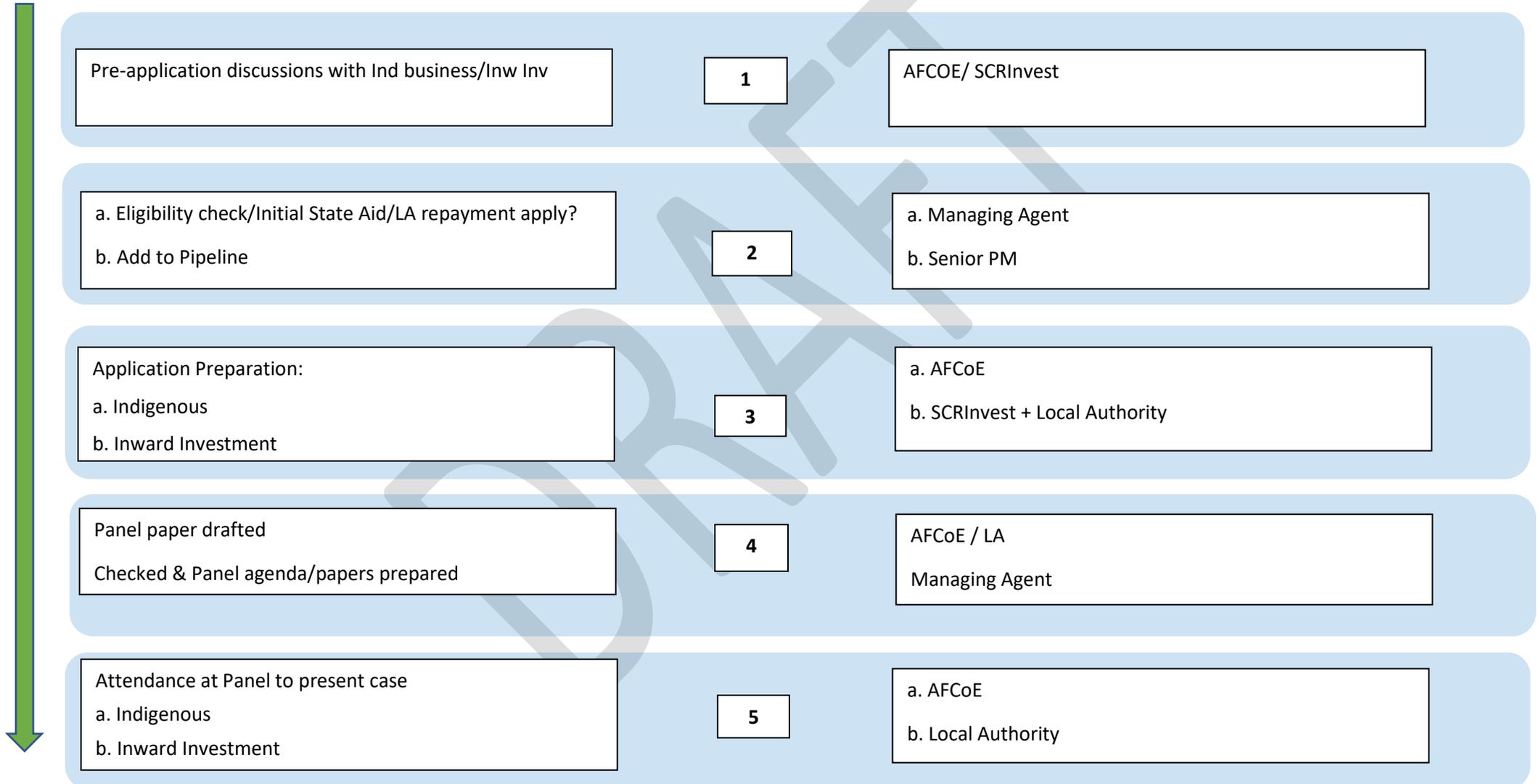
The BIF Panel requested sight of the investment fund process map. This document is a high-level representation of the process and roles/responsibility within the Business Investment Fund.

The Panel are asked to review the process and identify any issues.

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BIF PROCESS 02/18

SENIOR PROGRAMME MANAGER





Inward Investment £2m+ to Panel for steer

6

To LGF Appraisal Panel – see (8)

Panel:
a. Approved under £2m
b. Deferred for further development

7

a. to Managing Agent
b. to AFCoE or Local Authority

Update Pipeline
7a.i. Agree milestones & payment profile

Senior PM
a. Managing Agent

7a.ii. Contract with business

Managing Agent

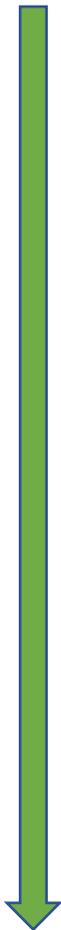
£2m+ Internal due diligence
- commission external DD & State Aid advice if required

8

LGF Appraisal Panel

8.a. Combined Authority Approval

Senior PM + SCRInvest/AFCoE



8b. Agree repayment schedule with Local Authority

Statutory Officers

8.c Contract with business

SCR Contracting team

Claims & Monitoring – up to £2m
Claims & Monitoring – over £2m

9

Managing Agent
SCR Contracting team

Update Pipeline
Notify Panel & SCR Programmes of any underperformance

10

Senior PM
Managing Agent

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Business Investment Fund Panel

24th April 2018

BIF Programme Management Report

Purpose of Report

This report provides an update on the overall programme position in relation to expenditure and employment impact of both the Business Investment Fund and Regional Growth Fund programmes, and addresses queries or issues arising in relation to individual projects.

Thematic Priority

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

Freedom of Information

This paper will be available under the Combined Authority Publication Scheme.

Recommendations

The BIF Panel are asked to review the performance monitoring report and identify any issues.

Business Investment Fund and Regional Growth Fund

Programme Management Report April 2018

1.	<u>Introduction</u>
1.1	This report provides an update on the overall programme position in relation to expenditure and employment impact of both the Business Investment Fund and Regional Growth Fund programmes, and addresses queries or issues arising in relation to individual projects.
2.	<u>Programme Update – Local Growth Fund (LGF) Business Investment Fund (BIF)</u>
	<p>BIF Profile:</p> <ul style="list-style-type: none"> • The SCRCA has approved an allocation of £18m for 2018/19; this is an increase on the £10.1m previously allocated. <ul style="list-style-type: none"> ○ This allocation is an acceleration of the original £52m profile, rather than additional funds. • Total BIF awarded to date = £31,377,481; representing 60% of the total programme budget of £52m. This increases to £35.4m, or 68% of the total allocation, when you include the endorsement of Company 0001. • Total active BIF pipeline to 2020/21 of c£21m (£1.8m indigenous, £19.1m inward investment projects); meaning programme is potentially fully committed. AFCOE setting expectations with prospective applicants accordingly. <p>BIF Performance:</p> <ul style="list-style-type: none"> • 10 projects reached their completion deadline on 31st March; of which 6 or so are expected to fall short of their contracted targets and therefore may be either entering the Claw Back or Change Request process. • The BIF operational team (comprising representatives of the Accountable Body finance and programme management functions, AFCOE and the Managing Agent) met to discuss each project against the current performance policy, to ensure it remains fit for purpose from a BIF perspective. • The June report will contain details of any suggested revisions to the Performance Policy, an update on the companies entering the Claw Back and Change Request process, and details of decisions taken on projects that fall within the Accountable Body’s discretion.

2.1	BIF – Indigenous Strand																																																																	
	<table border="1"> <thead> <tr> <th rowspan="2">Latest position - Indigenous</th> <th rowspan="2">Number</th> <th rowspan="2">Total BIF</th> <th rowspan="2">Total Private Sector Leverage</th> <th rowspan="2">Jobs Created</th> <th rowspan="2">Jobs S'guarded</th> <th rowspan="2">Other Outputs</th> <th colspan="5">Location</th> </tr> <tr> <th>BARN</th> <th>CHD</th> <th>DON</th> <th>ROTH</th> <th>SHF</th> </tr> </thead> <tbody> <tr> <td>Total Projects Approved</td> <td>43</td> <td>£7,647,481</td> <td>£52,134,973</td> <td>784.5</td> <td>728</td> <td>30k Cargo</td> <td>1</td> <td>6</td> <td>6</td> <td>14</td> <td>16</td> </tr> <tr> <td>Contracts signed</td> <td>36</td> <td>£6,093,481</td> <td>£29,233,703</td> <td>500</td> <td>728</td> <td>30k Cargo</td> <td>1</td> <td>5</td> <td>5</td> <td>11</td> <td>14</td> </tr> <tr> <td>Projects that have commenced claims</td> <td>35</td> <td>£3,631,697</td> <td>£17,743,517</td> <td>293.5</td> <td>725.5</td> <td></td> <td>1</td> <td>5</td> <td>4</td> <td>11</td> <td>14</td> </tr> <tr> <td>Projects complete</td> <td>4</td> <td>£155,673.67</td> <td>£827,395.58</td> <td>41</td> <td>9</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>4</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Current average cost per job £5,056 including safeguarded jobs (slightly up from £5,013 in the February report) • Average Intervention Rate 15% (no change) • Q4 claims are currently being processed; an updated risk register will be provided in the June report. 	Latest position - Indigenous	Number	Total BIF	Total Private Sector Leverage	Jobs Created	Jobs S'guarded	Other Outputs	Location					BARN	CHD	DON	ROTH	SHF	Total Projects Approved	43	£7,647,481	£52,134,973	784.5	728	30k Cargo	1	6	6	14	16	Contracts signed	36	£6,093,481	£29,233,703	500	728	30k Cargo	1	5	5	11	14	Projects that have commenced claims	35	£3,631,697	£17,743,517	293.5	725.5		1	5	4	11	14	Projects complete	4	£155,673.67	£827,395.58	41	9						4
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2.2.1	Project Updates <ul style="list-style-type: none"> • Company 0007: The company has accepted the offer of £1.15m in return for 817 jobs created. 																																																																	
2.3	BIF - Other Investments																																																																	
2.3.1	Company 0013 - £1m loan In February 2017, the BIF Programme Board agreed to provide a £1m loan to an enterprise support company specialising in Small, Medium Enterprises (SMEs). The purpose of this loan was to enable continued investment in SMEs, thus reducing the need for grant support.																																																																	

	This fund is now fully committed, with investments in a total of 45 SMEs, resulting in 175 new jobs. Repayments are due annually; the first repayment of £200k capital has just been received.																																				
2.3.2	<p>Company 0014 - £1m of “risk capital”</p> <p>Funding was loaned to Company 004 to bridge the gap between the previous JEREMIE fund and the Northern Powerhouse Investment Fund (“NPIF”). The fund was in place between November/December 2016 and March 2016 and made a total of 6 investments in the Sheffield City Region (1 “Seedcorn”, 1 Equity and 4 Debt) amounting to a total investment of £925k. Repayments are via an annual cash sweep in December; the first repayment of £106,742 was received in January.</p>																																				
2.3.3	<p>Company 0015</p> <p>The Managing Agent has been notified that Company 0015, who are in receipt of a loan of £500,000 awarded in June 2017 went into administration in March 2018. SCRCA has since been registered as a creditor; as SCRCA are unsecured it is not anticipated that this will result in major dividends. In the meantime, a formal request for the activation of the parent company guarantee, in the sum of £175k has been made.</p>																																				
3.	Programme Update – Regional Growth Fund (RGF)																																				
3.1	<p>The Regional Growth Fund (RGF) invested £32m in the region from year 2013. This is the predecessor to the current Business Investment Programme reported in section 2. As investment has now concluded this section therefore only reports on performance and associated issues.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="background-color: #d9ead3;">RGF Programme</th> </tr> <tr> <th style="background-color: #d9ead3;">Funding</th> <th style="background-color: #d9ead3;">Contracted</th> <th style="background-color: #d9ead3;">Proportionate Target</th> <th style="background-color: #d9ead3;">Outturn</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">RGF</td> <td style="text-align: right;">£32,000,000</td> <td style="text-align: right;">£28,250,136</td> <td style="text-align: right;">£28,250,136</td> </tr> <tr> <td style="text-align: right;">Other Private Investment</td> <td style="text-align: right;">£129,579,000</td> <td style="text-align: right;">£114,551,553</td> <td style="text-align: right;">£167,622,899</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">£161,579,000</td> <td style="text-align: right;">£142,801,689</td> <td style="text-align: right;">£195,873,035</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #d9ead3;">Employment Impact</th> <th style="background-color: #d9ead3;">Contracted</th> <th style="background-color: #d9ead3;">Proportionate Target</th> <th style="background-color: #d9ead3;">Outturn</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">New Jobs Created</td> <td style="text-align: right;">1,986</td> <td style="text-align: right;">1,753</td> <td style="text-align: right;">2,158</td> </tr> <tr> <td style="text-align: right;">Jobs Safeguarded</td> <td style="text-align: right;">872</td> <td style="text-align: right;">770</td> <td style="text-align: right;">493</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">2,858</td> <td style="text-align: right;">2,523</td> <td style="text-align: right;">2,650</td> </tr> </tbody> </table>	RGF Programme				Funding	Contracted	Proportionate Target	Outturn	RGF	£32,000,000	£28,250,136	£28,250,136	Other Private Investment	£129,579,000	£114,551,553	£167,622,899	Total	£161,579,000	£142,801,689	£195,873,035	Employment Impact	Contracted	Proportionate Target	Outturn	New Jobs Created	1,986	1,753	2,158	Jobs Safeguarded	872	770	493	Total	2,858	2,523	2,650
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- Average Intervention Rate across the programme remains at 17%.
- Average Cost Per Job, Jobs Created and Jobs Safeguarded combined, of £10,660 (slight reduction from last report)

Claw Back Update3.2 **Overview**

The following tables confirm the status of projects that have been subject to the claw back process either due to technical breach or underperformance.

3.2.1

Technical Breach - relating to cases where the company has delivered insufficient leverage, resulting in the grant intervention rate being above the allowable state aid ceiling

1. All 14 claw back repayment plans now formally in place totalling £1.37m. Claw back has either settled in full or formalised into a repayment plan.

Claw Back Value	Status
£12,490	4 Companies - Paid in Full
£829,659	4 Companies - Repayment plan agreed, 24 monthly instalments commenced July 17
£119,538	1 Company - Repayment plan agreed, 12 monthly instalments commenced May 17
£86,204	1 Company - Repayment plan agreed, 6 quarterly instalments commenced Dec 16
£19,233	1 Company - Repayment plan agreed, 20 monthly instalments from Apr 18
£268,782	2 Companies - Entered Administration. SCC has registered as a creditor.
£35,886	1 Company – Repayment Plan agreed, 16 monthly instalments commenced Jun 17

Underperformance - relating to cases where the final outturn is below the performance threshold deemed acceptable under the Programme Performance Policy.

1. Claw back has been enforced against one project:

Claw Back Value
£7,114

2. The following 9 project recommendations have been supported by the RGF Accountable Body and Board members:

Claw Back Value	Status
£86,847.55	1 Company - Claw back SUSPENDED; with request to provide PO by Dec 17
£79,054.05	1 Company - Claw back SUSPENDED; with requirement to monitor job creation by Dec 17
£51,042.80	2 Companies - Claw back SUSPENDED
£10,159.73	1 Company - Post Mar 17 expenditure identified resulting in acceptable outturn.
£26,800.00	2 Companies - Post Mar 17 job creation identified resulting in acceptable outturn.
£52,430.78	2 Companies - Company's Entered Administration.

3. The programme management team is in the course of developing the final project recommendation in respect of Company 0016. This is now close to completion and it is anticipated that the recommendation will be detailed in the June Programme Report.

RGF Accountable Body and BIF Managing Agent Delivery Team

**Author:
Laura Wheatley**