

SCR BUSINESS INVESTMENT FUND PANEL

5th JUNE 2018 4pm 'til 6pm

BROAD STREET WEST, SHEFFIELD

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u> David Grey - Chair Diana Terris Chris Scholey Mary Broadhead Mike Thomas</p> <p><u>In Attendance</u> Laura Wheatley Andy McKenna Mark Ross Steve Carroll Rachel Fletcher (by telephone) Craig Tyler, Joint Authorities Governance Unit - minutes</p> <p><u>Apologies</u> Lee Manterfield Helen Lazarus</p>	
2	<p><u>Declarations of Interest</u></p> <p>No specific declarations of interest in relation to the matters to be discussed on today's agenda were noted.</p>	
3	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 24th April were agreed to be an accurate record.</p> <p>The following matter was noted as arising:</p>	

	<p>An update was provided regarding the application for funding from Company 0012. The Board was informed the original funding package would consist of a £75k BIF loan and a £75k SCC loan. However, a subsequent offer of a £50k NPIF loan from the FFE means the BIF contribution requirement has been reduced to £50k.</p> <p>Members asked what could be done to reduce the size of the meeting agenda packs by the removal of public or standing information. It was confirmed a 'restricted information only' supplementary pack could be produced.</p> <p>Action: Craig to present a 'restricted information only' style supplementary pack to the next meeting for the Panel's consideration.</p>	CT
4	<p><u>BIF Approval – Company Ref. 0018</u></p> <p>A report was received to provide the information required to enable the Board to take a decision in respect of whether to support the proposal to provide a BIF (LGF) grant of £184,000 to Company 0018.</p> <p>It was noted Company 0018 has identified an opportunity to significantly increase its current productivity levels, through the creation of a new purpose-built factory which will allow it to bring together existing operational capabilities and expand its service offering and noted the new larger premises would allow Company 0018 to increase delivery, allowing them to take on new contracts to drive forward ambitious growth plans.</p> <p>An additional condition of award was determined in respect of the prior purchase of required land and the successful completion of all necessary planning conditions.</p> <p>Whilst not stipulated as an additional condition, the Panel requested further information in writing from the Company to provide an assurance that all potential future maintenance obligations have been factored into the investment model.</p> <p>The Panel RESOLVED to award a BIF (LGF) grant of £184,000 to Company 0018 on the conditions contained within the report, and the additional condition noted above.</p>	
5	<p><u>BIF Approval – Company Ref. 0019</u></p> <p>A report was received to provide the information required to enable the Board to take a decision in respect of whether to support the proposal to provide a BIF (LGF) grant of £119,654 to</p>	

	<p>Company 0019 to contribute towards a funding package to acquire and install machinery.</p> <p>It was noted other funding includes new external asset finance funding and the company's own working capital.</p> <p>The Panel gave careful consideration to the complexity of the Group structure and agreed the need to ascertain its collective solvency.</p> <p>Action: Steve to further investigate</p> <p>The Panel was minded to offer Company 0019 two options for their consideration:</p> <p>1 – To provide a BIF (LGF) grant of c£90k, to be matched by an additional contribution of c£40k from Company 0019.</p> <p>OR</p> <p>2 – To provide a BIF (LGF) grant of £119,654 subject to the provision of a guarantee from the other company within the Group or its Trust.</p>	<p>SC</p>
<p>6</p>	<p><u>BIF Approval – Company Ref. 0020</u></p> <p>A report was received to provide the information required to enable the Board to take a decision in respect of whether to support the proposal to provide a BIF (LGF) grant of £28,500 to Company 0020 to support the development of a recording artists' royalties' collection platform.</p> <p>Members asked whether the people on the Company's own advisory Board might be better placed to make an informed decision on whether to invest in this initiative.</p> <p>It was agreed it was difficult to ascertain the financial viability of the business and the robustness of the business model.</p> <p>The Panel RESOLVED to REJECT the making of an award to Company 0020 on the above grounds.</p>	
<p>7</p>	<p><u>Potential BIF Case for Panel Feedback</u></p> <p>A report was received to provide the Panel with the information required to assess whether a potential grant case being reviewed by AFCOE for Company 0023 should proceed to full application.</p>	

	<p>It was noted this case raises a fundamental issue regarding whether the safeguarding of jobs should be a consideration for BIF funding as well as creating jobs.</p> <p>In consideration of this matter, the Panel determined that whilst the safeguarding of jobs is not in itself a justifiable reason for BIF investment, under extenuating circumstances, cases with a jobs safeguarding element may be presented provided there are other significant benefits to investment to be considered, such as the creation of significant additional business productivity or the creation of significant new supply chain opportunities.</p> <p>It was suggested an agreed, alternate assessment metric for schemes which don't create new jobs but do present other tangible benefits could be developed.</p> <p>Action: David / Andy to consider this matter in more detail and assess whether Company 0023 might be deemed to meet this alternate benchmark for further consideration by the Panel.</p>	<p>DG / AM</p>
<p>8.1</p>	<p><u>BIF Programme Management Report</u></p> <p>A report was received to provide the Panel with 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 to address queries or issues arising in relation to individual projects.</p>	
<p>8.2</p>	<p><u>BIF Pipeline</u></p> <p>A list of projects within the BIF pipeline was tabled for information.</p>	
<p>9</p>	<p><u>Any Other Business</u></p> <p>None.</p>	
<p>10</p>	<p><u>Date of Next Meeting</u></p> <p>Tuesday 17th July, 4.00pm at Broad Street West, Sheffield.</p>	