

SCR BUSINESS INVESTMENT FUND PANEL

9th OCTOBER, 2018 4pm - 6pm

HSBC, EUROPA WAY, SHEFFIELD

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Panel Members</u> Chris Scholey - Chair Mary Broadhead Mike Thomas Lee Manterfield Matt Gladstone</p> <p><u>In Attendance</u> Laura Wheatley Andy McKenna Steve Carroll Dan Wilkinson Kevin Bennett Jenny Holmes Craig Tyler, Joint Authorities Governance Unit – minutes</p> <p>Apologies were received from Panel members: David Grey, Diana Terris and Helen Lazarus</p>	
2	<p><u>Declarations of Interest</u></p> <p>No declarations or interest were reported in relation to any item of business on today's agenda, any activity undertaken since the last formal meeting, or in relation to any forthcoming activity.</p>	
3	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 4th September were agreed to be an accurate record.</p>	

4	<p><u>BIF Approval – Company Ref. 0073 – Reconsideration from 04.09.2018</u></p> <p>A report was received to provide the information required to enable the Panel to take a decision in respect of whether to support the proposal to provide a BIF (LGF) grant of £108,000 to Company 0073 to support the Company’s investment in new machinery at expanded new premises. The report noted the business wishes to increase capacity, improve quality and raise profile to increase their share of a growing national market.</p> <p>It was noted the application was considered by the Panel on 4th September, at which the decision on the application was deferred pending the receipt of additional information regarding the financial projections and CID facilities.</p> <p>This additional information and an additional explanatory narratives were provided to assist the Panel in its deliberations.</p> <p>It was noted investment in Company 0073 would generate 8 new jobs by the end of 2019 and support significant growth income.</p> <p>Members suggested that some of the financial concerns identified at the previous meeting might have been in-part attributable to issues with how the presented accounts had been formatted over time, making comparison and the identification of trajectories between different years’ accounts harder to establish.</p> <p>Further consideration was given to the various reasons the Company’s CID facility might be deemed relatively low.</p> <p>It was agreed that an additional condition of award should be for the Company to keep its dividend payments at the levels indicated for the period of time over which the investment applies.</p> <p>The Panel RESOLVED to APPROVE the making of an award of £108,000 to Company 0073 with the award being subject to the grant conditions contained within the report and noted above.</p>	
5	<p><u>BIF Approval – Company Ref. 0072 – Appeal</u></p>	

A report and additional information were provided to enable the Panel to consider an appeal by Company 0072 against the decision taken on 4th September to decline a proposal to provide a BIF (LGF) grant of £500,000. Members noted this decision was taken primarily in recognition of the amount of money reported as being taken out of the business by shareholders' dividends and directors' remuneration.

The report therefore set out a revised proposal inviting the consideration of a reduced BIF (LGF) grant of £300,000. An explanation of the factors involved in the Company reducing the size of its grant request were provided, noting this includes a reduction in the planned capital expenditure, some reduced dividends and some other efficiency savings. It was noted this investment, if agreed, would now generate 45 new jobs and safeguard a further 13 by March 2021.

Members questioned whether the revised proposal adequately addressed past concerns regarding the amount of money reported as being taken out of the business by shareholders' dividends and directors' remuneration.

It was generally considered that the shareholders and directors could still be doing financially more to find the investment sum being considered through and other reductions. A BIF grant of £100,000 was identified as an appropriate offer to the Company, with the Company to then self-determine how to find the additional £200,000.

The Panel RESOLVED to APPROVE THE MAKING OF AN OFFER of £100,000 to Company 0072 with the award being subject to the grant conditions contained within the report, and agreed as additional expectation that the £200,000 difference will be met through reduced dividends.

6

Concept Paper – Company Ref. 0079

A report was received to provide the information required to enable the Panel to take a decision in respect of whether a potential inward investment case for Company 0079 should be invited to proceed to full application.

It was noted Company 0079 is a potential inward investor considering moving into the City Region.

Board members requested that the Company be given an early indication that any application to the BIF should consider the local supply chain opportunities resulting from any award.

	<p>The Panel was assured this would be taken into consideration in working up a fuller business case.</p> <p>The Panel RESOLVED to SUPPORT the business case proceeding to full application.</p>	
7	<p><u>BIF Pipeline Update</u></p> <p>A list of projects within the BIF pipeline was tabled for information.</p> <p>The Panel was advised that a decision on whether to support a concept paper for Company 0080 will be required in advance of the date of the next Panel meeting.</p> <p>RESOLVED, that written procedures may be used in advance of the next scheduled meeting, to enable the Panel to formulate an opinion on whether to support the concept paper for Company 0080 proceeding to full application</p>	
8	<p><u>Any Other Business</u></p> <p>Members were informed this would be Chris' last BIF Panel meeting, ahead of him stepping down from the SCR LEP Board at the end of the month. Andy led the Panel members in thanking Chris for his support of, and dedication to, the Panel, and for his loyal service to the BIF and RGF governance regimes.</p>	
9	<p><u>Date of Next Meeting</u></p> <p>Tuesday 27th November, 4.00 – 6.00pm at HSBC, Europa Way, Sheffield.</p>	