

**SCR BUSINESS INVESTMENT FUND PANEL**

**27<sup>th</sup> NOVEMBER, 2018**

**SCR, BROAD STREET WEST, SHEFFIELD**

No.	Item	Action
1	<p><b><u>Welcome and Apologies</u></b></p> <p>Present:</p> <p><u>Panel Members</u>            David Grey - Chair            Mary Broadhead            Mike Thomas            Martin Beasley (for Diana Terris)            Helen Lazarus</p> <p><u>In Attendance</u>            Laura Wheatley            Andy McKenna            Steve Carroll            Kevin Bennett            Dean Hughes            Jenny Holmes            Craig Tyler, Joint Authorities Governance Unit – minutes</p> <p>Apologies were received from Panel members: Diana Terris and Lee Manterfield</p>	
2	<p><b><u>Declarations of Interest</u></b></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><b><u>Minutes of the Previous Meeting</u></b></p> <p>The minutes of the previous meeting held on 9<sup>th</sup> October were agreed to be an accurate record.</p>	

<p>4</p>	<p><b><u>BIF Approval – Company Ref. 0079</u></b></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £750,000 to Company 0079.</p> <p>It was reported the Company is achieving record sales and has outgrown its current UK site. The company needs to invest in new premises to be able to meet the anticipated growth in production and has identified SCR as a preferred location for part of its expansion.</p> <p>It was reported the grant would be used to fund lease costs and additional capital equipment and fit-out costs, and would deliver 33 new jobs to the region at a cost of c£22k per job.</p> <p>It was noted officers have been investigating the extent to which this investment may unlock additional supply chain opportunities.</p> <p>Members questioned whether the financial forecasts provided enough confidence that expected growth rates would justify additional investment.</p> <p>It was noted the jobs outputs would not be fully delivered until 2024 and therefore suggested the grant may be phased, or made contingent to certain milestones being met.</p> <p>It was confirmed the Company is expected to provide further information regarding its future intentions by the end of the year.</p> <p>It was acknowledged that the date the Company expects to commence operations in the SCR (2020) is close to the culmination of the current BIF LGF programme (due to conclude in 2021). Members were advised of work underway to identify compliant mechanisms capable of maximising spend in the latter years of the programme whilst not compromising good governance.</p> <p><b>Action: Mike to further investigate these mechanisms and report options back to the Panel</b></p> <p>To help ensure payments can be phased prior to the culmination of the programme, it was agreed the Company needs to confirm whether it is accepting or declining the BIF offer of a grant award by March 31<sup>st</sup> 2019.</p> <p>Members questioned the degree of financial diligence that can be undertaken based on the information provided by the</p>	<p>MT</p>
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Company therefore the award is agreed subject to additional financial information being made available and reviewed by the SCR Combined Authority. It was also requested the provision of a parent company guarantee be made an additional condition of award.

It was determined that an additional condition should also relate to the completion of the lease on the new premises.

**The Panel RESOLVED to APPROVE THE MAKING OF AN AWARD of £750,000 to Company 0079 with the award being subject to the grant conditions contained within the report and noted above.**

**5 BIF Approval – Company Ref. 0080**

A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £1,750,000 to Company 0080.

It was reported the Company has created a new business services company which is looking to establish a significant operation in the UK and is considering a number of options including Sheffield.

It was reported this investment would generate 447 new jobs by Q2 2021.

In consideration of the information contained within the report, the Panel recommended that an additional condition of award be introduced in respect of the provision of a parent company guarantee. The Panel also requested that officers undertake appropriate due diligence to ensure the award is compliant with state aid legislation.

The Panel considered matters including the inadvertent risk of job displacement and comparative labour costs nationally.

Consideration was given to whether a proportion of the total grant request should be commuted to the offer of a loan.

It was requested a condition of award be that grant is released based on verified job creation.

It was stated that approval is subject to completion of the Company's Companies House registration.

It was requested a condition of award be based on the provision of a parent company guarantee.

	<p>It was noted that S151 Officer confirmation had been received that Sheffield City Council would be required to pay back 50% of the grant, subject to business rates uplift.</p> <p><b>The Panel RESOLVED to APPROVE THE MAKING OF AN INITIAL OFFER of £1,500,000 to Company 0080 with the award being subject to the grant conditions contained within the report and above, on the understanding that the Company may wish to re-request consideration of the making of an award of the full initial request (£1,750,000) (to be addressed by written procedures).</b></p>	
6	<p><b><u>BIF Approval – Company Ref. 0084.</u></b></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £30,000 to Company 0084.</p> <p>It was reported the Company is a specialist training company headquartered in the Midlands seeking to expand its current operations in Doncaster. The company is intending to invest in order to supply a wider range of training courses in response to new market opportunities.</p> <p>The Company has requested BIF grant support to secure the purchase of additional specialist training equipment to support the provision of a wider range of training courses.</p> <p>It was reported that investment in Company 0084 will generate 3 new jobs by September 2019.</p> <p>It was requested that additional conditions of award be introduced in relation to the Company staying in the area and the completion of the lease of its intended premises.</p> <p><b>The Panel RESOLVED to APPROVE THE MAKING OF AN AWARD of £30,000 to Company 0084 with the award being subject to the grant conditions contained within the report and noted above.</b></p>	
7	<p><b><u>BIF Approval – Company Ref. 0081</u></b></p> <p>A report was received to enable the Panel to take a decision of whether to support the proposal of a BIF (LGF) grant of £178,000 to Company 0081.</p>	

	<p>It was reported the Company is a provider of business services which has recently won a major new contract. Fulfilling the contract will require additional premises. The company has requested BIF grant support to enable it to invest in the construction and fitting out of premises.</p> <p>It was confirmed the cost is all capital expenditure and would be eligible for support.</p> <p>It was reported that the investment will generate 38 new jobs by March 2021 as well as a significant number of temporary roles during 2021.</p> <p>Members questioned the complexity of the financial information provided and noted the 2017 accounts were not apparently available.</p> <p>It was agreed an additional condition of award should be the provision of a parent company guarantee.</p> <p><b>The Panel RESOLVED to APPROVE THE MAKING OF AN AWARD of £178,000 to Company 0081 with the award being subject to the grant conditions contained within the report and noted above.</b></p>	
8	<p><b><u>BIF Approval – Company Ref 0083</u></b></p> <p>A report was received to enable the Panel to take a decision whether to support the proposal of a BIF (LGF) grant of £90,000 to Company 0083.</p> <p>It was reported the Company is an innovative health sector business located in Sheffield. The company is seeking to expand its product range in response to market opportunities including overseas. In order to grow the company needs to continue to invest in tooling and validation to be able to progress into production at commercial volumes.</p> <p>It was reported the grant will go towards tooling, machining and the testing costs related to expanding its product range and investment will generate 8 new jobs by June 2019.</p> <p>This is the second grant the Company has applied for. It was reported that the Company had completed the first project and exceeded the contracted jobs target.</p> <p>It was noted that the projections for the current fiscal year appeared to be ambitious considering the management accounts. It was agreed an additional condition of award should</p>	

	<p>be that the final outturn should not be materially different to the figures presented in the report.</p> <p><b>The Panel RESOLVED to APPROVE THE MAKING OF AN AWARD of £90,000 to Company 0083 with the award being subject to the grant conditions contained within the report.</b></p>	
9	<p><b><u>BIF Concept Paper – Company 0086.</u></b></p> <p>A report was received for the Panel to consider whether a potential investment case for Company 0086 should proceed to full application.</p> <p>The Panel was informed of the matters requiring consideration.</p> <p>Panel members were minded to confirm their wish for the Company to retain an R&amp;D presence in the City Region.</p> <p><b>The Panel RESOLVED to SUPPORT the business case proceeding to full application.</b></p>	
10	<p><b><u>Programme Management Update</u></b></p> <p><b><u>a) Programme Management Report</u></b></p> <p>Provided for information</p> <p><b><u>b) BIF Pipeline</u></b></p> <p>A list of projects within the BIF pipeline was tabled for information.</p>	
11	<p><b><u>Any Other Business</u></b></p> <p>On the occasion of his retirement, Panel members thanked Kevin Bennett for his dedicated service in support of the BIF and predecessor programme.</p>	
12	<p><b><u>Date of Next Meeting</u></b></p> <p>The proposed date of the next meeting is Wednesday 6<sup>th</sup> February, 3:00 – 5:00 at HSBC, Europa Way, Sheffield.</p>	