

## **BARNSLEY METROPOLITAN BOROUGH COUNCIL**

**This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.**

### **REPORT OF THE EXECUTIVE DIRECTOR PLACE**

#### **European Regional Development Fund (ERDF) Programmes Report**

##### **1. Purpose of the report**

- 1.1 The Council seeks to ensure better access to business support for Barnsley's Small and Medium Sized Enterprises (SMEs) at all stages of development through a range of integrated projects that will help deliver the Council's Digital Campus and wider Jobs and Business plan aspirations.
- 1.2 Approval is sought to enter into funding agreements with the Ministry of Housing, Communities and Local Government (MHCLG), Sheffield Hallam University (SHU) and Capital Enterprise to implement a programme of initiatives that will facilitate access to finance for SMEs in a bid to boost innovation, competitiveness and employment opportunities for all.

##### **2. Recommendations**

- 2.1 Cabinet agrees that approval is given for the Executive Director Place to authorise the following contracts on behalf of the Council.
  - a) Business Productivity – MHCLG (see appendix a)
  - b) Digital Innovation Grants – MHCLG (see appendix b)
  - c) Digital Innovation for Growth – SHU (see appendix c)
  - d) Tech Ecosystem Accelerator & Market-Maker South Yorkshire (TEAM SY) – Capital Enterprise (see appendix d)
- 2.2 Cabinet agrees that approval is given for The Council to act as Accountable body for the Business Productivity Project and Digital Innovation Grants Project.
- 2.3 Cabinet agrees that approval is given for the Executive Director Place in consultation with the Executive Director of Core Services to contract with the Business Productivity programme partners Doncaster Metropolitan Borough Council, Rotherham Metropolitan Borough Council and Sheffield City Council.

- 2.4 Cabinet agrees that approval is given for the Service Director of Finance, to amend revenue budgets in accordance with the financial implications embedded within the report.
- 2.5 Cabinet agrees that approval is given for the Executive Director Place in consultation with the Executive Director of Core Services to restructure and recruit additional resources to the Enterprising Barnsley team to provide a fit-for-purpose delivery structure.

### **3. Introduction**

- 3.1 Over the last decade, the Sheffield City Region (SCR) economy has grown much faster than expected. However, SCR and specifically Barnsley still lags behind the England average for productivity and is ranked 33rd out of 38 Local Economic Partnership (LEP) areas.
- 3.2 The benefits of productivity gains have not been felt by the majority of residents. Growth since 2015 has predominantly been in low-wage and lower productivity sectors (such as public administration, health/care, education, and logistics) and occupations (such as administration, trades and service occupations).
- 3.3 Productivity is a strong determinant of quality of life and wellbeing. The lack of progress on this indicator confirms that a stronger role for innovation and creativity in economic growth is needed. It also promotes a focus on the quality of growth to transform our economic trajectory, achieve an inclusive economy with opportunities for all and improve the wellbeing of our people.
- 3.4 Through the Barnsley Jobs and Business plan the main focus was on creating jobs and generating GVA (Gross Value Added – a measure of the value of the goods and services produced in an area) which was the right diagnosis for the time. However, the world has moved on and Barnsley economic growth must also address social inequalities and realise the area's potential; it is not purely about the quantity of jobs but the quality of jobs. Job growth on its own will not deliver an inclusive economy and improve the health and wellbeing of the local population.
- 3.5 This suite of European Regional Development Fund (ERDF) projects aims to provide a step change and give everyone an opportunity to benefit from prosperity. This will be achieved through,
  - (a) Supporting local Small and Medium-sized Enterprises (SMEs) to become more productive – The *Business Productivity* and *Digital Innovation* Grant projects will support SMEs by providing access to grant support that will directly help them to increase productivity.

- (b) Supporting businesses to innovate – The Council will work with SHU and Capital Enterprise through the *Digital Innovation for Growth* and *TEAM SY* projects to support SMEs in the borough to take advantage of opportunities for developing new, wealth-creating products and services. By connecting centres of knowledge (SHU) and technology start-ups with Barnsley's SMEs, new models and interventions will help raise productivity levels not just in traditional 'high technology' sectors, but also in areas of the foundational economy such as social care and retail which are key for Barnsley.
- (c) Supporting an 'inclusive economy' approach –The Council's inclusive economy agenda will be closely woven into these projects to ensure opportunities become available to all. The Enterprising Barnsley and Adult Skills and Employment Teams will work closely together with participating SMEs and will encourage take up of the Council's 'Employer Promise'. The Employer Promise encourages all types and size of organisations to offer what they can to actively help young people and adults getting ready for work; getting into work; getting on and staying in work.

#### **4. Proposal and Justification**

- 4.1 A summary of the proposal and justification for each project is highlighted below, full details of each project can be found in Appendices A-to-D. Overall the projects all contribute considerably to increasing productivity in Barnsley, supporting growth in higher value jobs and connecting closely with the Council's Inclusive Economy agenda. The projects address recognised challenges and build on a foundation of successful and innovative business support through Enterprising Barnsley and the Digital Media Centre (DMC), and link closely with the Digital Campus plans. The projects offer the opportunity to deliver innovative and impactful support with minimal investment from the Council, leveraging existing resources and ERDF investments to significantly improve the business support landscape locally and regionally. The projects support SMEs to progress through different stages of innovation and technology adoption and remove the barriers to increasing productivity.
- 4.2 *Business Productivity* – The Council will use ERDF investment to lead on the Business Productivity Project in collaboration with the other South Yorkshire Local Authorities. A Productivity Investment Grant will be provided of up to £12.5k (£25k Project Total) per business which will provide capital/revenue support to help businesses **deliver and implement productivity plans**. SMEs will benefit from

support of Key Account Managers to help develop productivity plans, access funding and monitor progress

- 4.3 *Digital Innovation Grants* – The Council will use ERDF to deliver the investment across South Yorkshire. The project is a demand led grant scheme designed to help SMEs to **develop their use of digital technology**. By exploiting digital technologies, businesses can access new markets, promote their products and services more effectively and develop new and cost-effective ways of working.
- 4.4 *Digital Innovation for Growth* – The Council will partner with SHU to use ERDF to fund part of the ‘kit out’ of the previously named Core Building which will provide a fit for purpose digital technologies demonstrator and ‘makerspace’ within the newly created DMC 02 which will be open Summer 2020. **The dedicated space combined with the digital expertise from SHU will provide local SMEs with resources, information, connections and support.** It will enable them to identify opportunities to digitalise their businesses and processes in order to gain efficiencies and increase productivity. This will work alongside the Library and facilities in the College as well at regional level to encourage the wider community to access these technologies and engage with the ‘art of the possible’.
- 4.5 *TEAM SY* – The Council will partner with Capital Enterprise to use ERDF to deliver the TEAM SY project in Barnsley. TEAM will **connect new technology start-ups with fit for purpose business support and investment.** It will encourage collaboration between technology start-ups and the wider business landscape as well as the public sector to drive innovation and in doing so create the conditions for high value businesses to scale up and create more jobs and prosperity. The project will encourage new and innovative technology companies into Barnsley as well as support faster growth of existing technology companies. Connecting these companies with support and investment will help to stimulate more jobs at a range of levels for Barnsley citizens.

## **5. Consideration of alternative approaches**

- 5.1 The ‘Do Nothing’ approach would mean local businesses would have to apply for support via national schemes such as Innovate UK and Digital Catapult programmes, for example the Industrial Strategy Challenge Fund and Knowledge Transfer Partnership. These programmes are notoriously difficult to acquire funding from and are aimed at the more digitally enabled businesses. There is a need to bridge the innovation gap and provide development support for the companies in the borough with the capability to develop their businesses through these business support opportunities.

- 5.2 An alternative model with reduced investment was considered but the project costs have been carefully constructed to ensure that the private sector investment and ERDF contributions are maximised to cover the majority of staff delivery costs.
- 5.3 Reducing the geographical scope of the projects was considered but this approach was rejected by the SCR European Structural Investment Funds (ESIF) steering group as they requested that ERDF business support products have to be delivered across the whole of the SCR and not in one particular borough.

## **6. Implications for local people / service users**

- 6.1 The activities will benefit local businesses through providing support to innovate; increase business competitiveness; increase business productivity; develop new products and services and enter new markets through the adoption of digital technologies.
- 6.2 The projects aim to inspire local growth and community prosperity by creating 'more and better jobs' in the local economy to connect local people with these opportunities
- 6.3 The projects will aim to facilitate a new social contract with businesses to balance increased productivity with benefits to local communities, which in turn support the growth of local employers.
- 6.4 Such strategic relationships between places and local employers should deliver higher standards for residents in the shape of "good jobs", higher wages and stronger local skills supply chain.
- 6.5 Through exploring models for new interventions this will raise productivity levels not just in traditional 'high technology' sectors, but also in areas of the foundational economy such as health and social care.

## **7. Financial implications**

- 7.1 Consultation on the financial implications have taken place with representatives of the Service Director – Finance (S151 Officer.)
- 7.2 The total South Yorkshire-wide, programme cost for all four projects (as referred to paragraph 2.1) is £16.9m. The funding required to support those projects is being provided from the following key sources.
  - (a) ERDF Contribution
  - (b) Private Sector Contribution
  - (c) BMBC ("In Kind" Contributions
  - d) Other Public Sector Contributions
- 7.3 Of the £16.9m, the Barnsley specific strands of the projects will cost £7.954m.

- 7.4 By providing £0.603m in revenue match funding and £0.051m in capital match Barnsley will benefit from the receipt of £4.762m in ERDF grant, £2.418m in private sector investment and from £0.120m in contributions from the other participating South Yorkshire Local Authorities.
- 7.5 The table below provides a summary of the funding mix being sought for the 'Barnsley specific' strands of each project.
- 7.6 The detailed financial implications relating to each of the projects is provided separately in Annexes A-D of this report.

	BMBC					
	ERDF	Private	Partner Match	BMBC Match - Capital	BMBC Match - Revenue	Total
	£m	£m	£m	£m	£m	£m
Business Productivity	2.460	1.350	0.120	-	0.169	4.100
Digital Innovation Grants	1.601	1.068	-	-	-	2.669
Digital Innovation for Growth	0.299	-	-	0.051	0.166	0.515
TEAMSY	0.402	-	-	-	0.268	0.671
	4.762	2.418	0.120	0.051	0.603	7.954

- 7.7 It is envisaged that the £0.603m in revenue 'match funding' required from the Council to support project delivery will be provided via a combination of existing staffing budgets from within the Place Directorate and from grant allocations received specifically for the purposes of covering off Management/Administration and Project Delivery costs - BMBC taking lead responsibility for the Management/Administration of the 'Business Productivity' and 'Digital Innovation Grant' projects.
- 7.8 The £0.051m Capital contribution has already been provided for from within the Council's existing capital programme as part of the wider development of DMC2.
- 7.9 *It is important to note that no additional monies, neither revenue nor capital, are being requested from BMBC to support the delivery of the projects referred to above.*
- 7.10 It is also important to note that where BMBC act as Lead Authority protections are being sought via legally binding contract arrangements to ensure project partners are held to delivery of their responsibilities in terms of the delivery of outputs targets

and any consequent liabilities (e.g. funding clawback) arising from their non-delivery of those targets. The Council already have similar contracts in place for an existing pan-SCR business support programme (Launchpad) therefore the Council will look to use this arrangement as a methodology to enter into contractual relationships with the partner authorities.

- 7.11 If the bids outlined above are successful the Government have confirmed that in the event of a 'No Deal Brexit' the ERDF will be protected.

## **8. Legal implications**

- 8.1 Contracts have been submitted to BMBC legal for comment, no issues have been raised.
- 8.2 The Council have 'tried a tested' contract arrangements in place for delivering ERDF projects with partners.

## **9. Employee implications**

- 9.1 To be able to deliver such a complex portfolio of projects it is important that a fit for purpose structure is in place to ensure that the Council has the right resources and experience to deliver a suite of compliant ERDF projects. The proposed restructure not only maximises existing staff time, resources and expertise but is cost effective and will mean the teams can 'hit the ground running'.
- 9.2 The current (116150) Programme Manager post will have oversight of the ERDF projects and will be responsible for compliance, delivery, budgeting and will have direct line management responsibility for 7 Project Officers. To reflect the increase in geographic scope, budget responsibility and complexity of projects the existing Programme Manager post will be amended and re-submitted for evaluation.
- 9.3 Overall the projects will maximise the existing Enterprising Barnsley and wider Council staff resources. This will include the Group Leader, Programme Manager, Business Centres and Incubation Manager, x5 Key Account Managers, x4 Project Officers, Marketing and Communication Manager and ICT Manager.
- 9.4 Individual employee implications for each project can be found in Appendices A-to-D.

## **10. Communication implications**

- 10.1 All ERDF projects have to promote and publicise the activities and impact of the Programme according to the European Commission published branding and publicity requirements. Joint promotion between the Council and its project partners will ensure that timely and accurate information will be provided through appropriate

press releases via local press, social media/website updates, local member briefings and engagement with key stakeholders.

## **11. Consultations**

- 11.1 Consultation has taken place representatives from the Service Director of Finance.
- 11.2 Human resources have been notified on the staffing implications associated with the project.
- 11.3 Consultations have taken place with the representatives from the Executive Director of Core Services regarding the legal implications of contracting with external partners.

## **12. The Corporate Plan and Council Performance Management Framework**

- 12.1 The aims and aspirations of the project are aligned to those within the Council's Corporate Plan; the Jobs and Business Plan; Employment and Skills Strategy and directly contribute towards the aspiration of delivering a thriving and vibrant economy.

## **13. Tackling health inequalities**

- 13.1 Beyond the contribution that the creation of new jobs can provide in terms of reducing overall worklessness there are no direct matters of relevance arising from this report.

## **14. Climate Change & Sustainable Energy Act 2006**

- 14.1 The Council is facilitating and enabling the Borough's transition to zero carbon by 2045. The 'Zero45' strategy has 5 broad themes, one of which is Resource Efficiency. The Centre for Industrial Energy, Materials and Products recognise that the UK economy is suffering from low productivity compared to many of its European neighbours and more efficient resource use would make businesses more productive and lower their costs, delivering a significant boost to the UK's competitiveness.
- 14.2 The projects highlighted in this paper will promote and develop further opportunities for more resource efficiency production across construction, manufacturing, food and drink production.

## **15. Risk management issues**

- 15.1 The risks below will be reviewed and discussed on a regular basis at the Project Steering Group.



<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Lack of clarity in the business base regarding the project offer.	Delivery team overseen by Project Steering Group	Low	Medium	All partners and delivery staff will be briefed on the focus of the projects, and the project teams of BMBC, SHU, SIP, CE, SY LA's and the Growth Hub will develop protocols for reviewing the respective portfolios of clients to ensure a cross referral model.
Delivering outputs: Regional businesses do not engage, leading to under achievement.	Delivery team overseen by Project Steering Group	Low	High	Successful engagement and project delivery are therefore dependent on identifying, primarily through 1:1 contact and networks, those companies with capacity and capability to engage with transformative digital innovations. This will be achieved through pro-active engagement by the delivery team, and ensuring, partners are briefed in order to identify new prospects.
Regional business support agencies do not engage, leading to lack of coordination and integration	Project Steering Group	Low	Low	The project steering groups will include members of the Local Authorities and the Growth Hub to ensure the co-ordination and integration of project delivery and cross referral.
The partners do not have the capacity or expertise to meet client need.	Project Steering Group	Low	Medium	The partners have extensive expertise in areas relevant to target sectors and academic time will be 'bought-out' through the project to address specific client needs. This resource will be supplemented by additional specialist resource from outside the core partnership.
Delays to project milestones.	Project Steering Group	Low	Med	The intended project management team are experienced in successfully delivering ERDF business support projects and are confident the milestones are realistic and deliverable.
Client satisfaction	Project Steering Group	Low	Low	Clients will be invited to complete a customer feedback questionnaire on completion of an engagement. Project review meetings will monitor engagement, progress and client feedback.

**16. Health, safety and emergency resilience issues**

16.1 None arising directly from the report.

**17. Reduction of crime and disorder**

17.1 None arising directly from the report.

**18. Conservation of biodiversity**

18.1 None arising directly from the report.

**19. Glossary**

Barnsley Metropolitan Borough Council (BMBC)  
Capital Enterprise (CE)  
Digital Media Centre (DMC)  
European Regional Development Fund (ERDF)  
European Structural Investment Fund (ESIF)  
Local Economic Partnership (LEP)  
Ministry for Communities and Local Government (MHCLG)  
Sheffield Hallam University (SHU)  
Sheffield Innovation Partnership (SIP)  
Small Medium Sized Enterprises (SMEs)  
Tech Ecosystem Acceleration Market-Maker South Yorkshire (TEAMSY)

**20. List of appendices**

Annex A – Business Productivity  
Annex B – Digital Innovation Grants (DIG)  
Annex C – Digital Innovation for Growth  
Annex D – Tech Ecosystem Acceleration and Market-making – South Yorkshire  
Appendix A – Financial Implications

**21. Background papers**

21.1 None arising directly from the report.

## **Annex A**

### **Business Productivity**

#### **1. Purpose of the report**

- 1.1 To seek approval to enter into a funding agreement with the Ministry of Housing, Communities and Local Government (MHCLG) to deliver a Business Productivity Grant project. The Council is leading a consortium with partners from Doncaster Metropolitan Borough Council (DMBC), Rotherham Metropolitan Borough Council (RMBC) and Sheffield City Council (SCC) to secure European Regional Development Funds (ERDF) from MHCLG.
- 1.2 As lead body for the South Yorkshire Local Authorities (SYLA), the Council is due to be offered a contract of up to £7.884m from MHCLG of which £4.730m will be provided from ERDF – details of total project funding requirements are provided in ‘Section 7 – Financial Implications’.
- 1.3 The programme will provide grant support of up to £12,500 to SME’s to help businesses implement and deliver productivity improvements. The project will commence April 2020 for a period of 3 years.
- 1.4 This report seeks approval for the Executive Director of Place to authorise the contract on behalf of the Council.

#### **2. Recommendations**

- 2.1 Cabinet agrees that approval is given for the Executive Director Place to authorise the contracts on behalf of the Council.
- 2.2 Cabinet agrees that approval is given for the Service Director of Finance, Assets to amend revenue budgets in accordance with the financial implications embedded within this report.
- 2.3 Cabinet agrees that approval is given for the Executive Director Place in consultation with the Executive Director of Core Services for the Council to act as accountable body for the project and to contract with the project partners DMBC, RMBC, and SCC.
- 2.4 Cabinet agrees that approval is given for the Executive Director Place in consultation with the Executive Director of Core Services to implement a revised staffing structure.

#### **3. Introduction**

- 3.1 Over the last decade, the SCR economy has grown much faster than expected.

However, SCR and specifically Barnsley still lags the England average for productivity and is ranked 33rd out of 38 LEP areas.

- 3.2 The benefits of productivity gains have not been felt by the majority of our population. Growth since 2015 has predominantly been in low-wage and lower productivity sectors (such as public administration, health/care, education, and logistics) and occupations (such as administration, trades and service occupations).
- 3.3 Productivity is a strong determinant of quality of life and wellbeing. The lack of progress on this indicator confirms that a stronger role for innovation and creativity in economic growth is needed. It also promotes a focus on the quality of growth to transform our economic trajectory and improve the wellbeing of our people.
- 3.4 Through the Barnsley Jobs and Business plan the main focus was on creating jobs and generating GVA, which was the right diagnosis for the time. However, the world has moved on. Barnsley economic growth must address social inequalities, it is not purely about the quantity of jobs but the quality of jobs. Productivity growth on its own will not deliver an inclusive economy and improve the health and wellbeing of the local population.
- 3.5 The Business Productivity Project aims to achieve a step change and give everyone an opportunity to benefit from prosperity, not just those working in high-wage and high-skill professions. This will be achieved through,

#### **4. Proposal and Justification**

- 4.1 The project will support SMEs to improve their productivity through grants (capital and revenue) and to improve how they capture and measure productivity gains.
- 4.2 A grant of up £12.5k (£25k Project Total) will be provided to accelerate investment to SMEs which currently don't have free access to information on the range of productivity improvements available.
- 4.3 The symptoms of low productivity are wide ranging therefore the types of activity / intervention will vary, finding a solution to productivity challenges will be at the heart of the project and the productivity grant.
- 4.4 These solutions will help businesses find new opportunities to improve productivity levels where they work. This could include but not exclusively support to find a technical solution; commercialisation plan for taking the solution into the market; investment in equipment to help increase productivity levels.
- 4.5 The applicants will work in conjunction with SYLA Key Account Managers or other intermediaries such as the SCR Growth Hub, to produce a productivity plan that clearly sets out how the business measures productivity, how the investment project

will improve productivity and how this will be evidenced for at least 12-months following the investment.

- 4.6 The plan will identify and diagnose how to resolve a productivity issue and then source a solution using the Productivity Grant and/or other sources of support which could be either revenue (consultancy) or capital (equipment), or a mixture of both.
- 4.7 Once the plan and application has been agreed, grants of up to £12,500 will be offered to those businesses that best demonstrate how the investments will have a positive impact on their productivity.
- 4.8 The minimum grant threshold will be £5000. Procurement for the delivery of the grant will be via direct award and the level of the grant will be determined in collaboration with a nominated Key Account Manager and ratified by the Programme Management Team.
- 4.9 The recipients of the grants will endeavour to create new jobs as a condition of the grant. This will be achieved through cost-reducing productivity gains and increasing the quality and value of outputs for any given input. It is feasible that productivity and job creation can go 'hand in hand' instead of being either/or.
- 4.10 Businesses will also be expected to clearly describe how they currently measure productivity and how it will improve following the investment project.
- 4.11 The project will work in collaboration with the Employment and Skills Team to ensure people from across the labour market have a fair opportunity to benefit from the investments made through this project.
- 4.12 The main driver for the delivering an 'inclusive economy' approach will be ensuring their close alignment between the Business Productivity project and Council's 'Employee Promise' scheme. If Barnsley SME's want to access the grant they have to engage with the 'Employee Promise' initiative.

## **5. Consideration of alternative approaches**

- 5.1 The 'Do Nothing' approach would mean local businesses would have to apply for support via national schemes such as Innovate UK and Digital Catapult programmes, for example the Industrial Strategy Challenge Fund and Knowledge Transfer Partnership. These programmes are notoriously difficult to acquire funding from and are aimed at the more digitally enabled businesses. There is a need to bridge the innovation gap and provide development support for the companies in the borough with the capability to develop their businesses through these business support opportunities.

- 5.2 An alternative model with reduced investment was considered but the project costs have been carefully constructed to ensure that the private sector investment and ERDF contributions are maximised to cover the majority of staff delivery costs.
- 5.3 Reducing the geographical scope of the projects was considered but this approach was rejected by the SCR European Structural Investment Funds (ESIF) steering group as they require business support products to be delivered across the whole of SCR and not in one particular borough.

## **6. Implications for local people / service users**

- 6.1 The activities will benefit local businesses through providing support to innovate; increase business competitiveness; increase business productivity; develop new products and services which will open up new markets and a wider customer base.
- 6.2 The projects aim to inspire local growth and community prosperity by creating 'more and better jobs' in the local economy to connect local people with these opportunities.
- 6.2 The projects will aim to facilitate a new social contract with business to balance increased productivity with benefits to local communities, which in turn support the growth of local employers.
- 6.3 Such strategic relationships between places and local employers should deliver higher standards for residents in the shape of "good jobs", higher wages and stronger local skills supply chain.
- 6.4 At the heart of this should be a longer-term dialogue between place and its largest employers about growth guided by a shared ambition for community wellbeing. Through exploring models for new interventions this will raise productivity levels not just in traditional 'high technology' sectors, but also in areas of the foundational economy such as health and social care.

## **7. Financial implications**

- 7.1 Consultation on the financial implications to this report has taken place with colleagues in Financial Services on behalf of the Service Director – Finance (S151 Officer).
- 7.2 As Lead Body for the South Yorkshire Local Authorities on this project the Council is due to be offered a contract from MHCLG of £7.884m for the delivery of a Business Productivity Grant scheme across South Yorkshire. Of this amount £4.730m will be provided from ERDF with the remainder of the funding coming from Private Sector 'match funding' (£2.715m) and the balance from SY Local Authority Contributions £0.438m.

- 7.3 Specific to Barnsley are total project costs of £4.1m which over the 3-year duration of the project comprises:
- Grants to the Private Sector - £2.7m.
  - BMBC Staffing Costs - £1.015m
  - Other Project Direct Costs - £0.384m
- 7.4 Included within the £1.015m staffing costs figure will be an 'in kind' contribution of £0.169m from BMBC.
- 7.5 The contribution will be phased over the 3year project period from 2021/22 to 2022/23 as follows:
- 2020/21 £0.051m
  - 2021/22 £0.060m
  - 2022/23 £0.058m
- 7.6 As referred to in 'Section 9 – Employee Implications' the project will be supported via a combination of the utilisation existing staff budgets from within the Enterprising Barnsley Team along with the appointment of 2.4 fte fixed term contract posts, the latter being fully funded from the overall ERDF funding allocation.
- 7.7 *No additional funding will therefore be required to fulfil the Council's match funding obligations for the project.*
- 7.8 Whilst the Council will be responsible for the administration of funding for the Project clawback risk will be confined to the Barnsley element of the project – mitigations are in place to support project delivery and are outlined in 'Section 15 – Risk Management Issues' below.
- 7.9 South Yorkshire partners will be contractually bound to deliver their own spend and delivery of outputs and will be liable for any clawback linked to non-delivery. This will be reflected in the contractual arrangements with each partner.
- 7.10 If the bid is successful the Government have confirmed that in in the event of a 'No Deal Brexit' that any ERDF funding will be ring fenced.
- 7.11 Appendix A provides a summary of the financial implications referred to in this report – this includes the phasing of project spend and funding.

## **8. Legal implications**

- 8.1 Contracts have been submitted to BMBC legal for comment, no issues have been raised.
- 8.2 The Council have 'tried a tested' contract arrangements in place for delivering ERDF projects with partners.

## **9. Employee implications**

- 9.1 To be able to deliver such a complex portfolio of projects it is important that a fit for purpose structure is in place to ensure that the Council has the right resources and experience to deliver a suite of compliant ERDF projects. The proposed restructure not only maximises existing staff time, resources and expertise but is cost effective and will mean the teams can 'hit the ground running'.
- 9.2 The Programme Manager post (0.2 FTE) will be responsible for compliance and delivery and will have direct line management responsibility for the x3 (2.4 FTE) new fixed term project and Contract Compliance Officers.
- 9.3 The project will utilise existing Enterprising Barnsley team staff resources with the following staff members participating in the delivery of the project, Group Leader (0.5 FTE) and 4 FTE Key Account Manager positions.

## **10. Communication implications**

- 10.1 All ERDF projects have to promote and publicise the activities and impact of the Programme according to the European Commission published branding and publicity requirements. Joint promotion between the Council and its project partners will ensure that timely and accurate information will be provided through appropriate press releases via local press, social media/website updates, local member briefings and engagement with key stakeholders.

## **11. Consultations**

- 11.1 Consultation has taken place representatives from the Service Director of Finance.
- 11.2 Human resources have been notified on the staffing implications associated with the project.
- 11.3 Consultations have taken place with the representatives from the Executive Director of Core Services regarding the legal implications of contracting with external partners.

## **12. The Corporate Plan and Council Performance Management Framework**

- 12.1 The aims and aspirations of the project are aligned to those within the Council's Corporate Plan; the Jobs and Business Plan; Employment and Skills Strategy and directly contribute towards the aspiration of delivering a thriving and vibrant economy.



### **13. Tackling health inequalities**

- 13.1 Beyond the contribution that the creation of new jobs can provide in terms of reducing overall worklessness there are no direct matters of relevance arising from this report.

### **14. Climate Change & Sustainable Energy Act 2006**

- 14.1 The Council is facilitating and enabling the Borough's transition to zero carbon by 2045. The 'Zero45' strategy has 5 broad themes, one of which is Resource Efficiency. The Centre for Industrial Energy, Materials and Products recognise that the UK economy is suffering from low productivity compared to many of its European neighbours and more efficient resource use would make businesses more productive and lower their costs, delivering a significant boost to the UK's competitiveness.
- 14.2 The projects highlighted in this paper will promote and develop further opportunities for more resource efficiency production across construction, manufacturing, food and drink production

### **15. Risk management issues**

- 15.1 The risks below will be reviewed and discussed on a regular basis at the Project Steering Group.

<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Lack of clarity in the business base regarding the project offer.	Delivery team overseen by Project Steering Group	Low	Medium	All partners and delivery staff will be briefed on the focus of the projects, and the project teams of BMBC, SHU, SIP, CE, SY LA's and the Growth Hub will develop protocols for reviewing the respective portfolios of clients to ensure a cross referral model.
Delivering outputs: Regional businesses do not engage, leading to under achievement.	Delivery team overseen by Project Steering Group	Low	High	Successful engagement and project delivery are therefore dependent on identifying, primarily through 1:1 contact and networks, those companies with capacity and capability to engage with transformative innovations. This will be achieved through pro-active engagement by the delivery team, and ensuring, partners are briefed in order to identify new prospects.

<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Regional business support agencies do not engage, leading to lack of coordination and integration	Project Steering Group	Low	Low	The project steering groups will include members of the SYLA and the Growth Hub to ensure the co-ordination and integration of project delivery and cross referral.
The partners do not have the capacity or expertise to meet client need.	Project Steering Group	Low	Medium	The partners have extensive expertise in areas relevant to target sectors and academic time will be 'bought-out' through the project to address specific client needs. This resource will be supplemented by additional specialist resource from outside the core partnership.
Delays to project milestones.	Project Steering Group	Low	Med	The intended project management team are experienced in successfully delivering ERDF business support projects and are confident the milestones are realistic and deliverable.
Client satisfaction	Project Steering Group	Low	Low	Clients will be invited to complete a customer feedback questionnaire on completion of an engagement. Project review meetings will monitor engagement, progress and client feedback.

## **16. Health, safety and emergency resilience issues**

16.1 None arising directly from the report.

## **17. Reduction of crime and disorder**

17.1 None arising directly from the report.

## **18. Conservation of biodiversity**

18.1 None arising directly from the report.

## **19. Glossary**

Barnsley Metropolitan Borough Council (BMBC)  
Capital Enterprise (CE)  
Digital Media Centre (DMC)  
European Regional Development Fund (ERDF)  
European Structural Investment Fund (ESIF)

Ministry for Communities and Local Government (MHCLG)  
Sheffield Hallam University (SHU)  
Sheffield Innovation Partnership (SIP)  
Small Medium Sized Enterprises (SMEs)  
South Yorkshire Local Authorities (SYLA)  
Tech Ecosystem Acceleration Market-Maker South Yorkshire (TEAMSY)

## **20. List of appendices**

Appendix A – Financial Implications

## **21. Background paper**


21.1 None arising directly from the report.

# APPENDIX A

## Report of the Executive Director Place

### FINANCIAL IMPLICATIONS - Business Productivity

<u>Capital</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>TOTAL</u>
	£	£	£	£	£
BMBC Spend	0	0	0	0	0
	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>To be financed from:</b>					
BMBC Existing Resources	0	0	0	0	0
	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>TOTAL</u>
	£	£	£	£	£
<u>Expenditure</u>					
Barnsley Specific Grants	900,000	900,000	900,000	0	2,700,000
BMBC Staffing and Direct Project Costs	444,358	485,212	470,105	0	1,399,675
	<b>1,344,358</b>	<b>1,385,212</b>	<b>1,370,105</b>	<b>0</b>	<b>4,099,675</b>
<b>To be financed from:</b>					
BMBC ERDF Allocation	-806,615	-831,127	-822,064	0	-2,459,806
BMBC Match Funding	-51,552	-60,126	-57,713	0	-169,391
Private Sector Grant Contribution	-450,000	-450,000	-450,000	0	-1,350,000
SY LA Partner contributions to Project Management Costs	-36,191	-43,959	-40,328	0	-120,478
	<b>-1,344,358</b>	<b>-1,385,212</b>	<b>-1,370,105</b>	<b>0</b>	<b>-4,099,675</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
There is no impact on the Medium Term Financial Strategy. Costs to be contained within the grant funding & existing matched resources available.					
<b>Impact on Medium Term Financial Strategy</b>					
This report has no impact on the Authority's Medium Term Financial Strategy.					
	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>		
	£m	£m	£m		
Current forecast budget gap	0	0	0		
Requested approval	0	0	0		
<b>Revised forecast budget gap</b>	<b>0</b>	<b>0</b>	<b>0</b>		

Agreed by:  On behalf of the Service Director - Finance, Section 151 Officer

## **Annex B**

### **Digital Innovation Grants (DIG)**

#### **1. Purpose of the report**

- 1.1 To seek approval to enter into a funding agreement with the Ministry of Housing, Communities and Local Government (MHCLG) to deliver the South Yorkshire Digital Innovation Grant project.
- 1.2 The Council is due to be offered a contract of up to £2.669m from MHCLG of which £1.601m of will be provided by the investment from the European Regional Development Fund (ERDF).
- 1.3 DIG is a demand led grant scheme (Grants up to £5000) designed to help small and medium sized businesses to develop their use of digital technology. By exploiting the digital technologies, businesses can access new markets, promote their products and services more effectively and develop new cost-effective ways of working. The project will commence April 2020 for a period of 3 years
- 1.4 This report seeks approval for the Executive Director of Place to authorise the contract on behalf of the Council.

#### **2. Recommendations**

- 2.1 Cabinet agrees that approval is given for the Executive Director Place to authorise the contracts on behalf of the Council.
- 2.2 Cabinet agrees that approval is given for the Service Director of Finance, Assets to amend revenue budgets in accordance with the financial implications highlighted in this report.
- 2.3 Cabinet agrees that approval is given for the Executive Director Place in consultation with the Executive Director of Core Services for the Council to act as accountable body for the project.
- 2.4 Cabinet agrees that approval is given for the Executive Director Place in consultation with the Executive Director of Core Services to implement a revised staffing structure as shown.

#### **3. Introduction**

- 3.1 A funding call was issued by MHCLG that sought projects to manage and administer a Broadband ICT Innovation Grant scheme for South Yorkshire. It was agreed with the Executive Director of Place that an outline business plan would be submitted. Historically this type of activity was delivered by the SFSY Vouchers team, but it was agreed that the delivery should be managed by the Enterprising

Barnsley Team who have the ERDF experience and expertise to deliver a compliant and successful grants project.

- 3.2 The Programme will deliver a demand led voucher scheme to at least 250 eligible SMEs in the South Yorkshire area from April 2020 to March 2023.
- 3.3 The aim of the scheme is for SMEs to introduce processes that can improve business performance through the faster digital connection/infrastructure which has been implemented through the Superfast South Yorkshire (SFSY) broadband Infrastructure investment.
- 3.4 By exploiting the digital technologies, businesses can access new markets, promote their products and services more effectively and develop more productive methods of working.
- 3.5 Productivity is a strong determinant of quality of life and wellbeing. The lack of progress on this indicator confirms that a stronger role for innovation and creativity in economic growth is needed. It also promotes a focus on the quality of growth to transform our economic trajectory and improve the wellbeing of our people.

#### **4. Proposal and Justification**

- 4.1 During the last five years, the Superfast South Yorkshire partnership has played a key role in ensuring that businesses and residents are able to access the best digital connectivity services available.
  - a) Coverage of superfast broadband has increased from 80% to over 97% of the Region and will reach c98% by 2021
  - b) The take-up of superfast broadband has increased to 44%;
  - c) Business parks in South Yorkshire were amongst the first in the country to access wholesale gigabit full fibre broadband.
  - d) Business development programmes have helped local SMEs understand how to use digital to sustain and grow their business.
  - e) Businesses in South Yorkshire have been able to access vouchers to 50% fund connection charges and to 50% fund innovation projects.
- 4.2 Business benefits enabled by digital connectivity include
  - (a) Access to, and use of, products, services and resources that are increasingly digitally enabled.
  - (b) Increased efficiency and effectiveness, increasing productivity and reducing costs.
  - (c) Growth of existing markets and entry to new global markets.
  - (d) Innovation and the creation of new products and services.
  - (e) Workstyles that attract skilled employees.

- 4.3 The Sheffield City Region Independent Economic Review identifies strengthening innovation support in the City Region and taking forward key initiatives with the private sector in digital and information as developments that will contribute to stronger economic growth
- 4.4 The Resolution Foundation report “Forging ahead or falling behind” highlights low productivity is one of the main reasons why pay is lower in the Sheffield City Region. Productivity, as measured by output per hour worked, is 17 per cent lower in the region than the UK average, and it is the lowest of all city regions. Looking at productivity across sectors within the Sheffield City Region we find that many are less productive than the English average. In particular three sectors stand out for being relatively large employers and significantly contributing to the region’s productivity deficit: manufacturing, office administration, and retail and wholesale all stand out
- 4.5 It is therefore essential for South Yorkshire to deliver the transformation growth recorded in its growth plan, will therefore require South Yorkshire to have the necessary complementary packages of grant support packages available to help unlock economic growth through digital transformation and innovation
- 4.6 The grant funding will be available for up to 50% of the value of an investment, with a minimum award of £1,000 up to a maximum of £5,000 initially.
- 4.7 Digital Innovation Grants will be available to SMEs across South Yorkshire, which has a business demography of approximately 84,000 enterprises.
- 4.8 The programme is fully supported by a partnership of 4 Local Authorities in the LEP area and will be offering support to at least 250 eligible firms in the local authority areas.
- 4.9 DIG will be delivered through a competitive process, rather than first come first served. Following a call for applications, completed applications will be assessed for eligibility then ranked according to several economic and inclusive growth indicators.
- 4.10 The DIG team will aim to work with partners such as the Growth Hub to offer impartial and objective advice to all participants, particularly around the most suitable technology solutions appropriate for their needs.

## **5. Consideration of alternative approaches**

- 5.1 The ‘Do Nothing’ approach would mean local businesses would not have access to the levels of investment provided by the project and we would not see the productivity gains that are required to achieve both regional and national averages. There are no comparable national products and no other provider came forward to

deliver the activity and outputs requested in the European Structural Investment Fund call.

- 5.2 An alternative model with reduced investment was considered but the project costs have been carefully constructed to ensure that the private sector investment and ERDF contributions are maximised to cover the staff delivery costs.
- 5.3 Reducing the geographical scope of the project was considered but this approach was previously rejected by the Sheffield City Region European Structural Investment Funds steering group as they requested business support products to be delivered across the whole of Sheffield City Region and not in one particular borough.

## **6. Implications for local people / service users**

- 6.1 The activities will benefit local businesses through providing support to innovate; increase business competitiveness; increase business productivity; develop new products and services and enter new markets through the adoption of digital technologies.
- 6.2 The projects aim to inspire local growth and community prosperity by creating 'more and better jobs' in the local economy to connect local people with these opportunities.
- 6.3 Such strategic relationships between places and local employers should deliver higher standards for residents in the shape of "good jobs", higher wages and stronger local skills supply chain.
- 6.4 Through exploring models for new interventions this will raise productivity levels not just in traditional 'high technology' sectors, but also in areas of the foundational economy such as health and social care.

## **7. Financial implications**

- 7.1 Consultation on the financial implications in this report has taken place with colleagues in Financial Services on behalf of the Service Director – Finance (S151 Officer)
- 7.2 It is proposed that the Council will act as the Accountable Body for the Grants Scheme.
- 7.3 The total cost of the scheme will be £2.669m and will be financed using ERDF Grant of £1.601m and Private Sector contributions of £1.068m.
- 7.4 In order to manage and administer the project BMBC will recruit two FTE fixed term Project Officers and a 0.2 FTE Senior Programme Manager. The intention is to fully fund these posts and any other scheme costs via a combination of ERDF grant and



a fixed administration charge to each of those private sector companies receiving a grant.

- 7.5 It is estimated that the staffing and direct costs required to operate the scheme will cost in the region of £0.534m over its three-year duration.
- 7.6 Grant take up will therefore be crucial to meeting the funding requirements of the team i.e. funding being reliant on draw-down of ERDF grant and the generation of administration costs from grant recipients.
- 7.7 In respect of grant take up, soundings have been taken from Business Advisors across Sheffield City Region and the indications are that demand for grants will exceed availability – overall it is estimated that project funding is sufficient to provide up to 250 grants across South Yorkshire.
- 7.8 Should grant take up be insufficient to cover project costs any shortfalls in funding will need to be met from existing budgets within the Place Directorate – an earmarking is being proposed to provide a contingency for the scheme.
- 7.9 It should be noted that as Accountable Body a risk exists around programme delivery - underperformance against agreed programme targets of greater than 15% of could potentially result in clawback of funding. However, mitigations exist in that if the Council can evidence that they have shown ‘best endeavours’ in attempting to deliver the programme then there will be no penalty. Officers will therefore closely monitor and report on progress against key performance measures throughout the life of project in order to mitigate any risk as soon as possible.
- 7.10 If the bid is successful the MHCLG have confirmed that in the event of a ‘No Deal Brexit’ that any ERDF funding will be ring fenced.
- 7.11 Appendix A provides a summary of the financial implications referred to in this report – this includes the phasing of project spend and funding.

## **8. Legal implications**

- 8.1 Contracts have been submitted to BMBC legal for comment, no issues have been raised.
- 8.2 The Council have ‘tried a tested’ contract arrangements in place for delivering ERDF projects with partners.

## **9. Employee implications**

- 9.1 To be able to deliver such a complex portfolio of projects it is important that a fit for purpose structure is in place to ensure that the Council has the right resources and experience to deliver a suite of compliant ERDF projects. The proposed restructure

not only maximises existing staff time, resources and expertise but is cost effective and will mean the teams can 'hit the ground running'.

- 9.2 A new Senior Programme Manager post will be responsible for compliance and delivery and will have direct line management responsibility for the x 2 new fixed term Contract Compliance Officers.

## **10. Communication implications**

- 10.1 All ERDF projects have to promote and publicise the activities and impact of the Programme according to the European Commission published branding and publicity requirements. Joint promotion between the Council and its project partners will ensure that timely and accurate information will be provided through appropriate press releases via local press, social media/website updates, local member briefings and engagement with key stakeholders.

## **11. Consultations**

- 11.1 Consultation has taken place representatives from the Service Director of Finance.
- 11.2 Human resources have been notified on the staffing implications associated with the project.
- 11.3 Consultations have taken place with the representatives from the Executive Director of Core Services regarding the legal implications of contracting with external partners.

## **12. The Corporate Plan and Council Performance Management Framework**

- 12.1 The aims and aspirations of the project are aligned to those within the Council's Corporate Plan; the Jobs and Business Plan; Employment and Skills Strategy and directly contribute towards the aspiration of delivering a thriving and vibrant economy.

## **13. Tackling health inequalities**

- 13.1 Beyond the contribution that the creation of new jobs can provide in terms of reducing overall worklessness there are no direct matters of relevance arising from this report.

## **14. Climate Change & Sustainable Energy Act 2006**

- 14.1 The Council is facilitating and enabling the Borough's transition to zero carbon by 2045. The 'Zero45' strategy has 5 broad themes, one of which is Resource Efficiency. The Centre for Industrial Energy, Materials and Products recognise that the UK economy is suffering from low productivity compared to many of its

European neighbours and more efficient resource use would make businesses more productive and lower their costs, delivering a significant boost to the UK's competitiveness.

- 14.2 The projects highlighted in this paper will promote and develop further opportunities for more resource efficiency production across construction, manufacturing, food and drink production.

## 15. Risk management issues

- 15.1 The risks below will be reviewed and discussed on a regular basis at the Project Steering Group.

<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Lack of clarity in the business base regarding the project offer.	Delivery team overseen by Project Steering Group	Low	Medium	All partners and delivery staff will be briefed on the focus of the projects, and the project teams of BMBC, SHU, CE, SY LA's and the Growth Hub will develop protocols for reviewing the respective portfolios of clients to ensure a cross referral model.
Delivering outputs: Regional businesses do not engage, leading to under achievement.	Delivery team overseen by Project Steering Group	Low	High	Digital infrastructure and processes are integral to almost all businesses in Barnsley. Successful engagement and project delivery are therefore dependent on identifying, primarily through 1:1 contact and networks, those companies with capacity and capability to engage with transformative digital innovations. This will be achieved through pro-active engagement by the delivery team, and ensuring, partners are briefed in order to identify new prospects.
Regional business support agencies do not engage, leading to lack of coordination and integration	Project Steering Group	Low	Low	The project steering groups will include members of SIP and the Growth Hub to ensure the co-ordination and integration of project delivery and cross referral.

<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
The partners do not have the capacity or expertise to meet client need.	Project Steering Group	Low	Medium	The partners have extensive expertise in areas relevant to target sectors and academic time will be 'bought-out' through the project to address specific client needs. This resource will be supplemented by additional specialist resource from outside the core partnership.
Delays to project milestones.	Project Steering Group	Low	Med	The intended project management team are experienced in successfully delivering ERDF business support projects and are confident the milestones are realistic and deliverable.
Client satisfaction	Project Steering Group	Low	Low	Clients will be invited to complete a customer feedback questionnaire on completion of an engagement. Project review meetings will monitor engagement, progress and client feedback.

## **16. Health, safety and emergency resilience issues**

16.1 None arising directly from the report.

## **17. Reduction of crime and disorder**

17.1 None arising directly from the report.

## **18. Conservation of biodiversity**

18.1 None arising directly from the report.

## **19. Glossary**


Barnsley Metropolitan Borough Council (BMBC)  
Capital Enterprise (CE)  
Digital Innovation for Growth (DIG)  
Digital Media Centre (DMC)  
Enterprising Barnsley (EB)  
European Regional Development Fund (ERDF)  
Growth Hub (GH)  
Ministry for Communities and Local Government (MHCLG)  
Sheffield Hallam University (SHU)  
Sheffield Innovation Partnership (SIP)  
Small Medium Sized Enterprises (SMEs)

## **20. List of appendices**

Appendix A – Financial Implications

## 21. Background papers

### 21.1 None arising directly from the report

APPENDIX A					
Report of the Executive Director Place					
FINANCIAL IMPLICATIONS - Digital Innovation Grants					
i) <u>Capital</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>TOTAL</u>
	£	£	£	£	£
BMBC Spend	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
<b>To be financed from:</b>					
BMBC Existing Resources	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
ii) <u>Revenue</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>TOTAL</u>
	£	£	£	£	£
<u>Expenditure</u>					
BMBC Grants	805,200	743,200	575,799	196,200	2,320,399
BMBC Staff & Direct Costs	115,187	116,339	88,128	28,512	348,166
	920,387	859,539	663,927	224,712	2,668,565
<b>To be financed from:</b>					
BMBC ERDF Allocation	-552,207	-515,699	-398,338	-134,821	-1,601,065
Private Sector Contribution	-368,180	-343,840	-265,589	-89,891	-1,067,500
	-920,387	-859,539	-663,927	-224,712	-2,668,565
	0	0	0	0	0
There is no impact on the Medium Term Financial Strategy. Costs to be contained within the grant funding & existing matched resources available.					
<b>Impact on Medium Term Financial Strategy</b>					
This report has no impact on the Authority's Medium Term Financial Strategy.					
	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>		
	£m	£m	£m		
Current forecast budget gap	0	0	0		
Requested approval	0	0	0		
<b>Revised forecast budget gap</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Agreed by:  On behalf of the Service Director - Finance, Section 151 Officer					

## **Annex C**

### **Digital Innovation for Growth**

#### **1. Purpose of the report**

- 1.1 To seek approval to enter into a funding agreement with Sheffield Hallam University (SHU) to implement a programme of digital support interventions for the benefit of Barnsley Small and Medium sized Enterprises (SME's) on the proviso that SHU's bid is successful.

#### **2. Recommendations**

- 2.1 Cabinet agrees that approval is given for the Executive Director Place to authorise the contracts on behalf of the Council.
- 2.2 Cabinet agrees that approval is given for the Service Director of Finance, to amend revenue budgets in accordance with the financial implications and Appendix A of this report.

#### **3. Introduction**

- 3.1 BMBC recognises that development of the Barnsley economy requires a broad array of interventions that respond both to economic needs and economic opportunities.
- 3.2 The Fourth Industrial Revolution (Industry 4.0) requires UK companies to connect their operations with technology, in order to deliver more agile, responsive and customer-focused outcomes and remain competitive on a global scale.
- 3.3 For SME's this means digitising essential functions within internal operations as well as with partners along the value chain. In addition, they will need to enhance their product portfolio with digital functionalities and introduce innovative, data-driven operations.
- 3.4 It has been recognised by the Council's Enterprising Barnsley business support team that to be able to deliver a range of digital support interventions to local enterprises there is a requirement to partner with SHU who have the appropriate skills and expertise.
- 3.5 The support provided through this project will include:
- The development of a digital technologies R&D Demonstrator which will be hosted by BMBC at the soon to be refurbished Digital Media Centre 2 (DMC2).

- The delivery of a range of digital support interventions to promote increased business competitiveness through digital innovations and the increased adoption of digital technologies in the production, process and operations of enterprises.

3.6 A European Regional Development Fund (ERDF) bid has been submitted by SHU to the Ministry of Communities and Local Government (MHCLG) for £1.809m. The Council have been asked to contribute a total of £0.217m, made up of £0.051m (capital) and £0.167m (revenue), of match funding, in return the Council will receive £0.299m of ERDF funding.

#### **4. Proposal and Justification**

- 4.1 The capital element of the project will form part of the refurbishment of the previously named Core Building which will create a fit for purpose digital technologies R&D Demonstrator within the newly created DMC2 which will be open spring 2020. The dedicated space twinned with the digital expertise from SHU will provide local SMEs with the resources, information, connections and support help them identify opportunities to digitalise their businesses and processes in order to gain efficiencies and increase productivity.
- 4.2 As the project will be based at DMC2 this will provide a number of additional benefits. The facility will expand the workshop space and lab environment for supporting technology led digital start-ups and delivering future business 'accelerators' and collaboration events such as 'Connected Healthcare' and 'Connected Manufacturing'.
- 4.3 The R&D Demonstrator will be home to the 'maker' community in both the public and private sector which is an emerging strength locally and is currently located in DMC1. It will also be a connection point for wider industry to engage with digital technologies, bringing together SHU, corporates, start-ups and learners.
- 4.4 The Council's ICT Manager will play a pivotal part in running the facility as part of the Council's Skunkworks Research & Development group. The group will be able to work with local SMEs and SHU to investigate, design and prototype digital solutions for council and town priorities

#### **5. Consideration of alternative approaches**

- 5.1 The 'Do Nothing' approach would mean local businesses would have to apply for support via national schemes such as Innovate UK and Digital Catapult programmes, for example the Industrial Strategy Challenge Fund and Knowledge Transfer Partnership. These programmes are notoriously difficult to acquire funding from and are aimed at the more digitally enabled businesses. The increased

resource and intensity of focus provided by the Digital Innovation for Growth (DIG) project would not be available to address the needs of Barnsley companies. There is a need to bridge the innovation gap and provide development support for the low number of companies in the borough with the capability to access national innovation support opportunities.

- 5.2 An alternative model with reduced investment was considered but the reduced scope of delivery would not be able to provide the broad range of expertise and knowledge required to deliver transformative companywide digital innovation. The opportunities and benefits of parallel delivery of DIG alongside other potential pipeline projects including the Sheffield Innovation Partnership (SIP) and the Growth Hub programme would be reduced. This would impact particularly on the areas of new client engagement and the pipeline of potential clients, thereby increasing the need for more intensive marketing and company engagement activities, diverting resource from delivery into early engagement and impacting negatively on the delivery of the project.

## **6. Implications for local people / service users**

- 6.1 It is anticipated that the scheme will have a beneficial impact on the local communities they serve through the generation of additional employment opportunities.
- 6.2 The activities will benefit local businesses with the potential to innovate, increase business competitiveness, develop new products and services and enter new markets through the adoption of digital technologies and digitally based work practises.
- 6.3 Access to support will be available to all eligible enterprises, delivery will however aim to target companies in innovative and growth potential sectors which are not effectively engaging with current provision, examples include the creative and cultural industries, publishing, media, design and gaming, enterprises in the construction supply chain, the developers of digitally based health care technologies.
- 6.4 One of the key priorities of the Council's Jobs and Business Plan is to create more local jobs, more businesses and to connect local people with these opportunities. The collaboration of the Council's Enterprising Barnsley Business support service, IT Team and SHU, will enable the Council to develop digital solutions which will improve the way service users interact with the Council.



## **7. Financial implications**

- 7.1 Consultation on the financial implications have taken place with representatives of the Service Director – Finance (S151 Officer.)
- 7.2 The total cost of the programme is £1.809m (comprising £1.758m in revenue and £0.051m in capital). This will be financed as follows:
- ERDF (£1.049m);
  - Sheffield Hallam University (£0.543m); and
  - BMBC “In Kind” Contributions (£0.217m).
- 7.3 The Council’s “match” will be provided from the following sources:
- **Existing Revenue (staffing) budgets of £0.166m** – essentially reorganising existing staffing resources to support project delivery over the three years of the project.
  - **Existing Capital Commitments of £0.051m** – relating to the redevelopment of DMC2.
- 7.4 As the match is ‘in kind’ no additional funding will be required from BMBC to support project delivery.
- 7.5 Sheffield Hallam University are responsible for the administration of funding and project completion therefore the only risk to the authority is limited to spend eligibility and underperformance of more than 15% against programme targets.
- 7.6 Both are considered unlikely and ultimately if the Council can demonstrate that they have shown ‘best endeavours’ in attempting to deliver the programme then there will be no penalty.
- 7.7 Officers will closely monitor and report on progress against key performance measures throughout the project in order to mitigate any risk as soon as possible.
- 7.8 If the bid is successful the Government have confirmed that in the event of a ‘No Deal Brexit’ that any ERDF funding will be ring fenced.
- 7.9 The financial implications to this report are summarised in the attached Appendix A.

## **8. Legal implications**

- 8.1 Contracts have been submitted to BMBC legal for comment, no issues have been raised.
- 8.2 The Council have ‘tried a tested’ contract arrangements in place for delivering ERDF projects with partners.

## **9. Employee implications**

- 9.1 Three existing Council staff will deliver the project, Key Account Manager (Full Time) and a Project Officer (Part Time). Resources have also been allocated to run

the digital technologies R&D Demonstrator, in the original application a Grade 6 Customer Services Officer post was created but after discussions between the Enterprising Barnsley team and the Council IT Team it has been agreed that more technical expertise is required therefore the post will be filled by the existing ICT Manager on a part time basis.

## **10. Communication implications**

- 10.1 All ERDF projects have to promote and publicise the activities and impact of the Programme according to the European Commission published branding and publicity requirements. Joint promotion between the Council and SHU will ensure that timely and accurate information will be provided through appropriate press releases via local press, social media/website updates, local member briefings and engagement with key stakeholders.

## **11. Consultations**

- 11.1 Consultation has taken place representatives from the Service Director of Finance.
- 11.2 Human resources have been notified on the staffing implications associated with the project.
- 11.3 Consultations have taken place with the representatives from the Executive Director of Core Services regarding the legal implications of contracting with Sheffield Hallam University.

## **12. The Corporate Plan and Council Performance Management Framework**

- 12.1 The aims and aspirations of the project are aligned to those within the Council's Corporate Plan; the Jobs and Business Plan; Employment and Skills Strategy and directly contribute towards the aspiration of delivering a thriving and vibrant economy.

## **13. Tackling health inequalities**

- 13.1 Beyond the contribution that the creation of new jobs can provide in terms of reducing overall worklessness there are no direct matters of relevance arising from this report.

## **14. Climate Change & Sustainable Energy Act 2006**

- 14.1 The development of a digital technologies R&D Demonstrator which will be hosted at the Council's newly acquired DMC02. Action to improve the energy efficiency of the proposed building using BREEAM will help to reduce carbon emissions, converting an existing town centre building into a more sustainable facility.

- 14.2 Support for businesses in the low carbon sector is part of the Council's Jobs and Business Plan and the interventions proposed in this project could benefit those businesses that operate in that sector.

## 15. Risk management issues

- 15.1 The risks below will be reviewed and discussed on a regular basis at the Project Steering Group.

<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Lack of clarity in the business base regarding the project offer.	Delivery team overseen by Project Steering Group	Low	Medium	All partners and delivery staff will be briefed on the digital focus of the project, and the project teams of BMBC, SHU and the Growth Hub will develop protocols for reviewing the respective portfolios of clients to ensure a cross referral model.
Delivering outputs: Regional businesses do not engage, leading to under achievement.	Delivery team overseen by Project Steering Group	Low	High	Digital infrastructure and processes are integral to almost all businesses in Barnsley. Successful engagement and project delivery are therefore dependent on identifying, primarily through 1:1 contact and networks, those companies with capacity and capability to engage with transformative digital innovations. This will be achieved through pro-active engagement by the delivery team, and ensuring, partners are briefed in order to identify new prospects.
Regional business support agencies do not engage, leading to lack of coordination and integration	Project Steering Group	Low	Low	The project steering group will include members of SIP and the Growth Hub to ensure the co-ordination and integration of project delivery and cross referral.

<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
The partners do not have the capacity or expertise to meet client need.	Project Steering Group	Low	Medium	The partners have extensive expertise in areas relevant to target sectors and academic time will be 'bought-out' through the project to address specific client needs. This resource will be supplemented by additional specialist resource from outside the core partnership.
Delays to project milestones.	Project Steering Group	Low	Med	The intended project management team are experienced in successfully delivering ERDF business support projects and are confident the milestones are realistic and deliverable.
Client satisfaction	Project Steering Group	Low	Low	Clients will be invited to complete a customer feedback questionnaire on completion of an engagement. Project review meetings will monitor engagement, progress and client feedback.

## **16. Health, safety and emergency resilience issues**

16.1 None arising directly from the report although there is the need to ensure all relevant staff are appropriately trained to use the equipment which will be housed in the digital technologies R&D Demonstrator.

## **17.Reduction of crime and disorder**

17.1 The Council is collaborating with the Police to address anti-social behaviour across the town centre. Good, safe design principles of the wider DMC2 scheme will help and assist this work going forward.

## **18.Conservation of biodiversity**

18.1 Any impact on biodiversity has been addressed via the previously submitted 'Digital Campus – DMC2 (The Core conversion)' Cabinet report.

## **19.Glossary**

Barnsley Metropolitan Borough Council (BMBC)  
Digital Innovation for Growth (DIG)  
Digital Media Centre (DMC)  
Enterprising Barnsley (EB)  
European Regional Development Fund (ERDF)  
Ministry for Communities and Local Government (MHCLG)  
Sheffield Hallam University (SHU)

Sheffield Innovation Partnership (SIP)  
Small Medium Sized Enterprises (SMEs)

## **20. List of appendices**

Appendix A – Financial Implications

## **21. Background papers**

21.1 Not applicable

	<b>APPENDIX A</b>					
	<b>Report of the Executive Director Place</b>					

FINANCIAL IMPLICATIONS - Digital Innovation for Growth				
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i) <b>Capital</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>TOTAL</b>
	£	£	£	£	£
<u>Expenditure</u>					
BMBC Spend	50,980	0	0	0	50,980
<b>To be financed from:</b>					
Capital Resources already set aside for 2020/21.	-50,980	0	0	0	-50,980
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ii) <b>Revenue</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>TOTAL</b>
	£	£	£	£	£
<u>Expenditure</u>					
BMBC Staff & Other Costs	128,440	132,293	102,196	101,575	464,504
Partner Authority Staff & Other Costs	420,673	428,798	323,806	120,464	1,293,741
	<b>549,112</b>	<b>561,091</b>	<b>426,003</b>	<b>222,039</b>	<b>1,758,245</b>
<b>To be financed from:</b>					
BMBC ERDF Allocation	-74,495	-76,730	-59,274	-88,482	-298,981
Partner Authority ERDF Allocation	-243,990	-248,703	-187,808	-69,869	-750,370
BMBC Existing resources for Match Funding	-53,944	-55,563	-42,922	-13,093	-165,522
Partner Authorities Match Funding	-176,683	-180,095	-135,999	-50,595	-543,372
	<b>-549,112</b>	<b>-561,091</b>	<b>-426,003</b>	<b>-222,039</b>	<b>-1,758,245</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There is no impact on the Medium Term Financial Strategy.  
Costs to be contained within the grant funding & existing

Impact on Medium Term Financial Strategy					
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This report has no impact on the Authoritys Medium Term Financial Strategy.				
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	2020/21	2021/22	2022/23		
	£m	£m	£m		
Current forecast budget gap	0	0	0		
Requested approval	0	0	0		
<b>Revised forecast budget gap</b>	<b>0</b>	<b>0</b>	<b>0</b>		

 .....On behalf of the Service Director - Finance, Section 151 Officer						
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## **Annex D**

### **Tech Ecosystem Acceleration and Market-making – South Yorkshire**

#### **1. Purpose of the report**

- 1.1 To seek approval to enter into a European Regional Development Fund (ERDF) funding agreement with Capital Enterprise to deliver the Tech Ecosystem Acceleration and Market-making South Yorkshire (TEAMSY) project.
- 1.2 The Council is due to be offered a contract of £0.671m via Capital Enterprise of which £0.402m will be provided by the investment from the European Regional Development Fund (ERDF).
- 1.3 TEAMSY will expand and improve business support and investment eco-system in South Yorkshire (SY) by delivering high-quality business accelerator support and investment readiness programmes to grow the digital and tech sector in Barnsley and South Yorkshire. The project will commence July 2020 to June 2023
- 1.4 This report seeks approval for the Executive Director of Place to authorise the contract on behalf of the Council.

#### **2. Recommendations**

- 2.1 Cabinet agrees that approval is given for the Executive Director Place to authorise the contracts on behalf of the Council.
- 2.2 Cabinet agrees that approval is given for the Service Director of Finance, Assets to amend revenue budgets in accordance with the financial implications of this report.

#### **3. Introduction**

- 3.1 TEAM fits the ERDF call's Priority Axis 3 in that it will support [high growth and tech] SMEs to innovate and grow, and in particular will seek to reduce SMEs' barriers to growth by helping them gain new private investment, bring new products to market and create a high number of jobs.
- 3.2 TEAM will also contribute to the achievement of the Industrial Strategy's objectives to make the UK the best place to start and grow business, and innovate by enabling significant private sector leverage, both in terms of increased acceleration activity and in terms of private sector investment and support towards SMEs with the potential to scale and create high value jobs.
- 3.3 Through its acceleration activity, TEAM will enhance local businesses by creating

the conditions for tech start-ups and high growth SMEs to scale-up thus contributing to the region's ambition to 'grow a nationally significant tech cluster, building on the rapidly growing concentration of digital tech businesses' (Digital Plan 2018) as well as SCR's priorities (Strategic Economic Plan 2015-25) to

- (a) Ensure businesses receive the support they need to flourish,
- (b) Facilitate and proactively support growth amongst existing firms,
- (c) Attract investment from other parts of the UK and overseas.

3.4 TEAM will complement and add to South Yorkshire's existing initiatives in key sectors such as Internet of Things (IoT) and Artificial Intelligence (AI) , specifically seeking to accelerate early stage tech companies with high growth potential in these areas, including some that will re-locate to the region to participate in new sector-focused acceleration programmes.

#### 4.0 **Proposal and Justification**

- 4.1 TEAM will expand and improve business support and investment eco-system in South Yorkshire (SY) by delivering high-quality pre-accelerator, accelerator and investment readiness programmes to further grow the high value digital and tech cluster and thereby create high value jobs and prosperity.
- 4.2 The project will build relationships with local digital stakeholders across the region to build support and involvement in the local business support network. Three pre-accelerator programmes will be located in & delivered with stakeholders across the region, including Barnsley.
- 4.3 Two accelerator programmes will be co-created (one in Barnsley) with existing regional stakeholders and focused on priority themes such as IoT, AI, and immersive and creative industry.
- 4.4 The project will recruit, employ and deploy teams of start-up and scale-up support managers, investment support managers, community managers to the new accelerators.
- 4.5 Intensive support including direct brokerage into investment opportunities will be provided through a short, high-impact programme over 4 afternoons during a 5-week period and complemented by mentor meetings.
- 4.6 TEAM will be delivered by Capital Enterprise (UK) Limited and Barnsley Council:
  - a) Capital Enterprise will project manage TEAM and will be responsible for delivering the majority of the project activities and for managing the procurement of third-party providers.
  - b) Barnsley Council is the owner and operator of Barnsley Digital Media Centre (DMC). The DMC will deliver a sub-regional event programme to



stimulate pipeline into the pre-accelerator activities, as well as host at least one pre-accelerator and one post-accelerator cycle annually aligned with previous and new accelerator programmes.

- 4.7 The project will contribute to increasing the size of the tech/digital business stock as well as employment and tech sector GVA per job. TEAM will particularly support the growing IoT sector, which offers high potential for implementation across the wider industry in the region and the strategic Advanced Manufacturing industry in particular, and higher impact on productivity and job value.
- 4.8 The project will contribute to increasing the size of the tech/digital business stock as well as employment and tech sector GVA per job. TEAM will particularly support the growing IoT sector, which offers high potential for implementation across the wider industry in the region, and higher impact on productivity and job value.
- 4.9 The Resolution Foundation report “Forging ahead or falling behind” highlights low productivity is one of the main reasons why pay is lower in the Sheffield City Region. Productivity, as measured by output per hour worked, is 17 per cent lower in the region than the UK average, and it is the lowest of all city regions. Looking at productivity across sectors within the Sheffield City Region we find that many are less productive than the English average.
- 4.10 It is therefore essential for Barnsley and the wider region to have complementary packages of business support such as TEAM-SY available, to help unlock economic growth through digital transformation and innovation.

## **5. Consideration of alternative approaches**

- 5.1 The ‘Do Nothing’ approach would mean local businesses would not have access to the levels of investment provided by the project and we would not see the productivity gains that are required to achieve both regional and national averages. There are no comparable national products and no other provider came forward to apply to deliver the activity and outputs requested in the ESIF call.
- 5.2 An alternative model with reduced investment was considered but the project costs have been carefully constructed to ensure that the private sector investment and ERDF contributions are maximised to cover the staff delivery costs.
- 5.3 Reducing the geographical scope of the projects was considered but this wouldn’t work as the aim of the project is to develop a tech ecosystem across Sheffield City Region with key assets such as the Digital Media Centre and the Advanced Manufacturing Centre working in collaboration to grow the sector and provide a fertile environment to accelerate tech businesses.

## **6. Implications for local people / service users**

- 6.1 The activities will benefit local people and businesses through providing support to innovate; increase business competitiveness; increase business productivity; develop new products and services and enter new markets through the adoption of digital technologies.
- 6.2 The projects aim to inspire local growth and community prosperity by creating 'more and better jobs' in the local economy to connect local people with these opportunities
- 6.3 Such strategic relationships between places and local employers should deliver higher standards for residents in the shape of "good jobs", higher wages and stronger local skills supply chain.
- 6.4 Through exploring models for new interventions this will raise productivity levels not just in traditional 'high technology' sectors, but also in areas of the foundational economy such as health and social care.
- 6.5 The project will have a positive impact on the local population and services users by delivering the following outputs
  - a) 360 businesses receiving support - Capital Enterprise and Barnsley, in conjunction with their stakeholders, will establish a Pre-accelerator, Accelerator and Post Accelerator support programme accessible by online application to all tech and tech-focused, and high growth SMEs in the region that are in an Accelerator Programme or show equivalent level of maturity, and have the potential to meet investment readiness criteria of business angels.
  - b) Recruiting from the existing digital businesses in the region and across all sectors, 360 Tech start-ups and established limited high growth companies will receive a minimum of 12 hours of advice and mentoring, and when appropriate help to raise funding via business angels and international investors.
  - c) 90 new enterprises supported - TEAM focus will be on supporting tech start-ups, which are likely to have been operating for less than 3 years, and not have entered any Pre-accelerator/ accelerator programme yet.
  - d) Support 36 enterprises to introduce new to the firm products.  
By providing in-depth support to new enterprises we anticipate that we will support 36 enterprises to introduce a new to firm product.
  - f) £9 million of Private investment matching public support to enterprises (grants)

- h) 120 jobs created - Employment increase in supported enterprises.
- By providing tech start-ups and high growth SMEs with expertise and direct help to both internationalise and raise investment finance the TEAM will be able to directly support the beneficiary businesses to create 120 new jobs.

## **7. Financial implications**

- 7.1 Consultation on the financial implications contained in this report has taken place with colleagues in Financial Services on behalf of the Service Director – Finance (S151 Officer)
- 7.2 The total cost of the programme will be £5.906m and this will be funded from ERDF grant (£3.544m), Capital Enterprise contributions (£2.094m) plus an “in kind” contribution from BMBC of £0.268m. The Council’s match coming from existing budgets and staffing resources from within the Enterprising Barnsley Team and Digital Media Centre – as referred to in “Section 9 – Employee Implications”.
- 7.3 Barnsley will receive ERDF grant of £0.403m to support the delivery of the programme when combined with the £0.268m in “in kind” this represents a total delivery over the three years of the programme of £0.671m.
- 7.4 As the match is ‘in kind’ no additional funding will be required from BMBC to support project delivery.
- 7.5 The Council will only be responsible for their element of the project (finances and outputs). Any financial ‘clawback’ which is implemented by the EU or MHCLG to the wider programme shall not be the responsibility of the Council. As referred to in ‘Section 15 – Risk Management Issues’ mitigations exist to ensure the delivery of outcomes is monitored and managed on an ongoing basis.
- 7.6 If the bid is successful the MHCLG have confirmed that in the event of a ‘No Deal Brexit’ that any ERDF funding will be ring fenced.
- 7.7 The financial implications to this report are summarised in the attached Appendix A.

## **8. Legal implications**

A service level agreement will be issued by Capital Enterprise once the project has had full approval from MHCLG. Once this is received this will be shared with the Council’s legal team for comment.

## **9. Employee implications**

- 9.1 To be able to deliver such a complex portfolio of projects it is important that a fit for purpose structure is in place to ensure that the Council has the right resources and experience to deliver a suite of compliant ERDF projects. The proposed restructure

not only maximises existing staff time, resources and expertise but is cost effective and will mean the teams can 'hit the ground running'.

- 9.2 The following existing BMBC staff will participate in the project x1 Business Centres and Incubation Manager, x1 Project Officer.

## **10. Communication implications**

- 10.1 All ERDF projects have to promote and publicise the activities and impact of the Programme according to the European Commission published branding and publicity requirements. Joint promotion between the Council and its project partners will ensure that timely and accurate information will be provided through appropriate press releases via local press, social media/website updates, local member briefings and engagement with key stakeholders.

## **11. Consultations**

- 11.1 Consultation has taken place representatives from the Service Director of Finance.
- 11.2 Human resources have been notified on the staffing implications associated with the project.
- 11.3 Consultations have taken place with the representatives from the Executive Director of Core Services regarding the legal implications of contracting with external partners.

## **12. The Corporate Plan and Council Performance Management Framework**

- 12.1 The aims and aspirations of the project are aligned to those within the Council's Corporate Plan; the Jobs and Business Plan; Employment and Skills Strategy and directly contribute towards the aspiration of delivering a thriving and vibrant economy.

## **13. Tackling health inequalities**

- 13.1 Beyond the contribution that the creation of new jobs can provide in terms of reducing overall worklessness there are no direct matters of relevance arising from this report.

## **14. Climate Change & Sustainable Energy Act 2006**

- 14.1 The Council is facilitating and enabling the Borough's transition to zero carbon by 2045. The 'Zero45' strategy has 5 broad themes, one of which is Resource Efficiency. The Centre for Industrial Energy, Materials and Products recognise that the UK economy is suffering from low productivity compared to many of its European neighbours and more efficient resource use would make businesses

more productive and lower their costs, delivering a significant boost to the UK's competitiveness.

- 14.2 The projects highlighted in this paper will promote and develop further opportunities for more resource efficiency production across construction, manufacturing, food and drink production

## 15. Risk management issues

- 15.1 The risks below will be reviewed and discussed on a regular basis at the Project Steering Group.

<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Lack of clarity in the business base regarding the project offer.	Delivery team overseen by Project Steering Group	Low	Medium	All partners and delivery staff will be briefed on the focus of the projects, and the project teams of BMBC, SHU, CE, SY LA's and the Growth Hub will develop protocols for reviewing the respective portfolios of clients to ensure a cross referral model.
Delivering outputs: Regional businesses do not engage, leading to under achievement.	Delivery team overseen by Project Steering Group	Low	High	Digital infrastructure and processes are integral to almost all businesses in Barnsley. Successful engagement and project delivery are therefore dependent on identifying, primarily through 1:1 contact and networks, those companies with capacity and capability to engage with transformative digital innovations. This will be achieved through pro-active engagement by the delivery team, and ensuring, partners are briefed in order to identify new prospects.
Regional business support agencies do not engage, leading to lack of coordination and integration	Project Steering Group	Low	Low	The project steering groups will include members of SIP and the Growth Hub to ensure the co-ordination and integration of project delivery and cross referral.

<b>Risks Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
The partners do not have the capacity or expertise to meet client need.	Project Steering Group	Low	Medium	The partners have extensive expertise in areas relevant to target sectors and academic time will be 'bought-out' through the project to address specific client needs. This resource will be supplemented by additional specialist resource from outside the core partnership.
Delays to project milestones.	Project Steering Group	Low	Med	The intended project management team are experienced in successfully delivering ERDF business support projects and are confident the milestones are realistic and deliverable.
Client satisfaction	Project Steering Group	Low	Low	Clients will be invited to complete a customer feedback questionnaire on completion of an engagement. Project review meetings will monitor engagement, progress and client feedback.

## **16. Health, safety and emergency resilience issues**

16.1 None arising directly from the report.

## **17. Reduction of crime and disorder**

17.1 None arising directly from the report.


## **18. Conservation of biodiversity**

18.1 None arising directly from the report.

## **19. Glossary**

Artificial Intelligence (AI)  
Barnsley Metropolitan Borough Council (BMBC)  
Capital Enterprise  
Digital Innovation for Growth (DIG)  
Digital Media Centre (DMC)  
Enterprising Barnsley (EB)  
European Regional Development Fund (ERDF)  
Growth Hub (GH)  
Internet of Things (IoT)  
Ministry for Communities and Local Government (MHCLG)  
Sheffield Hallam University (SHU)  
Sheffield Innovation Partnership (SIP)  
Small Medium Sized Enterprises (SMEs)

Tech Ecosystem Acceleration and Market-making (TEAM)

APPENDIX A					
Report of the Executive Director Place					
FINANCIAL IMPLICATIONS - TEAMSY					
i) <b>Capital</b>	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>	<b><u>2022/23</u></b>	<b><u>2023/24</u></b>	<b><u>TOTAL</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	0	0	0	0	0
	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>To be financed from:</b>					
	0	0	0	0	0
	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ii) <b>Revenue</b>	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>	<b><u>2022/23</u></b>	<b><u>2023/24</u></b>	<b><u>TOTAL</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Expenditure</u>					
BMBC Staff & Other Costs	168,000	224,000	223,528	55,882	671,410
Capital Enterprise Staff & Other Costs	1,101,459	1,840,521	1,828,612	465,103	5,235,695
	<b>1,269,459</b>	<b>2,064,521</b>	<b>2,052,140</b>	<b>520,984</b>	<b>5,907,105</b>
<b>To be financed from:</b>					
ERDF Grant Allocation to BMBC	- 100,587	- 134,589	- 134,117	- 33,529	- 402,822
Capital Enterprise ERDF Allocation	- 661,229	- 1,104,313	- 1,097,167	- 279,062	-3,141,771
BMBC Existing resources for Match Funding	- 67,058	- 89,411	- 89,411	- 22,353	- 268,233
Capital Enterprise Match Funding	- 440,584	- 736,209	- 731,445	- 186,041	-2,094,278
	<b>- 1,269,459</b>	<b>- 2,064,521</b>	<b>- 2,052,140</b>	<b>- 520,984</b>	<b>-5,907,105</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
There is no impact on the Medium Term Financial Strategy. Costs to be contained within the grant funding & existing matched resources available.					
<b>Impact on Medium Term Financial Strategy</b>					
This report has no impact on the Authoritys Medium Term Financial Strategy.					
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>		
	<b>£m</b>	<b>£m</b>	<b>£m</b>		
Current forecast budget gap	0	0	0		
Requested approval	0	0	0		
<b>Revised forecast budget gap</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<div>  </div>					
Agreed by: .....On behalf of the Service Director - Finance, Section 151 Officer					