

Monday, 10 October 2022

To: Members of the MCA - Mayoral Combined Authority Board and Appropriate Officers

## NOTICE OF MEETING

You are hereby summoned to a meeting of the South Yorkshire Mayoral Combined Authority to be held at **South Yorkshire Mayoral Combined Authority, 11 Broad Street West, Sheffield S1 2BQ**, on: **Tuesday, 18 October 2022 at 3.00 pm** for the purpose of transacting the business set out in the agenda.



Martin Swales  
**Chief Executive**

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## **Member Distribution**

Mayor Oliver Coppard (Chair)

Councillor Terry Fox

Councillor Sir Steve Houghton CBE

Mayor Ros Jones CBE

Councillor Chris Read

Councillor Alex Dale

Councillor Steve Fritchley

Councillor Tricia Gilby

Councillor Simon Greaves

South Yorkshire Mayoral  
Combined Authority

Sheffield City Council

Barnsley MBC

Doncaster MBC

Rotherham MBC

NE Derbyshire DC

Bolsover DC

Chesterfield BC

Bassetlaw DC

## Agenda

Agenda Ref No	Subject	Lead	Page
1.	Welcome and Apologies	Chair	
2.	Announcements	Chair	
3.	Urgent Items  To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	Chair	
4.	Items to be Considered in the Absence of Public and Press  To identify where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting.)	Chair	
5.	Voting Rights for Non-constituent Members  To identify whether there are any items of business that apply only to the South Yorkshire Members of the Mayoral Combined Authority, ie, where it would not be appropriate for non-SY Members to have voting rights.	Chair	
6.	Declarations of Interest by individual Members in relation to any item of business on the agenda	Chair	
7.	Reports from and questions by members	Chair	
8.	Receipt of Petitions	Chair	
9.	Public Questions	Chair	
10.	Minutes of the previous meeting	Chair	5 - 12
11.	Budget and Business Planning 2023/24 Update	Gareth Sutton	13 - 18
12.	Bus Services Update	John Dowie	19 - 24
13.	Tram Future Operating Model	Pat Beijer	25 - 30

14.	South Yorkshire Investment Zone - Status Update	Andy Gates	31 - 34
15.	Cost of Living and Economy Report	Gareth Sutton	35 - 40
16.	Education Skills and Employability Board Programme Updates	Adam Greenwood	41 - 46
17.	Programme Approvals	Gareth Sutton	47 - 76
18.	Appointment of Independent Audit, Standards and Risk Committee Member	Claire James	77 - 80
19.	Delegated Authority Report	Martin Swales	81 - 86

**Date of next meeting:** Monday, 14 November 2022 at 10.00 am

**At:** South Yorkshire Mayoral Combined Authority, 11 Broad Street West, Sheffield S1  
2BQ

**MCA – MAYORAL COMBINED AUTHORITY BOARD**

**MINUTES OF THE MEETING HELD ON:**

**MONDAY, 25 JULY AT 10.00AM**

**SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY,  
11 BROAD STREET WEST,  
SHEFFIELD, S1 2BQ**



**Present:**

Mayor Oliver Coppard (Chair)	South Yorkshire Mayoral Combined Authority
Councillor Terry Fox	Sheffield City Council
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Glyn Jones (Substitute)	Doncaster MBC
Councillor Chris Read	Rotherham MBC

**In Attendance:**

Martin Swales	Chief Executive	SYMCA Executive Team
Steve Davenport	Chief Legal & Monitoring Officer	SYMCA Executive Team
Gareth Sutton	Chief Finance Officer & S73 Officer	SYMCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	SYMCA Executive Team
Stephen Edwards	Corporate Director of Public Transport	SYMCA Executive Team
Sharon Kemp	Chief Executive	Rotherham MBC
Felix Kumi-Ampofo	Director of Corporate Policy	SYMCA Executive Team
Kate Martin	Executive Director of City Futures	Sheffield City Council
Sarah Norman	Chief Executive	Barnsley MBC
Dan Swaine	Director of Economy and Environment	Doncaster MBC

**Apologies:**

Councillor Alex Dale	NE Derbyshire DC
Councillor Steve Fritchley	Bolsover DC
Councillor Tricia Gilby	Chesterfield BC
Councillor Simon Greaves	Bassetlaw DC
Mayor Ros Jones	Doncaster MBC

**1 Welcome and Apologies**

The Mayor welcomed everyone to the meeting and apologies were noted as above.

**2 Announcements**

The Mayor made a statement on the news regarding the announcement by Peel that they were going to undertake a strategic review of Doncaster Sheffield Airport (DSA). The Mayor stated that the region needed a thriving

commercial, private sector led airport and Partners together with national, regional, and local government would need to work together to secure the airports future. Members noted that a working group had been set up to examine the options to allow DSA to continue to operate as an airport with their first meeting being held that afternoon. The Mayor outlined ways in which the Mayoral Combined Authority had helped DSA since 2017 and added that he hoped the Government would engage fully.

The Mayor congratulated Cllr Read and Rotherham MBC on their award as 'Most Improved' council at the Local Government Chronicle awards.

The Mayor gave his thanks to the emergency service workers who had been working under difficult circumstances across the region over the last few days due to the unprecedented heatwave.

**3 Urgent Items**

None.

**4 Items to be Considered in the Absence of Public and Press**

None.

**5 Voting Rights for Non-constituent Members**

None.

**6 Declarations of Interest by individual Members in relation to any item of business on the agenda**

Cllr Fox declared an interest in project approvals relating to Sheffield under item 18.

Cllr Houghton declared an interest in project approvals relating to Barnsley under item 18.

Cllr Jones declared an interest in project approvals relating to Doncaster under item 18.

Cllr Read declared an interest in project approvals relating to Rotherham under item 18.

**7 Reports from and questions by members**

None.

**8 Receipt of Petitions**

None.

9 **Public Questions**

None.

10 **Minutes of the previous meeting held on 6 June 2022**

**RESOLVED** that the minutes of the meeting held on the 06 June 2022 be agreed to be a true and accurate record.

11 **Financial Outturn 2021/22**

The Chief Financial and S73 Officer introduced this item detailing the MCA's financial performance over financial year 2021/22. The report noted some of the significant achievements of the authority and its partners over the past year, as well as some of the financial implications that may affect the current year. The report sought approval for the carry-forward of resource into the new financial year to fund slipped activity and several adjustments to reserves.

**RESOLVED** that members:

1. Note the financial outturn position;
2. Note the treasury management outturn position noted in Appendix 2 of the report;
3. Approve the carry forward of resource noted in Appendix 1 of the report;
4. Approve the earmarking of reserves detailed in Appendix 1 of the report.

12 **2022/23 Budget Revision 1**

The Chief Financial and S73 Officer introduced this item which provided revised Group budget forecasts to the end of the financial year 2022/23. The revision was noted as was mainly due to slippage from the previous financial year and pressures in the supply markets with increasing costs and issues with recruitment within the industry.

**RESOLVED** that the MCA Board:

1. Adopt the revised budget estimates;
2. Note the reduction in core income and the mitigations being considered.

13 **Budget and Business Plan Development 2023/24**

The Chief Financial and S73 Officer introduced this item that outlined the process for developing the budget and supporting business plan for the new financial year. The report noted the challenging environment in which this process was taking place, the policy decisions that would drive the financial strategy, and the need for engagement with partners.

Members noted the challenges that would be faced by the local transport authority. This would require work to adjust to a commercially viable network, delivering the bus franchising assessment and the winddown of the current reserve strategy. Conversations between the finance officers within the constituent local authorities and the MCA had already begun.

Cllr Houghton asked the Chief Financial and S73 Officer about the two-year

settlement payment given by DLUHC to local authorities and whether this would be available to the MCA. It was noted that the MCA did not receive this payment in the same way that Local Authorities did. It was agreed that the MCA would write to national Government about this issue.

**ACTION: A letter to be written from the MCA to national Government regarding 2 year settlements.**

**RESOLVED** that members note the:

1. Budget and business planning process being undertaken within the MCA;
2. Significant uncertainties shaping the process; and
3. Proposed approval timeline.

#### 14 **Brownfield Housing Fund**

The Procurement Contracts & Programme Controls Programme Manager presented this item. This paper set out the current position of the BHF programme and proposed further actions to seek to ensure delivery of programme outputs, including undertaking an Open Call for new brownfield housing schemes.

Members noted that to date the MCA had allocated a spend of £17.6 million against a profiled spend of £20 million for the first two years of the BHF, and that there was a remaining £35 million to spend by 2025. Members also noted the significant challenge in delivering to the BHF timeframe.

Cllr Fox welcomed the report but noted his concern at the capacity issues being faced and the difficulty in delivering targets.

**RESOLVED** that the board:

1. Note the current spend and delivery position of the Brownfield Housing Fund, and the revised spend profile.
2. Approve undertaking an Open Call to seek further eligible brownfield housing schemes for funding and investment.

#### 15 **Tram - Future Operating Model**

The Corporate Director of Public Transport introduced this report which sought to advise the MCA Board of the progress on the future Tram Operating model post March 2024.

Members noted that specialist procurement, legal and commercial advisors would be engaged from August 2022.

Cllr Fox requested that sufficient time be made to allow for a detailed and in-depth discussion on the issues.

**RESOLVED** that the Board note progress on the future Tram Operating Model and the requirement for associated specialist support, to be funded in line with the 2022-23 revised budget and within the Scheme of Delegation.



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## **South Yorkshire Bus Network - Approval of Funding for SYMCA Tendered Services**

The Corporate Director of Public Transport introduced this report which sought approval to use the tendered services budget to mitigate against reductions in bus services as a result of commercial operator decisions.

The report further recommended that the MCA Board agreed the decision to allocate additional funding to support provision of non-statutory school transport to meet the needs of students and pupils for the academic year from September 2022 to July 2023.

Members noted that a consultation exercise was to start shortly in respect of the public's priorities for bus services within the available budgets.

Members agreed that it was vital that the MCA and Local Authorities continue to lobby the national Government to fund bus services. The Mayor noted that when he began his term there were 400 weeks before the target set by Government to achieve a London-style transport system outside of the capital. He felt that the Government was not a partner in achieving this as it had not engaged with the MCA.

**RESOLVED** that the Board:

1. Approve the use of the remaining tendered services revenue funding - further supported by the use of up to £5.1m from reserves - for the inclusion of non-statutory school services into the tendered service activity for two academic years to July 2024.
2. Note the risk that we may not receive any tender returns for some routes to be provided, and hence irrespective of budget allocation, these routes would be unserved from the start of October 2022 as SYMCA cannot compel bus operators to provide services in the current commercial market.

17

## **LEP Review**

The Deputy Chief Executive introduced this report which set out the proposed approach the MCA will take in the submission of an LEP / MCA Integration Plan as well as noting the intention to strengthen the way the MCA works with the private sector.

Members noted that that the submission of the integration plan to meet Government requirement does not limit the scope of the Mayor or MCA to look at improved working arrangements with the private sector in the future.

**ACTION: Draft Implementation Plan to be circulated on the 26<sup>th</sup> July to Leaders and Chief Executives for their comments.**

The Board discussed the role of the private sector on the issues surrounding DSA. The LEP Chair informed members that there was to be a discussion on this issue with private sector members that afternoon and that the sector was very supportive of the work being undertaken to support DSA to continue as an operational passenger and freight airport.

**RESOLVED** that the Board:

1. Note the intention to submit a completed LEP Integration Plan to the Government in line with early deadline of 29 July.
2. Approve the key themes of our Integration Plan as identified in section 2.1
3. Approve that the final draft submission proposal is circulated for comment to Leaders and final submission is delegated to the Head of Paid Service in consultation with the Statutory Officers and the Mayor.

## 18 Programme Approvals

The Chief Finance and S73 Officer introduced this item to the Board. The paper requested progression of three capital funded schemes subject to conditions to be set out in the Assurance Summaries and approval for the allocation for the Adult Education Budget (AEB) for the 2022/23 academic year.

**RESOLVED** that the Board approved:

1. Progression of 'Zero Emission Bus Regional Areas (ZEBRA)' Full Business Case (FBC) to full approval and award of £2.68m grant to South Yorkshire Mayoral Combined Authority (SYMCA) subject to conditions detailed in the Assurance Summary attached at Appendix A1;
2. Progression of 'Tram Train Magna Stop including Park & Ride' FBC to full approval and award of £6.54m to South Yorkshire Mayoral Combined Authority (SYMCA) subject to conditions detailed the Assurance Summary attached at Appendix A2;
3. Progression of 'South West Bus Corridors' Outline Business Case to FBC and release of development cost funding of £0.38m grant to Sheffield City Council (SCC) subject to conditions set out in the Assurance Summary attached at Appendix A3
4. Allocation of AEB detailed in section 1.5
5. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above subject to funding being available.

## 19 Annual Governance Statement

The Deputy Chief Executive introduced this item that reported on the findings of the 2021/22 Annual Governance Review and presented the draft Annual Governance Statement which included the Governance Improvement Plan for the 2022/23 financial year.

Members noted that the Internal Audit Assessment was awarded as "significant assurance with some improvement required", and that all outstanding actions but one had been completed. The dissolution of SYPTE, had been delayed due to government timetables and would be completed this year.

The committee noted that the four key areas that the MCA would be working on would include:

1. Openness and Stakeholder Engagement
2. Outcomes and Benefits
3. Capacity development
4. Risk Management and Performance

**RESOLVED** that members approve the draft Annual Governance Statement and Governance Improvement Plan as recommended by the Audit, Standards and Risk Committee.

20 **Code of Corporate Governance**

The Deputy Chief Executive introduced this paper which presented a Code of Corporate Governance for the integrated organisation. Members noted that this was done on a yearly basis and the code was updated with any changes made.

**RESOLVED** that members approve the Code of Corporate Governance (appendix A) as recommended by the Audit, Standards and Risk Committee.

21 **Risk Management Framework**

The Deputy Chief Executive introduced this paper which presented a draft Risk Management Framework and summarised the activity undertaken to develop and implement the Framework as requested as part of the Governance Improvement Plan 21/22.

Members noted that the framework had been developed by an expert in line with ISO and Orange Book standards. The MCA's role in accountability for risk was made clearer and had the following proposals:

1. That the MCA receive an annual report on risk
2. That the MCA receive an annual report from the ASRC

**RESOLVED** that members approve the draft Risk Management Framework as recommended by the Audit, Standards and Risk Committee.

22 **Audit, Standards and Risk Committee Annual Report 2021/22**

The Deputy Chief Executive introduced this paper on behalf of the ASRC Chair. The ASRC Annual Report summarised the work of the Committee during 2021/22, demonstrating how it had fulfilled its terms of reference and provided assurance to the Authority on its governance arrangements, risk management arrangements and the internal control environment.

**RESOLVED** that members consider the Annual Report and the action plan to address the findings of the Committee Effectiveness Survey.

23 **UK Shared Prosperity Fund**

The Director of Corporate Policy introduced this report and summarised the progress of submitting the MCA's UK Shared Prosperity Fund Investment Plan to Government in advance of the 1 August deadline.

**ACTION: Draft UK Shared Prosperity Fund Investment Plan to be shared with Members.**

Members discussed the fact that South Yorkshire is receiving less than it would have otherwise expected and agreed that a letter would be written to

Government to highlight the disparity. The Mayor agreed.

**ACTION: A letter from SY Leaders and the Mayor to be sent to Government on the disappointing funding for SY from the UKPF.**

**RESOLVED** that members note the summary of progress made in developing the UKSPF Investment Plan and agreed to delegate approval for sign off and submission by the MCA statutory officers, subject to consultation with the Mayor, and Leaders of the Local Authorities.

24 **Delegated Authority Report**

The Chief Executive introduced this report which updated the MCA Board on decisions and delegations made by the MCA, Thematic Boards and by the Officer Scheme of Delegation.

**RESOLVED** that members note the decisions and delegations made.

I, the undersigned, confirm that this is a true and accurate record of the meeting.

Signed .....

Name .....

Position .....

Date .....



## Mayoral Combined Authority Board

18 October 2022

### Budget and Business Planning 2023/24 Update

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<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Discussion
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan of Key Decisions?</b>	Not a Key Decision

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#### **Director Approving Submission of the Report:**

Gareth Sutton, Chief Finance Officer/s73 Officer

#### **Report Author(s):**

Gareth Sutton, Chief Finance Officer/s73 Officer

[Gareth.sutton@southyorkshire-ca.gov.uk](mailto:Gareth.sutton@southyorkshire-ca.gov.uk)

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#### **Executive Summary**

This report provides an update on the development of a business plan and accompanying budget for the forthcoming financial year. This report builds upon that received by the Board in July, containing the latest expenditure and income forecasts.

#### **What does this mean for businesses, people and places in South Yorkshire?**

The MCA's budget provides the resource for it to deliver upon its aspirations for creating a cleaner, greener, stronger, and more inclusive economy for South Yorkshire.

#### **Recommendations**

The Board is recommended to note the latest budget forecasts.

#### **Consideration by any other Board, Committee, Assurance or Advisory Panel**

Mayoral Combined Authority Board

25 July 2022

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## 1. Background

- 1.1 In July a report was presented to the Board that kick-started the business planning and budget process for the new financial year.
- 1.2 This process commenced earlier than in previous financial years, reflecting the significant financial challenges in both the MCA and partners' financial operating environments.
- 1.3 For the MCA key immediate and medium-term challenges lie ahead. In the near-term the MCA will continue to be exposed to the commercial viability of the public transport network, with a commitment to maintaining as many priority services as possible. This challenge is exacerbated by acute inflationary pressures that are now weighing on already stressed business models.
- 1.4 In the medium term the MCA and partners must also begin to address the structural deficit within the transport budget. This deficit has been met to-date via support from the Levy Reduction Reserve; a finite body of resource that will be exhausted within the next three years. To avoid a cliff-edge, decisions will be needed in this planning round on how to reduce the cost-base or increase funding.
- 1.5 The medium-term picture is further complicated by the move towards bus franchising and the likely repatriation of operational tram responsibilities at the end of the current tram concession in 2024. Whilst the former issue may provide the opportunity to better control bus services in search of a more efficient network, the latter issue will expose the MCA to transport operations that are currently running at significant losses.
- 1.6 This report provides an update on the latest forecasting and details the emerging cost saving proposals that could be implemented ahead of the new financial year. The report sets out some of the implications for the transport levy.
- 1.7 The report further sets out the challenges and opportunities across the MCA's broader remit, including the potential for loss of core grant streams but also the significantly better than forecast performance on the MCA's cash management activity.

## 2. Key Issues

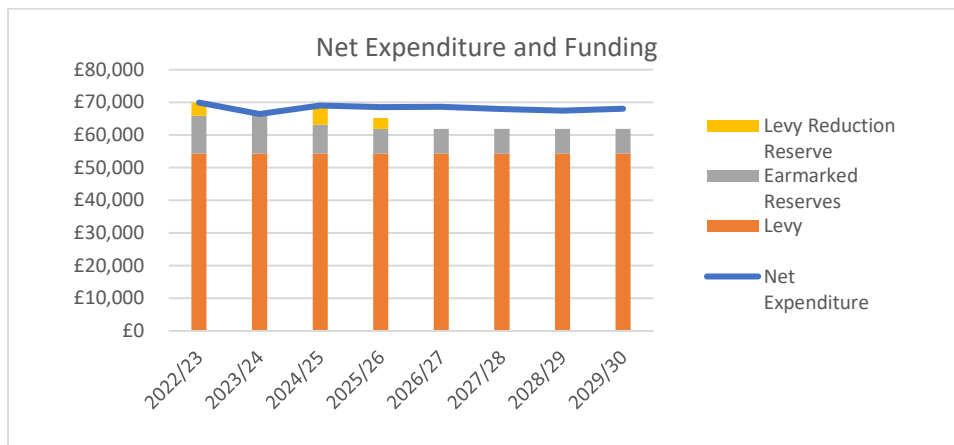
### South Yorkshire Transport Budget

- 2.1 Since the last reporting date, several variables have changed which impact upon the forecast budget position:
  - Whilst the continuation of Bus Recovery Funding until the end March, is welcome it does not address the ongoing sustainability concerns.
  - Forecasts for the return of the English National Concessionary Travel Scheme (ENCTS) cohort to the public transport network have now been revised down, resulting in a £2.4m saving that will arise in 2023/24.
  - Agreement has been reached to deploy £5m from the Protection of Priority Services Reserve in support of school bus services over two years.

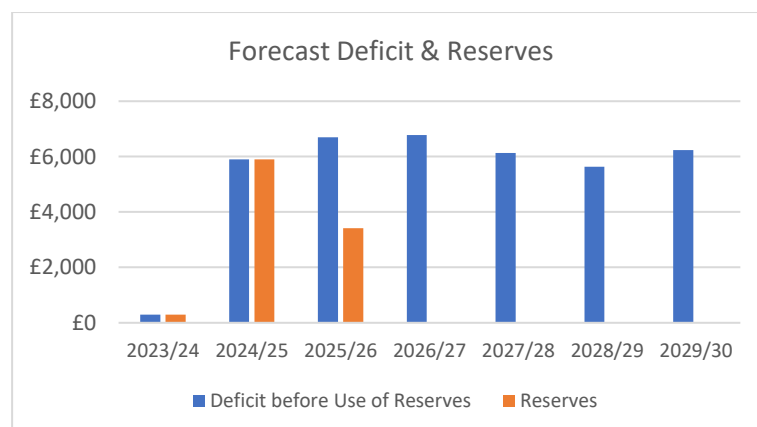
- The major tender exercise undertaken over the summer has returned costs showing a gap of £12m between the cost of those services that meet the criteria for buy-back and the available budget.
- Pay and price inflation is now forecast at c. £1m.
- The costs of supporting tram operations upon the end of the current concession in 2024 have now been modelled into the budget, showing initial subsidy requirements of c. £7m p/a reducing over time.
  - These forecasts remain very sensitive to energy price inflation
- A modest increase in investment income is now forecast, reflecting cash forecasts and the rise in interest-rates.

2.2 The net impact of these movements has been to bring forward the date at which the Levy Reduction Reserve will be exhausted to financial year 2025/26 but flatten the overall ongoing deficit at c. £6m against a previous forecast of c. £8m. p/a.

2.3 The following table highlights that whilst net expenditure will stay relatively static as falling interest costs offset inflationary pressures in the medium-term, the loss of the Levy Reduction Reserve contributions leave the budget in deficit:



2.4 This issue is further exemplified in the next chart which highlights those forecast deficits against the release of the Levy Reduction Reserve:



2.5 Approaches to meeting this structural deficit and providing options on how further withdrawn services could be bought-back have been considered and shared with the Directors of Finance Group.

- 2.6 In the near-term a number of policy options are available that could generate up to c. £2m of resource p/a. These include interventions that would have limited impact on services and those that would require sensitive decisions. Proposals around these will be brought forward to Members in private session.
- 2.7 Work has also been undertaken to identify whether resource could be made available to support transport pressures from outside the annual budget to support further short-term transport pressures. A review has been undertaken that has reviewed in-year budget performance, the potential to redeploy resource from prior commitments, and the opportunity to release reserves. A number of reports within this pack contain details on how this resource could support price-caps and a continuation of at-risk services beyond March 2023.
- 2.8 Finally, modelling continues to be undertaken to identify how any residual deficit could be met through incremental levy increases. Whilst the Directors of Finance Group has helpfully provided local direction on partner pressures, the ability to bridge the deficit without recourse to an increase in levy resource remains limited.
- 2.9 Following engagement with the Directors of Finance Group in June follow up sessions are now planned for August and September, with a view to bringing formal proposals before the Members in 1-1 sessions to be undertaken in October/November. Final preparation around the levy will be undertaken before Christmas with a view to agreeing the final value at the MCA Board's meeting in January.

### **MCA/LEP Budget**

- 2.10 Work is underway within the MCA to identify how best the MCA's existing body of activity and resource can complement the manifesto of the Mayor and how new money made available could be brought to bear in support of it and wider MCA priorities.
- 2.11 Since the last reporting date there has been little clarity received on the quantum and scope of funding that will be made available in the new financial year with key concerns remaining around the continuation of LEP capacity (£0.50m), Mayoral capacity (£1m), and Growth Hub funding (£0.50m).
- 2.12 The loss of this grant funding would compound existing sustainability issues within the MCA Executive. This is particularly the case around the Business/Trade and Investment area which is heavily dependent on support from a reserve sinking fund and other core functions such as policy development where discrete funding is not provided by Government and there are limited opportunities to recharge costs into other funding streams.
- 2.13 Concerns around grant funding are exacerbated by continuing underperformance on commercial income as higher utility costs and lower demand for rental space impact surplus generated from this activity. These issues are expected to persist into the new year.
- 2.14 Inflationary pressures have now been forecast, with pay and price pressures adding c. £1m to the cost-base or depressing net income generation. These



inflationary pressures represent a key concern as the MCA is not in receipt of any inflationary linked funding.

- 2.15 Whilst the inflationary environment is generating concerns the resultant increase in interest-rates is providing opportunity.
- 2.16 Due to the significant capital programme slippage previously reported, the MCA is currently holding cash on deposit under the auspices of the Treasury Management Strategy. At the time of setting the budget it was assumed that interest-rates would remain at their historical lows for some time, with the returns generated from holding cash on deposit generating negligible returns.
- 2.17 At the time of writing, and with interest-rates now at 1.75%, the MCA is accruing returns around 2%, with an expectation that the investment income forecast of c. £1m will be significantly exceeded. At the time of writing it is expected that income from this source will generate up to £4m more than budgeted.
- 2.18 With forecast cash balances expected to fluctuate throughout the year as capital programme activity catches up to profile, the forecast outturn position is unpredictable. However, it is highly likely that resource could now be available to release into the current year or be fed into the budget process for the forthcoming year and beyond. Windfall surpluses could be used on a sinking-fund basis to offset the loss of core grant streams for a number of years and sustain those teams that are currently supported from finite reserves.
- 2.19 Income generated through this source would be unencumbered from grant conditions and could be deployed entirely at the discretion of the MCA. A number of proposals are included within this report pack, including interventions on transport and cost-of-living concerns.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Note the update provided through this report.

#### **3.2 Option 1 Risks and Mitigations**

None.

#### **3.3 Recommended Option**

Option 1

### **4. Consultation on Proposal**

- 4.1 This is a discussion report only.

### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 This is a discussion report only.

**6. Financial and Procurement Implications and Advice**

- 6.1 This report provides an update to the report provided to the Board in July.
- 6.2 The report outlines the significant financial challenges faced by the Authority, but also the expectation in the near-term that treasury management income will exceed budget.

**7. Legal Implications and Advice**

- 7.1 None.

**8. Human Resources Implications and Advice**

- 8.1 None.

**9. Equality and Diversity Implications and Advice**

- 9.1 None.

**10. Climate Change Implications and Advice**

- 10.1 None.

**11. Information and Communication Technology Implications and Advice**

- 11.1 None.

**12. Communications and Marketing Implications and Advice**

- 12.1 None.

**List of Appendices Included**

None

**Background Papers**

MCA Board Report to the 25<sup>th</sup> July meeting.



## Mayoral Combined Authority Board

18 October 2022

### Bus Network Update – Changes to the South Yorkshire Bus Network in October 2022

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<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Funding Decision
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Yes

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#### Director Approving Submission of the Report:

John Dowie, Interim Executive Director of Infrastructure and Place

#### Report Author(s):

Tim Taylor, Director of Public Transport Operations

[Tim.taylor@southyorkshire-CA.gov.uk](mailto:Tim.taylor@southyorkshire-CA.gov.uk)

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#### Executive Summary

This report provides an update on the latest position regarding changes to the South Yorkshire bus network. The report also highlights the implications of the recently announced Bus Recovery Grant (BRG) extension for a further six months and the options of utilising additional funding and reserves to protect bus services from commercial cuts informed by a public consultation on bus priorities.

#### What does this mean for businesses, people and places in South Yorkshire?

Any changes to the bus network in South Yorkshire will have an inevitable impact on passengers at a time when they are facing challenges on cost of living. The MCA will always look to protect as best it can the priority services through targeted intervention based on the prioritisation developed through the public consultation exercise. This mitigates as best as possible the impact of the service reductions and through continued use of BRG funding to operators, the aim is to protect as much of the network as possible.

## **Recommendations:**

That the Board:

- Approve the use of up to £7.2m of reserves for supporting bus services to the end of July 2023.
- Note that non-statutory school services have been successfully protected for a period of two academic years by drawing on the MCA's financial reserves.
- Note that continued BRG funding will be available to part protect the network for a period of up to six months.

## **Consideration by any other Board, Committee, Assurance or Advisory Panel**

None

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### **1. Background**

- 1.1 The post-covid bus network is still operating with much reduced patronage and has been dependent on Government BRG funding.
- 1.2 In preparation for the expected end of BRG in October 2022, a public consultation on the priorities of bus services was approved by the MCA on 25 July and conducted from 1 August to 19 August 2022 and around 2,700 responses were received.
- 1.3 The MCA also approved the use of reserves to protect non-statutory school bus services for a period of up to two academic years from 1 September 2022.
- 1.4 On 19 August the Department for Transport (DfT) announced that they are reversing their decision to end Bus Recovery Grant (BRG) funding on 4 October as originally planned and extending this for a further six months to the end of March 2022. Although specific funding has only been confirmed to the end of December 2022, our judgement is that South Yorkshire will continue to receive at least this level of funding until end of March 2023.

### **2. Key Issues**

- 2.1 The extension of BRG clearly provides an opportunity for further stability on the bus network to allow additional patronage recovery and service stabilisation. The MCA is looking to protect (through the use of BRG and local funding, including reserves) as much of the bus network from October 2022 as possible that would otherwise be lost due to commercial cuts. The required tenders are now being contracted until the end of March 2023, with new tenders will be required beyond that date. We are planning on the basis of support continuing to late July 2023 and the end of the summer school term to avoid large scale changes to services during term time.
- 2.2 Although government expect bus operators to make use of BRG funding to protect at-risk services for the six months concerned, we have been informed by First that they will not be taking BRG and instead will look to operate only their core, commercial network along with any additional tender awards, up to the limit of their available resource. The other major operator in the Region, Stagecoach, have confirmed they will continue to claim BRG and hence use it to protect as best it can their current commercial network.

2.3 Discussions have been held with DfT to allocate the portion of funding that would have gone to First to SYMCA and an agreement has been reached, in principle, that the c £1.1m per quarter of funding which would have otherwise gone to First can be made available to us to protect services. However, even with this additional funding there will still be a significant gap between the cost of the services at risk and the financial resources available to continue their operation.

2.4 Ahead of the expected end of DfT funding in October SYMCA commenced a tender exercise to seek replacement options for all the services at risk. These tenders have been reviewed against the established criteria on cost per passenger/availability of alternatives and taking account of the outcomes of the recent consultation with passengers. The estimated additional cost of supporting services is £3.1m per quarter.

In summary, between October 2022 and March 2023:

- The MCA will receive recycled First BRG funding of c £1.1m per quarter and Local Transport Authority BRG of approximately £700k per quarter, i.e., a total of £1.8m of funding per quarter to support services in addition to the BRG funding going direct to Stagecoach and the other operators.
- But will incur in total, £3.1m additional costs for tenders and concessionary reimbursement.
- So, an additional £1.3m per quarter will be required to support services which will need to come from MCA Reserves

2.5 From the end of March 2023 and the end of Government BRG, the cost to support a continuation of bus support at the same level would be c. £3.42m per quarter.

2.6 The funding requirement is in addition to the legacy tendered service budget of £10.1m; and in addition to the support previously agreed from the reserves to protect school services, for a period of up to two academic years.

## 2.7 **Resourcing challenges**

It should be noted that even with additional funding, it has not proved possible to protect all services:

- Shortfalls in driver resources across all operators and especially First South Yorkshire have prevented us from buying back all the lost journeys. We have therefore had to limit the services we can buy back, primarily through reducing frequencies (e.g. reducing from every 30 minutes to every 60 minutes).
- Where the preferred bidder has not been able to cover the cancellations and we have gone to the next highest bidder or in a number of cases have had to retender (16 services are currently out to retender). This is further increasing our costs. We have again sought to reflect this in the costs and service plans below.

Given the late notice from DfT of an extension to funding, it may not be possible for operators to have all services operational for the beginning of October.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Approve the use of up to £7.2m of reserves for supporting bus services to the end of July 2023.

3.2 In addition, further develop and refine our plans for the post-BRG funded network, ensuring that we allocate available funding to tendered services and apply the prioritisation of services indicated in the consultation exercise.

#### **3.4 Option 1 Risks and Mitigations:**

A risk remains that we cannot secure operators through the outstanding “emergency tenders”. Continued resource pressures may also result in further reductions in the actual level of service provided by operators.

By securing contracts for the provision of services the MCA will have greater certainty and control of agreed service levels for the period of support.

#### **3.5 Option 2**

The MCA could decide to limit support to the level afforded through the government provided BRG funding. This would reduce the MCA’s financial exposure, protecting reserves for use elsewhere but would also result in the loss of a significant proportion of the Region’s bus network, Due to the differences in the geographic split of services between operators this would also lead to significant differences in the level of provision in different parts of the Region.

#### **3.6 Option 2 Risks and Mitigations:**

Bringing forward reductions in this way would present a significant risk to the viability and accessibility of services across all districts. Access to and from schools, access to employment, and evening services would be affected where the MCA is unable to buy back services.

#### **3.7 Recommended Option**

Option 1 reflecting the important of bus services for accessing employment, retain and educational opportunities; and its key role in tackling the cost of living crisis.

### **4. Engagement on Proposal**

4.1 We will continue to engage with Local Authority partners on the proposals regarding any residual network changes resulting from the BRG extension and ensure that these are communicated to stakeholders and passengers in a timely manner should they occur.

We also propose to use the newly established Enhanced Partnership Board structures to discuss our expectations with regional bus operators.

## **5. Timetable and Accountability for Implementing this Decision**

- 5.1 As noted in Section 2.1 contracts have been placed to secure services until March 2023 and we will re-tender the relevant supported services for the April-July period. The MCA will continue to develop options for long-term arrangements to support bus services with local authority partners for further discussion.

## **6. Financial and Procurement Implications and Advice**

- 6.1 This report proposes an increase to the tendered services budget to sustain services that would otherwise be withdrawn. The cost of this support per quarter increases by more than 2 ½ times in April 2023 as Government BRG support is withdrawn.

The report notes the intention to sustain services to July at a total cost of around £10.8m. The report further notes that funding of around £3.6m will be available, leading to a deficit of c. £7.2m. To fund this deficit in the short-term resource will need to be drawn down from reserves and budget surplus.

Available reserves and surplus could sustain this increase until around June 2023 at a cost of £6.40m, but the balance would then need to be met from reallocating unspent funding from other (non-transport related) commitments.

Should there be a need to maintain services beyond this point, the cost would be c. £3.42m for every additional 3-months. Policy decisions would be required as to whether to redeploy resource committed to other priorities and/or find more sustainable funding sources.

Appendix A to this report details available funding at the time of writing, including surpluses, reserves, and previous funding decisions that could be reconsidered. If services were protected for the remainder of the financial year, the peak level of resource being directed to tenders would be 214% higher than that committed pre-pandemic.

Sustaining this level of budget is not achievable in the medium or long-term without ongoing Government assistance and/or significantly increased contributions from the levy. Whilst reserve releases and resource redeployments can provide a softer landing, they do not represent a sustainable solution. Consideration will need to be given to which services will need to be retained and for how long, budget reallocations from other policy priorities or levy increases.

## **7. Legal Implications and Advice**

- 7.1 The Passenger Transport Executive (PTE) has power to enter into an agreement providing for service subsidies for the purpose of securing the provision of bus services; but the power to do so shall be exercisable:

1. Only where the service in question would not be provided or would not be provided to a particular standard, without subsidy; and
2. Subject to sections 89 to 92 of the Transport Act 1985.

Under the Transport Act 1985 the PTE has 3 options to secure services via public service contracts that are de-registered. The PTE may:

1. Award de-minimis contracts (if sufficient headroom is available)
2. Award emergency 3-month contracts; or
3. Tender in accordance with section 89.

Any payments to operators for carrying Concessionary fare passengers needs to comply with the provisions set out in the Transport Act and Regulations. At present the restriction from re-imbursing operators such that they are in “no better” a financial position by carrying concessionary passengers is suspended by Regulations until March 2023.

## **8. Human Resources Implications and Advice**

8.1 There are no known HR implications as a result of this paper.

## **9. Equality and Diversity Implications and Advice**

9.1 It is clear that the commercial decisions of bus operators reducing the bus services they operate will have negative impacts on persons with protected characteristics, particularly in relation to their age and disability.

As detailed above the MCA will mitigate some of this impact by securing tendered bus services to provide bus services where there is no commercial operation.

The recommended proposal will at best mitigate some of the negative impacts created by the bus operator cuts. In particular, it will assist young people, including young disabled people and young disadvantaged people, access education, increasing their life chances.

## **10. Climate Change Implications and Advice**

10.1 There are no direct implications of this paper on climate change or air quality. However, as with previous updates on this subject at MCA Board meetings, there is an associated implication as a result of the anticipated change to the bus network as this will impact the decisions people make about how they fulfil their journeys (i.e. by car or public transport).

## **11. Information and Communication Technology Implications and Advice**

11.1 There are no known ICT implications as a result of this paper.

## **12. Communications and Marketing Implications and Advice.**

12.1 As set out in 5.1 above, the changes to the bus network resulting from the six-month funding extension to BRG have been communicated to passengers and stakeholders. As with any service change activity, a timeline and communications plan were developed for this purpose and to ensure that not only general communications were issued but also customer-facing assets (e.g. online timetables, information at bus stops and interchanges and journey planning tools) were updated where possible in advance of any change.





## Mayoral Combined Authority Board

18 October 2022

### Tram Operating Model

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<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Policy Decision
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	No

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#### Executive Summary

The Tram Concession with South Yorkshire Supertram Limited (SYSL) expires on the 21<sup>st</sup> March 2024. A decision is required by the South Yorkshire Mayoral Combined Authority (SYMCA) on the future tram Operating Model. This paper sets out a recommended option for approval that will be implemented for a timely and seamless transition in March 2024.

#### What does this mean for businesses, people and places in South Yorkshire?

The tram system is very important for South Yorkshire as it supports economic growth and social inclusion as well as benefits to the environment. Ensuring that the tram system continues to run safely and reliably is important to residents and businesses in South Yorkshire and is a key priority for the MCA.

#### Recommendations

That Board members:

1. Authorise the MCA to establish an arm's length wholly owned subsidiary company (NewCo) to operate the Supertram system (with effect from 22<sup>nd</sup> March 2024).
2. Agree to receive further reports regarding the financial sustainability as soon as modelling work is concluded.

## Consideration by any other Board, Committee, Assurance or Advisory Panel

N/A

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### 1. Background

- 1.1 The light rail network infrastructure in South Yorkshire (“Supertram”) is publicly owned by South Yorkshire Passenger Transport Executive (SYPTTE). In 1997 SYPTTE awarded a 27-year concession to a wholly owned subsidiary South Yorkshire Supertram Limited (SYSL). As part of restructuring due to borrowing issues, the Government at the time required SYPTTE to dispose of the operating element of the system to a private entity. In 2000 it sold the operating company SYSL to Stagecoach Group. In 2018, the system was extended via Tram Train to Rotherham. The concession contract covers responsibility for the operation, day to day maintenance and revenue risk of the full system and expires on 21<sup>st</sup> March 2024. At expiration of this contract, SYSL no longer have the right to operate Supertram and operational, managerial and financial responsibility for the system reverts to SYPTTE/MCA.
- 1.2 A key milestone for the successful and seamless transition to a new operator in March 2024, is a decision on the future Operating Model. The net operating costs (including revenue risk) for running the tram system transfers to the MCA at this point.

### 2. Current Position

- 2.1. Although the tram had previously generated a profit, in the year prior to Covid-19, the tram system was operating at a loss, which is largely attributed to a mix of long-term patronage decline reinforced by the closure of parts of the system for renewal works.
- 2.2 General suppression in demand for public transport during Covid-19 including changes to travel habits has exacerbated a further decline in passenger numbers, and an increase in operating costs as a result of inflation, is leading to an increase in financial losses.
- 2.3 Passenger demand is showing signs of recovery but remains uncertain as the rate of recovery post-Covid needs to settle and demand may be plateauing.
- 2.4 The tram infrastructure and vehicles are assets that are owned by the MCA but are nearing the end of their economic life and the renewal programme would see disruption to operations. The MCA has secured c. £100m of capital from DfT to commence this programme of works but requires significantly more funding in the medium term to enable the renewal of all life-expired assets. The MCA is in the process of submitting a business case to DfT for further funding.

### 3. Challenges

- 3.1 A new operator is required to be in place from March 2024 (17 months).
- 3.2 Mobilisation for a new operating model of this scale and complexity represents a significant workload and requires time and additional specialist resources to

achieve a seamless transition. This includes the development of a new fares retailing strategy and supporting platform, including a website and retail systems ready for operation in March 2024 and migrating the Shared Services (retailing, Information Technology (IT) business support functions: HR, finance, procurement) from Stagecoach to NewCo.

#### **4. Financials**

- 4.1 Since March 2020, due to the impact of Covid-19, which led to a shortfall in fare-paying passengers, the current operator has been receiving ongoing financial support from the public sector; this will end in the current year.
- 4.2 Based on the current and predicted financial performance of the current operator (Stagecoach) through to March 2024 and the forecasted operating costs and passenger numbers, the tram system will require ongoing financial support from March 2024 for the foreseeable future.
- 4.3 The MCA is currently reviewing options to reduce future operating costs and improve the longer-term financial affordability of the tram system. These will be presented to board members as soon as practicable for decision.

#### **5. Preferred Operating Model**

- 5.1 All possible options and permutations have been explored which satisfy the constraints within legal, procurement, financial and timescale dimensions.
- 5.2 In conclusion and for the following reasons, the preferred operating model is to establish an arm's length wholly owned subsidiary company (NewCo) (with appropriate private sector support to mobilise and manage operations):
  - i) It provides a clear and straightforward contractual route to provide the required flexibility for funding considering revenue and cost risk will lie with the MCA;
  - ii) It retains the potential to utilise private sector resource/capability where it can add most value;
  - iii) It mitigates risk of tram operations impacting on core MCA resources and functions by either buying in the management capacity/capability from the private sector or recruiting to an appropriate management structure, bolstering the TUPE'd resource in areas where more management capability is required;
  - iv) It is the operating model that best mitigates renewals risk by providing the maximum flexibility in terms of delivering capital renewals work and delivering such works in a manner that best meets competing impacts (revenue cost v capital cost v longer term impacts);
  - v) It retains a split in functions between MCA as commissioner and operator with the NewCo being a separate legal entity responsible to the MCA under contractual arrangements but physically separate;
  - vi) It provides clear governance and focus to drive actions to improve financial sustainability;

- vii) It minimises the number of contractual interfaces and is a joined-up structure, making clear where responsibility lies;
- viii) It represents better value for money overall than transferring operations in their entirety to the private sector while uncertainties over post-covid patronage and renewal works are ongoing;
- ix) It provides the maximum flexibility to manage costs and future sustainability by:
  - a) optimising allocation of financial risk where it can best be managed;
  - b) decisions on financial sustainability can realistically only be taken by public sector client side (e.g. frequency, hours of operations, staffing);
- x) It does not prejudice a future tendering of the tram operations or private investment once operations stabilise and become more financially predictable and sustainable;
- xi) It has been assessed as the more deliverable operating model structure in the timescales available.

5.3 Any perceived downsides in not being able to transfer risk to private sector and/or export difficult decisions to a contractor are likely to be illusory given the difficulty of transferring revenue risk at the present time contractually and the reality that decisions will ultimately come back to the public sector.

## 6 Recommendation

6.1 The recommendation for approval is for SYMCA to establish an arm's length wholly owned subsidiary company, with private sector resource/support to mobilise and manage operations.

## 7. Consultation on Proposal

7.1 Constituent members of the Mayoral Combined Authority were briefed on 27<sup>th</sup> September 2022 on the proposed Operating Model.

## 8. Timetable and Accountability for Implementing this Decision

8.1 A Programme is being prepared that sets out the key milestones to complete the process, including a mobilisation period by 21<sup>st</sup> March 2024.

## 9. Financial and Procurement Implications and Advice

9.1 This report notes the preferred operating model for the tram network following the end of the current concession in 2024. The report notes that at the end of the concession it is likely that the tram will operating in deficit requiring public subsidy. Over the last few decades the MCA has been shielded from this risk.

9.2 Whilst the model proposed will still leave the MCA exposed to the financial performance of the network, the model will allow for that risk to be held at arms-

length. This will allow the MCA to consider how best to support the subsidiary to manage its financial affairs and mitigate the inherent risk.

- 9.3 The proposed model also notes the potential to source some key services from the market. Access to skills, expertise, and capacity will be critical in ensuring operational risks can be appropriately managed, ensuring that wherever possible they don't become financial pressures.

## **10. Legal Implications and Advice**

- 10.1 The tramway is owned by SYPTE (SYMCA). The existing concession with South Yorkshire Supertram Limited (wholly owned subsidiary of Stagecoach Group) ends on 21<sup>st</sup> March 2024. Under the South Yorkshire Light Rail Transit Acts SYMCA have the option to operate the system via a wholly owned subsidiary of SYMCA. To ensure the transition to operation by a new entity is successful external legal support has been retained to support the in-house function.

## **11. Human Resources Implications and Advice**

- 11.1 On the date of transfer of operations, the Transfer of Undertakings Protection of Employees Regulations will apply with the effect that employees of SYSL can opt to transfer into the new operating entity on their existing terms and conditions. An HR lead will be appointed to ensure a smooth transfer.

## **12. Equality and Diversity Implications and Advice**

- 12.1 None

## **13. Climate Change Implications and Advice**

- 13.1 None

## **14. Information and Communication Technology Implications and Advice**

- 14.1 An independent IT expert has completed an assessment of the implications of the proposal. This work has identified several systems relating to Shared Services that will need to be procured prior to March 2024 and allowed a programme of activity to be developed that will deliver a seamless transfer in March 2024.

## **15. Communications and Marketing Implications and Advice**

- 15.1 None

## **List of Appendices Included**

None

## **Background Papers**

None

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**Mayoral Combined Authority Board**

**18 October 2022**

**South Yorkshire Investment Zone – Status Update**

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<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Policy Decision
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	No

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**Executive Summary**

The Government has set out a policy intent to work in partnership with places across the country to develop Investment Zones. South Yorkshire MCA is one of 38 MCAs and Upper Tier Local Authority areas that have indicated an intention to work with Government on the development of an Expression of Interest (Eoi).

This report sets out the Government’s broad objectives for Investment Zones and the policy framework for the submission of the Expression of Interest on the 14<sup>th</sup> October 2022.

**What does this mean for businesses, people and places in South Yorkshire?**

Investment Zones have the potential to drive growth in our major growth centres by helping to unlock additional investment, attract new businesses into the region and supporting existing businesses to grow faster.

**Recommendations:**

That Board members:

- Agree that in order to meet the Submission deadline of 14<sup>th</sup> October 2022, the Board note the submission of an EOI, which was agreed with the Mayor and Local Authorities Leaders prior to submission.

## Consideration by any other Board, Committee, Assurance or Advisory Panel

N/A

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### 1. Background

- 1.1 The Government has set out a policy intent to work in partnership with places across the country to develop Investment Zones. The government envisages that Investment Zones will be one or more specific sites within an MCA area where a variety of tax, regulatory innovations and flexibilities together with planning simplifications will apply within the boundaries of the agreed sites.
- 1.2 There is a strong expectation that Investment Zones will bring forward a mix of both commercial and residential development. The freedoms and flexibilities – and wider advantages will focus on include:
  - i. Speeding up planned development and simplifying new opportunities.
  - ii. Providing time-limited tax incentives to encourage new investment.
  - iii. Wider infrastructure and development opportunities, for example MCAs may receive a single local growth settlement in the next Spending Review period and prioritised access to infrastructure funding.
- 1.3 South Yorkshire MCA is one of 38 MCAs and Upper Tier Local Authority areas that has indicated an intention to work with Government and submitted a full EoI on the 14<sup>th</sup> October 2022.

### 2. Key Issues

#### 2.1 Policy Framework

The MCA worked with our four constituent Local Authorities to identify potential Investment Zone sites across the region that align with the stated intent of the Investment Zone policy and the region's Strategic Economic Plan. Initial guidance indicates that an Investment Zone will have to demonstrate how it meets the MCA's own economic growth objectives, including in relation to transport, regeneration and tackling local challenges.

#### 2.2 Governance and Accountability Measures

The submission also had to set out a commitment to:

- Work with the Government to agree suitable governance, powers, and mechanisms for any potential Investment Zone.
- Work with Government to agree suitable accountability and readiness arrangements as part of any potential Investment Zones.
- Provide metrics of success closely aligned with the growth and housing ambitions of the programme to the Government.



### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

MCA Board members note the submission of the Investment Zone Expression of Interest on the 14<sup>th</sup> October 2022 which focuses on supporting existing economic and spatial priorities set out in the Strategic Economic Plan and is consistent with local plans, site master planning and visioning work in place.

#### **3.2 Option 1 Risks and Mitigations:**

- 3.2.1 MCA Board members will need to consider the risks of economic displacement within the region if Investment Zone status precipitates the movement of existing businesses to Investment Zone sites.

Board members will also need to consider the detail of any proposed planning legislation implications.

#### **3.3 Recommended Option**

Option 1

### **4. Engagement on Proposal**

- 4.1 Stakeholders were engaged to test their support, help refine the proposals and to understand where the proposed interventions to support economic growth would be best targeted across any proposed Investment Zone sites.

### **5. Timetable and Accountability for Implementing this Decision:**

- 5.1 The timeline for the decision to submit an EoI was set as the 14<sup>th</sup> October 2022, and the intention to delegate formal submission of the proposal will be led by further guidance provided by Government.
- 5.2 The Government have indicated that they would expect to see Investment Zone designation and the benefits of that designation to be in place by April 2023. Some of the proposed benefits of Investment Zone status (i.e., planning reforms) will require primary legislation and as such will be aligned and reliant upon the necessary legislation passing through Parliament.

### **6. Financial and Procurement Implications and Advice**

- 6.1 Whilst there are no immediate financial implications arising from this report, if successful the proposals would lead to significant change in the tools available to the region to develop key growth zones.
- 6.2 The report notes the potential for tax incentives and single growth funding settlements, the benefits of which may accrue to the MCA or partners.

### **7. Legal Implications and Advice**

7.1 Initial government guidance indicates that the benefits of Investment Zone status given to an area will be conditional on the MCA and local partners agreeing the commitments made in the EOI and subsequent negotiation together with local consent and Parliamentary approval of any legislation.

## **8. Human Resources Implications and Advice**

8.1 There are no direct implications.

## **9. Equality and Diversity Implications and Advice**

9.1 The Government's initial public guidance states that Investment Zones will also be conditional on the Public Sector Equality Duty. The development of the submission will need to demonstrate how the MCA intends to ensure we consider any implications on equality and diversity

## **10. Climate Change Implications and Advice**

10.1 There are no direct climate change implications as a result of any decision on the options under consideration. As more detail emerges on the national approach to Investment Zones, the MCAs response will need to be taken forward in the context of the MCAs commitment to a Net Zero South Yorkshire.

## **11. Information and Communication Technology Implications and Advice**

11.1 There are no known ICT implications as a result of this paper.

## **12. Communications and Marketing Implications and Advice**

12.1 Communications and Marketing resource will be directed to supporting the development of the proposal, the wider engagement with partners and stakeholders, and the development of proposals.

### **List of Appendices Included:**

None

### **Background Papers:**

None



## Mayoral Combined Authority Board

19 September 2022

### Economy and Cost of Living Report

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<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Discussion
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Not a Key Decision

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#### Executive Summary

The cost-of-living crisis is deepening with inflationary pressures worsening and with an expectation that the country may now enter recession.

The report notes that the significance of the crisis now demands a regional response to complement those actions being proposed by national Government. The report proposes several actions the MCA can undertake to complement those of our Local Authorities

The report notes that whilst these immediate interventions can be delivered in the short-term, consideration will need to be given to how MCA resource can be deployed to support the post-recession recovery, ensuring South Yorkshire's businesses and communities are well placed to bounce-back.

#### What does this mean for businesses, people and places in South Yorkshire?

South Yorkshire is particularly vulnerable entering this crisis with very high rates of fuel poverty, child poverty, higher levels of car dependency, a housing stock that is not energy efficient, a high share of energy intensive businesses, some of the highest rates of food bank usage, and an economy that is not resilient. The potential implications of this economic crisis for people and businesses are striking. The proposals presented within this report would allow the MCA and partners to intervene in a targeted way, complementing Government schemes.

## **Recommendations:**

That the Board:

- Approves the proposal for the early release of Shared Prosperity Fund allocations ahead of formal Government processes.
  - Approves the earmarking of up-to £2m of windfall budget surplus to fund a package of cost-of-living measures.
  - Approves the development of an immediate package of measures as detailed in paragraphs 3.1-3.11.
  - Delegates authority to the MCA Chief Executive in consultation with the Mayor and Leaders to enter into transactions.
- 

## **1. Background**

- 1.1 As the region enters the autumn concerns around the national and local economy are growing. Rising inflation and interest-rates, the risks to jobs from the potential recession, and the market disruption following the mini-budget event is all coalescing to present a cost-of-living crisis.
- 1.2 Whilst Government has moved to support communities and businesses through energy subsidies the impact on South Yorkshire is still likely to be significant. For many businesses and households, the impact of unavoidable inflation and interest-rates will stress already fragile finances.
- 1.3 This report proposes a number of immediate interventions that could be delivered to support those most in need. Whilst these interventions will not address the whole issue, they will help to complement existing measures.
- 1.4 The proposed interventions can be funded from windfall budget surplus. This surplus arises from treasury management income returns exceeding budget forecasts as higher interest-rates lead to better yields from cash held on deposit.

## **2. Key Issues**

- 2.1 The public sector's response to the Covid-19 crisis highlighted that efficient crisis intervention requires national and local responses. The significant majority of levers for a response to the current crisis lie with national Government. Government has the fiscal and legislative tools to address the situation in a sustainable and meaningful way. However, the MCA and local partners are well placed to understand the impact on the local economy and communities, and identify both gaps in provision and opportunities to target efficient investment.
- 2.2 The opportunities for the MCA reflects its wider role. The MCA can:
  1. Lobby Government to deliver an appropriate support package;
  2. Use its platforms to convene partners, businesses, agencies, and Government to come together to deliver joined-up responses;
  3. Use its data and analytical tools to help partners target effective responses;
  4. Amplify existing activity wherever it may be, using its communications platforms to drive awareness;
  5. Fund activity delivered by partners, the third-sector, or other stakeholders; and,
  6. Directly commission or deliver activity where gaps in provision are identified.

2.3 Opportunities to support the response exist in both the near and medium term. In the near term the MCA can help address the symptoms of the crisis, whilst in the medium-term the region can consider how it ensures businesses and communities are best placed to recover from immediate pressures. Some activity will require time and consideration to implement, but other activity can be delivered with urgency.

2.4 Though a number of actions are already underway – such as using the MCA’s communications platforms to raise awareness of existing activity and developing data-sets to support interventions – some decisions are now required from the Board.

### **3. Options Considered and Recommended Proposal**

3.1 In the immediate term the Board are asked to consider the following decisions:

#### **Decision Required: Earmark Windfall Surplus to Support a Cost-of-Living Response**

3.2 A consequence of the high inflationary environment has been the decisions of the Bank of England to raise the base-rate four times since the start of the financial year to 2.25%. These rises are significantly in excess of forecast and have the effect of increasing the yields generated on cash held on deposit.

3.3 Forecasts are now showing the estimated income generated from treasury management activity as being £4m in excess of budget. Reports presented in this meeting recommend using £2m of this surplus to support at risk bus services. This report recommends the earmarking of a further £2m to a package of cost-of-living responses.

#### **Decisions Required: Shared Prosperity Fund**

3.4 The MCA has been working with the local authorities to shape and plan how to deliver the Shared Prosperity Fund. The focus of year one activity is on a cost-of-living response. This report proposes that the MCA agrees to commission year one spending ahead of Government’s formal processes. This will enable South Yorkshire to get funding moving now, putting the resource to use when and where it is most needed.

3.5 In releasing this money ahead of Government’s processes there is likely some administrative risk, but it is considered manageable given the importance of getting resource to the intended recipients.

#### **Decision Required: Releasing New Funding to Transport Priorities (c.£0.7m)**

3.6 The Board is asked to approve the release of up-to £2m of MCA funds generated from windfall treasury management surplus to generate an immediate local cost-of-living response.

3.7 It is proposed to earmark some of this funding in the immediate-term to complement a price-cap on bus fares at £2 per adult single journey ahead of the implementation of the Government funded scheme that will be live from January.

This intervention will support proposals to protect a number of key services until the summer, enabling our communities to keep moving during the crisis.

- 3.8 It is expected that the cost of this scheme will be c. £0.25m per month and it will run from November to the end of December. After this point the Government scheme will run to the end of March.

### **Decision Required: Releasing New Funding to Food-Security Schemes (c.£0.7m)**

- 3.9 Engagement with local partners has highlighted food-security as a key concern across the region with rising use of foodbanks. Whilst food-security has been an issue for some time, existing pressures are being exacerbated by the rising inflation on foodstuffs generated by supply chain dislocation, the war in Ukraine, and the fall in the value of Sterling.
- 3.10 This report proposes to use part of the windfall budget surplus to support a region-wide food-security package. Engagement with partners has shown that there are different requirements in different parts of the region, whilst in some areas there is existing provision that could be amplified and in some areas gaps that could be filled.
- 3.11 Accordingly, it is proposed that, in collaboration with partners, the MCA commissions a scheme to be delivered by an external provider to which each local authority can opt-in. Where the region scheme does not fit with local circumstance authorities could also choose to opt-out and run a local scheme or support existing provision from this funding.

### **Further Ongoing Work**

- 3.12 Whilst urgent action is sought on the proposals detailed above, further work is underway to consider how best the MCA can support business and communities beyond immediate challenges to ensure they are well placed to bounce-back.
- 3.13 In particular, existing access-to-finance issues are likely to be exacerbated by the withdrawal of credit products whilst it is already becoming apparent that investors will seek to shelter themselves from all but the safest of investments in the near-term. The loss of finance and investment products risks stalling the growth prospects of a generation of businesses within the region.
- 3.14 Proposals are being developed where the MCA can work to stimulate existing investors – from angels, to pension funds, and commercial lenders – to maintain and grow the products available to businesses in the region.
- 3.15 Work is underway to consider how investment could be brought to bear to support longer-term energy resilience, with sustainable energy schemes supporting both business resilience and wider net zero objectives.
- 3.16 Work is being undertaken within the skills and employment areas to consider how some of the MCA's major funding streams, including the Adult Education Budget, could be used to support immediate and future cost-of-living activity. Reorienting

devolved funding for specific local circumstances such as this is an efficient means of addressing problems.

3.17 Proposals in these areas will be brought to future meetings of the MCA.

#### **4. Engagement on Proposal**

4.1 Engagement is taking place with Local Authority Officers and other key local stakeholders, such as the South Yorkshire Community Foundation.

#### **5. Timetable and Accountability for Implementing this Decision**

5.1 Immediate.

#### **6. Financial and Procurement Implications and Advice**

6.1 This report proposes the release of windfall budget surplus. Currently there are no commitments on this funding.

6.2 The report further proposes the early release of Shared Prosperity Funding allocations ahead of the release of Government grant agreements. The report notes that there is some risk around this, as whilst the MCA has been given a funding allocation the details of funding awards are not yet known. Officers believe that this risk can be mitigated by making conservative assumptions on the details of grant determination specifications.

#### **7. Legal Implications and Advice**

7.1 N/A at this stage.

#### **8. Human Resources Implications and Advice**

8.1 There are no known HR implications as a result of this paper. However, the issues this paper raises about the impact of inflationary pressures on the low paid will be relevant for the MCA as an employer and for some of its contractors. It is recommended that the Head of HR considers this, and any implications are considered by the Statutory Officers and Chief Executive group.

#### **9. Equality and Diversity Implications and Advice**

9.1 Many of these impacts will be worse on the most vulnerable groups of society, and any response should be tailored to respond.

#### **10. Climate Change Implications and Advice**

10.1 Longer-term, how South Yorkshire deals with energy, including retrofitting, is key to this agenda, but there is limited amount that can be done at a regional level to help with the immediate crisis.

#### **11. Information and Communication Technology Implications and Advice**

11.1 There are no known ICT implications as a result of this paper.

**12. Communications and Marketing Implications and Advice.**

12.1 N/A at this stage.

**List of Appendices Included**

None

**Background Papers:**

None





## Mayoral Combined Authority Board

18 October 2022

### Education, Skills and Employability Board Programme Updates

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<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Discussion
<b>Funding Stream:</b>	Not applicable
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	No

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#### **Director Approving Submission of the Report:**

Jim Dillon, Interim Executive Director of Business and Skills

#### **Report Author(s):**

Joseph Quinn, Innovation Project Director – Business & Skills

[Joseph.Quinn@SouthYorkshire-CA.gov.uk](mailto:Joseph.Quinn@SouthYorkshire-CA.gov.uk)

#### **Executive Summary:**

This report provides an update on the progress of the Multiply programme and seeks support to secure additional funding from the Department for Work and Pensions (DWP) and Department for Health and Social Care (DHSC) to deliver Individual Placement and Support in Primary Care (IPSPC) in South Yorkshire. In addition, the board is asked to endorse clarification to the definition of our Adult Education Budget (AEB) grant funded provider base.

#### **What does this mean for businesses, people, and places in South Yorkshire?**

Residents and businesses across South Yorkshire face short and longer-term skills and employability challenges that affect their lives and ability to realise their potential. The challenges are the result of long-term trends that affect both existing skills base and the flow of new skills into the workforce. The ESEB works to put in place actions with the potential to transform the skills landscape and resolve for the long-term, barriers to progression into employment.

#### **Recommendations:**

1. That Members note the MCA's Lead Authority role and the progress of the Multiply programme.

2. That Members endorse the MCA's application to secure funding for the continuation of the South Yorkshire Working Win programme.
3. Members endorse the recommendation of the ESEB to clarify the definition of our Adult Education Budget (AEB) grant funded provider base.

**Consideration by any other Board, Committee, Assurance or Advisory Panel**

N/A

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**1. Background**

- 1.1 In 2017 the MCA was contracted by Sheffield Clinical Commissioning Group (CCG) to deliver the health-led employment programme. This has supported 4,000 residents of South Yorkshire and Bassetlaw to either sustain or move into paid employment.
- 1.2 Devolution of the Adult Education Budget (AEB) presents the MCA with an opportunity to reshape the delivery of AEB to support local learners in ways that would not have been achieved via national control mechanisms, in particular to deliver better alignment to our local labour market.

**2. Key Updates**

**2.1.1 Multiply Programme**

'Multiply' is a programme offering adults who do not have a minimum of a GCSE grade C/4 in Maths, and need to improve their numeracy, free flexible courses that fit around their lives. The South Yorkshire allocation totals £7.2m and required the development of an investment plan to secure the funding. Members of the MCA delegated oversight of this activity to the Education, Skills and Employment Board.

- 2.1.2 The Multiply Investment Plan was submitted by the MCA on the 30<sup>th</sup> of June 2022 to Department for Education (DFE). Additional clarification activity was completed by the 12<sup>th</sup> of August 2022 and the DFE has now confirmed that no additional information is required, and the grant agreement has been received and returned to DFE.

- 2.1.3 Multiply activities will be delivered across the Spending Review period (financial year 2022-23 to 2024-25) with provision aiming to commence in the 2022/23 academic year. To ensure timely delivery, the MCA is currently drafting procurement specifications and is in the process of completing grant awards to Local Authorities. This will allow delivery to commence in late October/early November 2022.

**2.2 Individual Placement and Support in Primary Care (IPSPC) in South Yorkshire**

- 2.2.1 As part of the devolution proposition development, the MCA was offered the opportunity to develop a health-led employment trial to improve employment outcomes for individuals with health issues.

Since May 2017, the MCA has been contracted by Sheffield Clinical Commissioning Group (CCG) to deliver the health-led employment programme – Working Win, this was one of only two national pilots funded by the Work and

Health Unit, (a cross department unit jointly sponsored by the Department for Work and Pensions and the Department for Health and Social Care).

- 2.2.2 The pilot concluded in 2020, however provision has continued following a successful business case submission from the MCA for an extension. This has ensured we have been able to protect the expertise, relationships, and momentum of the service. Monitoring evidence shows that over 4,000 residents of South Yorkshire and Bassetlaw, with mild/moderate mental health and/or any physical health issues (e.g., neck and back problems) have been supported to move into paid work or sustain employment which was at risk because of their health issue.
- 2.2.3 The Department for Work and Pensions (DWP) and DHSC released a call to tender for a IPSPC contract, opening an opportunity for the MCA to extend the Working Win Provision. Grant funding will be provided direct to Authorities, instead of via Clinical Commissioning Groups.
- 2.2.4 The IPSPC initiative is aimed at working age individuals who have a common physical or mental health disability, as defined by the Equality Act 2010, to help them move into competitive employment providing the support they need to maintain that employment.

Key requirements of the IPSPC initiative are to:

- Support local economic growth through the employment of people with a mental or physical health condition or disability.
- Enable sustained employment of participants in employment but whose disability is impacting their ability to work.
- Develop a framework for effective, locally driven integrated employment support that can be sustained.
- Continue to build the evidence base for innovative employment interventions to facilitate a potential national proven approach.
- Improve participants general health and wellbeing, including support to help people recover more rapidly and effectively from their disability, which could include building strategies to manage their disability and barriers to work and gain financial independence.

- 2.2.5 The IPSPC grant application was submitted on the 31<sup>st</sup> of August 2022. The timeline for determination and completion of project activity is outlined below:

Application for results announced for all applicants	October 2022
5-month implementation period	2 November 2022
Activity delivery period	2022-2024

## 2.3 Adult Education Budget Grant Provider Definition

- 2.3.1 The South Yorkshire economy is being held back by skills and productivity challenges that are worse and more deeply engrained in our communities than almost anywhere else in England. Devolution of the Adult Education Budget has offered the MCA a critical opportunity to force a change in South Yorkshire's fortunes.

- 2.3.2 In addition to the grant allocations to Further Education Colleges and local authority providers, the MCA is proposing to add additional grant providers that can help close some important skills gaps. To undertake this activity, the MCA will require a clarification of the definition of our AEB grant funded provider base.
- 2.3.3 On July the 29<sup>th</sup> the ESEB recommended an amendment to our current definition. The amendment will state that in addition to current grant providers, the list will include 'such other providers with a base in South Yorkshire that are s.28 designated with a proven track record of delivery'. It should be noted that this amendment will not impact on the current funding levels of our currently commissioned grant providers.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Do not proceed with the IPSPC bid application and decline to adopt the recommended AEB grant provider definition.

#### **3.2 Option 1 Risk**

Not proceeding with the IPSPC bid application will result in the region having to rely upon the contracted DWP provision available within the current national Work and Health programme and through other small-scale programmes. Declining to amend the AEB grant provider definition will restrict the MCA's ability to respond to gaps in adult education skills provision.

#### **3.3 Option 2**

Agree to proceed with the IPSPC bid application and adopt the recommended AEB grant provider definition.

#### **3.4 Option 1 Risk**

Additional grant providers may duplicate or displace existing provision. Careful performance monitoring of additional grant providers will mitigate this risk.

#### **3.5 Recommended Option**

Option 2: Agree to proceed with the IPSPC bid application and adopt the recommended AEB grant provider definition.

### **4. Consultation on Proposal**

- 4.1 To maximise impact and success, these projects have built in contributions and engagement with a range of internal and external partners. A detailed engagement plan will be developed following approval of the Multiply Investment Plan and IPSPC submission.

### **5. Timetable and Accountability for Implementing this Decision:**

- 5.1 The submission window for the IPSPC submission closed on the 31<sup>st</sup> of August 2022. The MCA expects to learn the outcome of both the Multiply and IPSPC submission in September 2022. The first payments to MCAs to commission, procure or directly deliver activity are expected to be made as early as October 2022.

## **6. Financial and Procurement Implications and Advice**

We have received receipts for £3m to fund the current Working Win contract and £9,557,515 for the trial and extension. This includes a sum taken to fund the organisation's internal management and administration costs. The bid for the new programme will be designed with guidance and support from finance and will again include a sum for internal management and administration.

## **7. Legal Implications and Advice**

The MCA has economic development functions that would allow it to participate in a IPSPC Project. Contractual and procurement arrangements with project partners will be established and implemented. Specialist legal resource may be required depending on the proposals developed. GDPR implications will be established and a full DPIA undertaken.

## **8. Human Resources Implications and Advice**

Administering the requirements of a Lead Authority will require additional capability and capacity to deliver the fund and maximise the impact and uptake of the project. As part of the development of the Plan, a gap analysis will be undertaken to consider any risks or appointments required.

## **9. Equality and Diversity Implications and Advice**

An equalities impact assessment was undertaken as part of the development of the Working Win trial. The trial has received approval by the Research Ethics Committee of the Medical Research Council and is delivered against a series of indicators within those values and judgements.

Devolved AEB funding supports many of the most disadvantaged residents across South Yorkshire. Effective commissioning will ensure that provision is in place for people with LDD, those from disadvantaged backgrounds and low skills and people who need English for Speakers of Other Languages.

## **10. Climate Change Implications and Advice**

n/a

## **11. Information and Communication Technology Implications and Advice**

It is expected that the functions of the Lead Authority can be contained within the current technology available to the MCA, e.g., the utilisation of VERTO for programme and project management. This will be monitored for sufficiency, and any gaps considered as part of the MCA Executive Business Planning process.

## **12. Communications and Marketing Implications and Advice**

The UK Multiply prospectus and IPSPC project provides clear guidance on how projects should be branded and how communications should be made. This is usual for government funds and was closely monitored as part of the recent Local Growth Fund programme.

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## Mayoral Combined Authority Board

18 October 2021

### Programme Approvals

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<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Funding Decision
<b>Is this a Key Decision?</b>	Yes
<b>Has it been included on the Forward Plan?</b>	Yes

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#### Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

#### Report Author(s):

Sue Sykes – Assistant Director, Procurement, Contracts and Programme Controls

[Sue.sykes@southyorkshire-ca.gov.uk](mailto:Sue.sykes@southyorkshire-ca.gov.uk)

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#### Executive Summary

This paper requests progression of three capital schemes subject to conditions set out in the Assurance Summaries and three project change requests. The report also seeks acceptance of the Enhanced Partnership Officer funding from the Department of Transport (DFT).

#### What does this mean for businesses, people and places in South Yorkshire?

This report is seeking approval to progress business cases and enter into contract for a number of investment proposals which will support the MCA's aspirations

#### Recommendations

The Board consider and approve

1. Progression of "Thriving Town Centre" FBC to full approval and award of £3.6m grant to BMBC subject to the conditions set out in the Assurance Summary attached at Appendix 1 to be funded from previously committed Gainshare capital funding.
2. Progression of "Canon Diagnostic Suite and Arena" FBC to full approval and award of £1.4m grant to 3 Canon Medical Systems Ltd subject to the conditions set out in the Assurance Summary attached at Appendix 2.
3. Progression of D0036 Strategic Business Case Strategic Business Case to FBC subject to the conditions set out in the Assurance Summary attached at Appendix 3.

4. Approval of 3 change requests
5. Acceptance of £0.66m grant from Department of Transport (DFT) for Enhanced Partnership Officer Funding
6. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above subject to funding being available.

### **Consideration by any other Board, Committee, Assurance or Advisory Panel**

Assurance Panel	20 July 2022
Assurance Panel	19 August 2022
Housing and Infrastructure Board	31 August 2022
Business Recovery and Growth Board	01 September 2022

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## **1. Background**

- 1.1 This report seeks progression to full approval and award of funding for one infrastructure scheme funded from Gainshare. The scheme is located in Barnsley. The report also requests delegated authority to enter into legal agreements for the named scheme.
- 1.2 This report further details the results of the assurance process for two currently unfunded capital investments business cases totalling £6.4m. The report recommends one scheme progress to full approval and award of £1.4m and one scheme to progress from SBC to FBC, subject to the satisfactory conclusion of due-diligence and assurance processes and the agreement of a suitable investment model.
- 1.3 Award of funding to one of these schemes would require a draw down from the capital resource made available for delivery ready schemes in financial years 2022/23 and 2023/24. This would take available uncommitted capital funding to £21.6m over that timeframe.

### **1.3 Progression of schemes to full approval and award of funding**

The report is seeking progression to full approval, contract, and award of grant funding for 2 schemes totalling £5m. The schemes are located in Barnsley and Sheffield.

### **1.4 BMBC - Thriving Town Centre**

This project seeks £3.6m MCA funding as part of a wider £19.82m programme at an intervention-rate of c.18%.

The Thriving Town Centre project will complete the delivery of The Glassworks by securing high-quality tenants with an expanded capital budget for fit-out costs. The project will also help consolidate the retail offer within the town centre dealing with surplus units through the acquisition of 24-32 Cheapside. A number of tenants from 24-32 Cheapside will be supported to relocate to The Glassworks. Ultimately, an Urban Park will be created on the site of 24-32 and this project represents the first phase in the Park's development.



The applicant is requesting £3.6 million of MCA funding for the following:

- £1.0 million for Cheapside – acquisition cost
- £2.6 million for the Glassworks – Fit out contributions

Provision for this project was made in the Gainshare 'Place Investment' allocations approved by the Board in March 2021.

Benefits and outcomes:

- The occupancy of The Glassworks by high-quality tenants is secured and accelerated, improving the retail and leisure experience in the Barnsley.
- Excess retail units in the town centre are reduced consolidating the offer.
- Retail and leisure businesses in the town centre benefit from a more secure future with increased footfall, dwell time and spend.
- Safe and welcoming public realm with sustainable design principles reducing potential for anti-social behaviour and crime

The Assurance Summary notes some conditions of approval that will need to be resolved prior to contract execution, these are detailed in full within Appendix 1

### **Funding**

Gainshare capital resource was committed to this scheme in March 2021 as part of the initial 'Place Investment' infrastructure allocations made. Accordingly, this scheme can be funded from within existing resource.

## **1.5 Canon Medical Diagnostic Suite**

This project seeks investment of £1.4m towards project costs of £14.2m at an intervention rate of c. 10%.

The project is sponsored by Canon Medical Systems Ltd – an existing international business based at the Olympic Legacy Park (OLP) in Sheffield – with the MCA's proposed intervention focused on medical diagnostics.

The project would see the build of the UK's first sustainable and affordable community based multi-purpose arena with an integrated Sports Diagnostic and Medical Suite ("SDMS").

This investment will be an integral part of the major complementary developments on the OLP and a contributor to the ongoing development of AMID as a centre for world-class wellbeing research.

The project has been endorsed by the Business Growth and Recovery Board but is currently unfunded.

### **Sports Diagnostic and Medical Suite**

Canon Medical Systems are a global company, domiciled in Japan for most manufacturing but with multiple Research & Development hubs around the world including, including the OLP.

Canon aim to help the NHS be the first in the world to benefit from a comprehensive implementation of AI, especially in diagnostics. As part of this aim Canon will use MCA investment to part fund the installation of the latest technology in imaging systems, data management, and artificial intelligence solutions within a new diagnostic suite.

Innovations developed here will be included in Canon's systems delivered around the world. The SDMS will include Canon Medical's state-of-the-art diagnostic and scanning facilities that will be available to elite performance athletes through to NHS patients.

Canon will be partnering with other establishments in and around the OLP where there will be a need for imaging as part of any research and data gathering. Some of this research will be as part of a collaboration with Canon Medical Research Europe, but with a facility located at the SDMS.

The SDMS will be a showcase for Canon Medical's latest products and a hub for its research and development division which will complement the AWRC.

## **Arena**

Park Community Arena Ltd has developed the project to-date and is in the process of handing the ongoing development of the Arena to Canon Medical Systems. Upon completion, PCA Ltd will operate the new sustainable, multi-purpose and flexible small community arena (up to 2500 seats with 3 full-size basketball courts amongst other facilities) on the OLP forming an accessible unique sporting, leisure and wellness campus. The project will offer affordable, quality, and flexible indoor facilities for a range of sporting, leisure, entertainment, health and educational services to the wider community.

In addition, it will offer and support a range of research programmes that the Advanced Wellness Research Centre will seek to deliver around improving peoples' health and education through sport and physical activity.

Canon already have a national cryo-warehouse for MRI Scanners, which is also a training centre for its engineers nationally, based in Dinnington, Rotherham. This is also a base for the storage and maintenance of a fleet of mobile MRI and CT Scanners which require very high-power supplies and high indoor space to work in and on the trucks. Canon see the OLP development as an opportunity to develop the foundational footprint in South Yorkshire.

Further details of the schemes and risks are included in the Assurance Summary at Appendix 2.

## **Funding**

This project is currently unfunded. Should the Board wish to proceed with the scheme funding would need to be drawn from the Gainshare capital projects fund.

This fund was set up with £26m to enable the MCA to support delivery ready schemes ahead of Place Allocations being released from 2024 onwards.

To-date, £3m of this fund has been committed, with £23m remaining. Approving the use of this fund for this project would result in £21.6m remaining.

## 1.6 Progression of scheme from SBC to BJC/FBC

### D0036

Scheme D0036 is a pre-authorisation financial services firm that is seeking an equity investment of £5m to support the set-up of a new national challenger bank, based in central Sheffield.

The bank will focus on the provision of targeted residential mortgage lending at a high Loan-to-Value (LTV) rate (eg. 5% deposit) and retail savings products to people in secure but lower paid jobs (specifically public sector and key workers), older consumers and first time buyers who may struggle to access mortgages from high-street lenders.

Potentially, the bank will also design products specifically for South Yorkshire residents only, such as mortgages with reduced fees for first time buyers and savings accounts paying higher rates of interest, as well as 'later life' products that will free up capital for older homeowners with large capital assets but small pensions. The bank is currently progressing through regulatory processes.

D0036 is being set-up by a group of former banking professionals. The applicant estimates that the bank will grow in employment from less than 10 employees in its first year of operation, to employing 226 employees in ten years, including apprentices and paid internships, with profits secured within the first three years of trading.

The applicant has estimated a Return on Investment for the MCA of circa £50m gross by year 10. This is based on an assumed loan book value of approximately £2.3bn and total balance sheet assets of £2.5bn by year 5; funded by retail deposits and capital funding. The MCA's £5m equity stake would secure a shareholding in the equity of around 26%.

Independent expert due-diligence has been commissioned for this proposition, along with the MCA's standard assurance challenge. At this stage scrutiny has raised issues around the risk the MCA would be exposed to as a first investor in an early-stage business that is still progressing through regulatory processes.

The Business Growth and Recovery Board have endorsed the proposal to continue with due-diligence and assurance processes, with the proposal proceeding to FBC.

Further details of the scheme and risks are included in the Assurance Summary at Appendix 3.

## 1.7 Project Change Requests

In recognition of unforeseen circumstances that can arise during the project delivery phase, the approved Assurance Framework establishes a formal process for the acceptance of change requests. These change requests could be financial, requiring reprofiling of funds, or could be to amend deliverables or timescales.

Details of the 3 change requests can be found in Appendix 4.

## **1.8 Enhanced Partnership Officer Funding - £666k**

This grant is only available to Local Transport Authorities (LTAs) that did not receive an indicative BSIP funding allocation. The purpose of the grant is to ensure that those LTAs have the ongoing internal capacity and capability to dedicate to the continued development and delivery of their BSIP and EP (or franchising) over the next three years (2022/23 to 2024/25). DfT will pay this in one lump sum this financial year. It is non-legally binding, as required in Section 31 grants.

## **2. Key Issues**

2.1 Further scheme details and risks are included in the assurance summaries which are presented as appendices to this report.

## **3. Options Considered and Recommended Proposal**

### **3.1 Option 1**

Approve all recommendations.

### **3.2 Option 1 Risks and Mitigations:**

Approval to progress the unfunded business investment proposition may result in a requirement to make a commitment against the MCA's 2022/23 gainshare allocation.

### **3.3 Option 2**

Reject some, or all, of the recommendations.

### **3.4 Option 2 Risks and Mitigations:**

Rejection of some, or all, of the recommendations in this report would mean the region foregoing the forecast benefits arising from the investment and potentially also mean that funding would be returned to government.

### **3.5 Recommended Option**

Option 1

## **4. Consultation on Proposal:**

4.1 Discussions for these projects has continued with thematic boards during project development.

## **5. Timetable and Accountability for Implementing this Decision**

5.1 Subject to the approval of the recommendations and approval by the MCA, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into a legal agreement with the promoter.

5.2 The promoter is responsible for the further development of projects that have gateway approval to the next stage of the MCA Assurance process.

## **6. Financial and Procurement Implications and Advice:**

- 6.1 Two projects are recommended for funding award in this report. Funding has previously been committed to the Barnsley Town Centre scheme, and accordingly this recommendation is in budget and affordable. The second proposal to support the Canon Medical Systems Ltd scheme is currently unfunded, but could be resourced from a draw on the Gainshare capital resource that has been made available for financial years 2022/23 and 2023/24.
- 6.2 Should this resource be drawn upon the available uncommitted capital that could be drawn upon for new and emerging delivery ready schemes would stand at £21.6m.

## **7. Legal Implications and Advice:**

- 7.1 The legal implications of the projects have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed within the Assurance Summaries as presented in the Appendices. Projects have taken full legal advice regarding subsidy control with legal letters supporting applications included
- 7.2 Prior to awarding the grants and entering into investment, the MCA shall ensure contracts are put in place to ensure the recipients comply with the grant conditions

## **8. Human Resources Implications and Advice**

- 8.1 Not Applicable

## **9. Equality and Diversity Implications and Advice**

- 9.1 Appropriate equality and diversity considerations are considered as part of the assurance of the project business cases.

## **10. Climate Change Implications and Advice**

- 10.1 Several the schemes include new and/or enhanced active travel initiatives and improvements to public and community transport infrastructure thereby shifting private vehicle use to more sustainable modes of transport. This aims to deliver huge benefits for health and the prosperity of cities, positively contributing to the the MCA's climate change aspirations.

## **11. Information and Communication Technology Implications and Advice**

- 11.1 Not Applicable

## **12. Communications and Marketing Implications and Advice:**

- 12.1 The approvals provide positive opportunities to highlight the difference the MCA's investments will make to people and passengers, businesses and places across South Yorkshire and how Members are taking action to support the region's recovery from Covid-19.

## **List of Appendices Included**

- 1 Assurance Summary - Thriving Town Centre
- 2 Assurance Summary – Canon Diagnostic Suite and Arena
- 3 Assurance Summary – D0036
- 4 Change Requests

**Background Papers**

None

## 1 – SCHEME DETAILS

<b>Project Name</b>	Thriving Town Centre	<b>Type of funding</b>	Grant
<b>Grant Recipient</b>	Barnsley Metropolitan Borough Council	<b>Total Scheme Cost</b>	£19,815,651
<b>MCA Executive Board</b>	Infrastructure Board	<b>MCA Funding</b>	£3,600,000  (MCA contribution to the Glass Works to date: £7.43m)
<b>Programme name</b>	Gainshare	<b>% MCA Allocation</b>	18%
<b>Current Gateway Stage</b>	FBC	<b>MCA Development costs</b>	n/a
		<b>% of total MCA allocation</b>	n/a

## 2 – PROJECT DESCRIPTION

The Thriving Town Centre project will complete the delivery of The Glassworks by securing high-quality tenants with an expanded capital budget for fit-out costs. The project will also help consolidate the retail offer within the town centre dealing with surplus units through the acquisition of 24-32 Cheapside. A number of tenants from 24-32 Cheapside will be supported to relocate to The Glassworks. Ultimately an Urban Park will be created on the site of 24-32 and this project represents the first phase in the Park's development.

Through these activities the project will deliver the following outcomes:

- The occupancy of The Glassworks by high-quality tenants is secured and accelerated dramatically improving the retail and leisure experience in the Barnsley.
- Excess retail units in the town centre are reduced consolidating the offer.
- Retail and leisure businesses in the town centre benefit from a more secure future with increased footfall, dwell time and spend.
- Safe and welcoming public realm with sustainable design principles reducing potential for anti-social behaviour and crime.

- Perceptions of Barnsley town centre are dramatically improved amongst residents and visitors leading to happier, healthier communities and a virtuous cycle of private sector investment.

The applicant is requesting £3.6 million of MCA funding for the following:

- £1.0 million for Cheapside – acquisition cost
- £2.6 million for the Glassworks – Fit out contributions

### 3. STRATEGIC CASE

<p><i>Options assessment</i></p>	<p>As part of the assessment of options, the applicant has considered a Do Minimum, a discounted Viable Alternative and the Preferred Option, In the Do Minimum option (i.e. without MCA investment) it has been noted that the applicant's matched contribution would be £1m greater than in the Preferred Option. The additional funds are as a result of the need to undertake further prudential borrowing; however, given the applicant's high existing level of debt, this is not considered a viable option. The Preferred Option allows the applicant to proceed without taking on further debt and enables the full Glassworks programme, as well as the maximum level of benefits. It is clear from the rationale why the Preferred Option has been considered, as this is the only option which will fully meet the SMART objectives of the scheme.</p> <p>It is stated in the business case and following clarification with the applicant, that they are likely to seek further funding in the future for the Do Max option (inclusion of the Urban Park). If future MCA funding is requested, it is recommended that further business case work is undertaken to ensure the rationale behind this is clear and that the benefits/scope of the delivery are additional to those in the preferred option.</p>
<p><i>Statutory requirements and adverse consequences</i></p>	<p>The applicant states that the project does not require any statutory permissions.</p> <p>The applicant has highlighted that not all tenants for the Glassworks have been secured and there is the potential for unoccupied space at both Glassworks and Cheapside.</p> <p>The applicant has stated that one of the three tenants at 24-32 Cheapside does not wish to relocate. Their tenancy runs to 2023/24 and if they choose to remain, this could delay the demolishing of Cheapside and subsequently the Urban Park creation. It has not been possible to determine the impact of this on the value for money position of the project. BMBC will continue discussions with the tenant and will encourage them to take space at The Glassworks, or elsewhere in the town centre.</p>
<p><i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i></p>	<p>The project aligns with both the SEP and RAP:</p> <p>The overarching policy objective of growth: 'growing the economy and enhancing its strength and resilience.' The project aims to achieve the full occupation of The Glassworks, thereby supporting Barnsley's growth through increased town centre visitors, dwell-time and spend. The project also aims to make the town a much more attractive place to live and do business.</p>



The SEP highlights an ambition to achieve 'vibrant and resilient places' with 'the towns of Barnsley, Doncaster, and Rotherham, and Sheffield's city centre well placed to build on their current entrepreneurial and creative advantages to unleash the full economic potential.' The project will make a major contribution Barnsley Council's vision for the town centre and help unleash its economic potential.

#### 4. VALUE FOR MONEY

##### Monetised Benefits:

<i>VFM Indicator</i>	<i>Value</i>	<i>R/A/G</i>
<i>Net Present Social Value (£)</i>	£2.6m	G
<i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i>	3.43	G

##### Value for Money Statement

The scheme does represent acceptable value for money.

Both the monetised and non-monetised benefits and costs associated with the scheme have been considered. The monetised Benefit-Cost Ratio (BCR) has been estimated at 3.43 for the preferred option based on an assessment of Direct Land Value Uplift and Distributional Impacts.

A BCR of 3.43 represents "High" Value for Money according to HM Treasury's classifications. When also taking into account the Non-Monetised Impacts, the VfM category is further supported and overall, the scheme will still deliver acceptable" Value for Money.

The the direct land value uplift associated with the scheme has been modelled. Rents are based on current income levels and are consistent with Co-Star (subscription based real estate values). This used to sense check the assumptions made. A 2.5% increase in rents for the preferred option is reasonable given the location and the type of land use of the scheme.

#### 5. RISK

Key risks as identified in the business case include:

1. The rise of new COVID-19 variants leads to lockdown measures being re-introduced which prevent the opening of non-essential retail and hospitality businesses. BMBC indicate they have little control over the mitigation of this risk.
2. Given the on-going uncertainty around the lifting of pandemic lockdown restrictions, prospective tenants may ultimately choose not to conclude negotiations and not take space at the Glass Works. To mitigate this BMBC Officers have remained in close contact with prospective tenants through the COVID-19 outbreak and lockdown. Prospective tenants appear committed to taking space, but their expectations for the level of inducements have risen significantly.
3. Upon acquiring the property, two of the three tenants may choose not to take up space in the Glass Works and either choose alternative space in the town centre or close their outlets in Barnsley. If this risk materialises it will weaken one of the Council's desired objectives to secure full occupation of the Glass Works. Other objectives will still be met, which are to rationalise excess retail space and develop high-quality public realm and greenspace.

4. Risk: It takes longer to conclude individual negotiations than anticipated leading to some expenditure slipping into 2022/23. If there are delays in a considerable number of the on-going negotiations this could lead to the Gain Share allocation not being fully spent as currently forecast.

The applicant has stated that the total risk associated with the scheme built into the cost plan is £9.3 million which represents approximately 47% of the total cost.

Any over-runs would be met by Barnsley Council.

## 6. DELIVERY

The timetable seems reasonable, and the applicant has confirmed that Cheapside has been purchased.

Degree of cost certainty has been pegged at 95%. This is consistent with the details provided on the agreed/incurred acquisition costs and the approach to agreeing the overall budget for fit-out costs based on discussions with prospective tenants. This means that there is no room for cost overruns.

The applicant has provided an organogram of how Barnsley Council is structured into five directorates. The team responsible for delivering the Thriving Town Centre project sits within the Place Directorate with the project being led by the Town Centre Regeneration Team. A dedicated Project Manager will be assigned to each of the key elements, with one team member leading on the completion of Glassworks and another on the acquisition of 24-32 Cheapside. A brief biography of the key team members involved in delivering the Thriving Town Centre is provided in the management case.

Alex Richardson, Group Leader of Regeneration, has been identified since submission of the business case as the Senior Responsible Officer for the project.

An evaluation report will be completed in house by May 2024 and will be shared with the MCA. The report will focus on progress on the measures of success listed in the table above. It will also provide analysis of the project's performance on the monitoring metrics and explore how effective the project was designed and delivered. The Council will continue monitoring measures of success through to at least 2027 and this will enable a longer-term analysis of the project's performance to be completed.

## 7. LEGAL

The applicant has received independent legal advice in relation to the capital fit-out inducement budget. This advice was received before the introduction of the new Subsidy Regime and confirmed that the approach met EU state aid rules. They have also stated how the scheme reflects the new Subsidy Control regime above. MCA legal have also had sight of the Subsidy Control information as presented in the business case and are satisfied with the information provided.

## 8. RECOMMENDATION AND CONDITIONS

<b>Recommendation</b>	Approve subject to conditions
<b>Payment Basis</b>	Payment on defrayal
<b>Conditions of Award (including clawback clauses)</b>	

***The following conditions to be included in the contract.***

1. Clawback on outcomes at the MCA's discretion

***The following conditions must be satisfied before contract execution.***

2. Evidence of internal Board approval to proceed.
3. Solicitor's opinion to confirm Subsidy Control position.
4. Confirmation of the definitive set of outputs and outcomes which the MCA will contract against and monitor.
5. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.
6. Provide evidence of public support for the project
7. Confirmation that the matched funding is in place and the amount has not changed.
8. Confirmation that the capital costs requested are fixed and are not subject to change, nor will the scope of the project be reduced if there are cost overruns.

***The following conditions must be satisfied before drawdown of funding.***

9. All required statutory consents including planning enquiries must be satisfied
10. Ensure that the Monitoring and Evaluation plan covers all outputs/outcomes related to the project including changes in rental income and yield rates. M+E should be tailored for this project even though there is the potential overlap with the Levelling-Up Fund. As part of the evaluation of the project, data regarding rental prices and yield rates should also be compared to across time considering these are the main assumptions that derive the economic benefits associated with the scheme.

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## 1 – SCHEME DETAILS

<b>Project Name</b>	Canon Diagnostic Suite and Arena	<b>Type of funding</b>	Grant
<b>Grant Recipient</b>	Canon Medical Systems Ltd	<b>Total Scheme Cost</b>	£14.2m
<b>MCA Executive Board</b>	Business Growth	<b>MCA Funding</b>	£1.4m
<b>Programme name</b>	Business Growth	<b>% MCA Allocation</b>	9.9%
<b>Current Gateway Stage</b>	FBC	<b>MCA Development costs</b>	n/a
		<b>% of total MCA allocation</b>	n/a

## 2 – PROJECT DESCRIPTION

The project will build the UK's first sustainable and affordable community based multi-purpose arena with an integrated Sports Diagnostic and Medical Suite ("SDMS"). Over time, the facility will have an outstanding reputation for delivering a service that supports professional athletes and complements the health needs of the city's residents. This will be an integral part of the major complementary developments on the Olympic Legacy Park in Sheffield.

### **Sports Diagnostic and Medical Suite**

Canon Medical, together with its UK R&D Division based in Edinburgh, will install the latest technology in imaging systems, data management and artificial intelligence solutions, to deliver the best patient outcomes for today and the future. Innovations developed here will be included in Canon's systems delivered around the world. The SDMS will include Canon Medical's state-of-the-art diagnostic and scanning facilities that will be available to elite performance athletes through to NHS patients.

Canon will be partnering with other establishments in and around the OLP where there will be a need for imaging as part of any research and data gathering. Some of this research will be as part of a collaboration with Canon Medical Research Europe, but with a facility located at the SDMS.

The SDMS will be a showcase for Canon Medical's latest products and a hub for its research and development division which will complement the AWRC. Canon Medical Systems are a global company, domiciled in Japan for most manufacturing but with multiple Research & Development hubs around the world including. The ambitions are to help the NHS be the first in the World to benefit from a comprehensive implementation of AI, especially in diagnostics, and our partnership with Academia and Healthcare in Sheffield, through this project, is key.

### **Arena**

Park Community Arena Ltd has developed the project to date and is in the process of handing the ongoing development of the Arena to Canon Medical Systems. Upon completion, PCA Ltd will operate the new sustainable, multi-purpose and flexible small community arena (up to 2500 seats with 3 full-size basketball courts amongst other facilities) on the emerging, high profile Olympic Legacy Park in Sheffield, forming an accessible unique sporting, leisure and wellness campus. The project will offer the wider community, in a deprived area, affordable, quality, and flexible indoor facilities for a range of sporting, leisure, entertainment, health and educational services.

In addition, it will offer and support a range of research programmes that the Advanced Wellness Research Centre will seek to deliver around improving peoples' health and education through sport and physical activity.

Canon already have a national cryo-warehouse for MRI Scanners, which is also a training centre for its engineers nationally, based in Dinnington, Rotherham. This is also a base for the storage and maintenance of a fleet of mobile MRI and CT Scanners which require very high-power supplies and high indoor space to work in and on the trucks. Canon see the OLP development as an opportunity to develop the foundational footprint in South Yorkshire.

The MCA is being asked to support with grant funding to cover cost increases in relation to the Canon Diagnostic Suite and Arena, with build costs having increased from £11.9m to £14.2m due to increased cost of materials and labour as a result of the Covid-19 pandemic and other global factors. This is despite extending the repayment period of the loan to PCA from 15 to 20 years whilst maintaining a 3-year interest only period. This still leaves a funding gap of £1.4m to realise the full benefits of the project. This £1.4m funding gap is what is being requested from MCA.

3. STRATEGIC CASE	
<p><i>Options assessment</i></p>	<p>The applicant sets out a range of potential options, including a Do Minimum, one Viable Alternative (£1.2m shortfall made up through MCA grant) and the Preferred Option (£1.4m shortfall made up through MCA grant).</p> <p>The rationale supporting the choice of the preferred option is that without grant funding, the quality and functionality of the Arena and associated facilities would have to be compromised. This would result in the removal of the Endoscopy Unit to save £1.2m and a reduction in the Arena seating to save £0.2m. As a consequence, 15 Endoscopy Nurses and 5 Healthcare assistants and an additional 5FTEs per annum associated with the arena hosting larger events would not be employed, as well as endoscopy capacity not being delivered, and AI capabilities not being realised when compared with the Do Minimum.</p> <p>The Preferred Option is also more advantageous than the Viable Alternative due to the inclusion of the Arena seating, which will deliver more bed nights as the expected larger events, leading to higher employment.</p> <p>Given these aspects of the options appraisal, it is clear why the preferred option has been chosen.</p>
<p><i>Statutory requirements and adverse consequences</i></p>	<p>The applicant states that full planning permission has been received for the project and all pre-planning conditions have been discharged. As previously mentioned, the tree-planting program as a means to offset carbon has been accepted as a condition of the Planning Approval.</p> <p>In terms of transport routes, the applicant has stated that a transport plan was previously submitted with the Planning Application for the entire OLP, developed by ARUPS. Parking and road infrastructure in the area is already developed/submitted, and the arena is served by bus and tram.</p> <p>No adverse consequences have been identified by the scheme promoter. Carbon offsetting is a key aspect of this scheme's carbon neutrality, and therefore, the implementation of these measures should be a key outcome measured through the Monitoring and Evaluation process.</p>
<p><i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i></p>	<p>The project aligns with the “<b>Stronger</b>” outcome through supporting increased productivity, creating 62 jobs by the end of 2023/24, including 4 in management roles and 41 in professional occupations. The project has a strong emphasis on research, which helps to contribute to the MCA's aim of increasing investment in R&amp;D in South Yorkshire. The Enterprise indicator will be supported through the research elements of the project, which aims to support between 2 and 5 projects from 2023-2028.</p>

The project also aligns with the “**Fairer**” strategic outcome through its delivery of education and community-based programmes through the arena’s Study Support Centre, with the applicant stating that 50 schools will be supported in South Yorkshire by 2025. The scheme will aim to help young people at risk in their own communities to gain skills and enhance their employment prospects in collaboration with the UTC College. All jobs will be at the Living Wage or above, whilst the diagnostic suites and affordable access to the arena will improve health journeys and outcomes. This will also meet the MCA’s target for the population to “live increasingly long, healthy lives”. In terms of health indicators, the applicant states that there will be 38,400 appointments per annum attended by local Sheffield residents to the medical centre, however this is not a direct link to improving health outcomes for the area.

This project will also contribute to the “**Greener**” strategic outcomes in the SEP, with the arena carbon emissions being offset through Canon’s Carbon Zero initiative. The carbon used in the project, including building materials, fit out and the energy usage of the diagnostic equipment, will be offset through programmes in Kenya and Uganda. The building is to be constructed to BREEAM standard Good.

#### 4. VALUE FOR MONEY

##### Monetised Benefits:

<i>VFM Indicator</i>	<i>Value</i>	<i>R/A/G</i>
<i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i>	5.25	G

##### Value for Money Statement

The costs and benefits are calculated over a 10-year appraisal period, with costs and benefits discounted by 3.5% per annum. Based on this, a BCR of 5.25 is calculated, representing good value for money. A similar calculation for the Reasonable Alternative Option (Option 2) was also undertaken and resulted in a BCR of 2.41, demonstrating that the Preferred Option offers higher value for money.

There are also many non-monetisable benefits resulting from the scheme. Through the Preferred Option, there will be the ability to offer more community support through Arena facilities, however this is not quantified. Other important non-monetised benefits focus on engagement “*across a wide range of partners and collaborators including the Universities and other occupiers on the OLP. AI development is expected to result in the set-up of a least 10 early stage AI businesses, which will be based on or around the OLP.*”



## 5. RISK

The applicant has included 5 main risks within the business case, with 24 risks identified in the Risk Log in Appendix A.3.

The greatest risk relates to the supply chain delays and constraints, with the mitigation that key items are being purchased in advance, and the building is phasing its opening. However, delays may consequently increase the overall cost of the project. COVID-19 and a shortage of labour is also identified as a key risk. While no mitigations are identified for the risk in the text, the applicant previously clarified that *“Project partners have good networks in various sectors and will use these as well as other means to start the recruitment process. The relatively long lead time gives more opportunity to recruit.”*

Two of the risks presented are related to delays in the project. Further delays leading to higher costs are mitigated by the project commencing prior to Christmas, with preliminary costs, such as legals and other professional fees, were incurred before Christmas but not the building work. As clarified by the applicant, site preparation and clearance commenced in April 2022. Further delays to the programme are also to be mitigated through managing expectations for the public and communities involved. However, this could also lead to reduced revenues for a short period after the construction period, so should be considered a minor temporary risk for the project.

An additional high priority risk within the FBC body is the financial viability of anchor tenants, which while a low likelihood would have a high impact on the project. However, this is mitigated by anchor tenants having passed due diligence criteria set by Canon’s corporate parent in Japan to release the authorisation to invest.

Although the majority of costs should be fixed once the JCT Fixed Price contract is signed in Feb 22, given the evidence of previous cost increases and potential for further value engineering/cutbacks noted in the business case, it would be advised for the MCA to introduce clawback conditions on the grant funding to ensure the delivery of the community elements/social value outcomes as part of the grant agreement.

No funding risks have been identified for this project as the only unsecured funding source required is from MCA.

As noted, the procurement process is now complete, which will mean that some risks are now greatly reduced. However, there are still risks associated with project partners and the works to be undertaken.

The applicant has supplied a risk register drafted for Canon Diagnostic Suite and Arena, detailing these risks. Firstly, there is a risk of B&E Boys not being able to supply the correct materials to meet the programme specification. This will be mitigated by B&E Boys reviewing the specification and limiting changes to this specification such that early ordering of materials can be processed. Another risk highlighted is the final build, and achieving a good BREEAM standard, which is considered a low risk and will be monitored by the applicant. Finally, there is a risk associated with construction issues due to restricted access from adjacent developments, which will be mitigated through communication and co-operation with adjacent developments.

It is also noted by the applicant that B&E Boys have previously delivered a similar project with Leicester Arena which was delivered on time and on budget which was a key determinant of the approach to procurement.

## 6. DELIVERY

The delivery timetable represents a relatively ambitious programme of activity which aims to complete construction by August 2023, as outlined by the applicant. Procurement has been completed and the Statutory process is now completed with no dependencies identified. The lease has also been signed for this project. The applicant has also clarified that some aspects of the scheme have begun, stating in clarification responses that *“UXO clearance [took place] in April 2022, grouting to mitigate the mine shafts beneath [in] May 2022 and concrete pouring into the foundations and site preparation [during] June and July 2022.”* Collectively, this reduces the level of uncertainty regarding the project and its milestones, though the programme remains ambitious to complete the project within 16 months.

The procurement process was initially by negotiated tender using the company that built the Leicester Riders Basketball Arena (B&E Boys Construction), An alternative contractor, GMI was also asked to provide a quote, which was approximately £1m higher than those provided by Boys. The procurement process is now complete, and the contract has been awarded to B&E Boys, with full RIBA stage 4 drawings and a JC Fixed price contract in place. The only aspect not covered by B&E Boys is the Diagnostic Suite, where works *“will be undertaken by Canon’s preferred supplier as they have specialist experience in this area.”*

Therefore, the procurement strategy is clear in this application.

The level of cost certainty is stated as 95% within this business case. Given that RIBA Stage 4 designs have been developed and the signing of the JCT Fixed Price contract is in place between Canon Medical and Boys Construction (as explained in the commercial case and subsequent clarifications), this represents a high degree of cost certainty.

The applicant notes that the building work is being procured through a JCT contract to limit any potential cost over-runs. Should there be any increase in associated cost this will be covered by support from Canon Medical Systems Ltd (CMS), value engineering if any further opportunities available or cutbacks to the project. Subsequent clarifications note that any cost increases are expected to be marginal and that the applicant would *“try and identify cost savings not impacting on the deliverables of the project. If this is not possible CMS will review and potentially increase a small amount of additional funding. There will be limited impact on social outcomes from any cost increases and so the social value outcomes within the MCA will not be affected”*.

The applicant has identified a clear governance structure for the operation of the project, provided in the project organogram. Canon Arena and Canon Medical Systems UK will be the developers and funders, with Park Community Arena Ltd as the operating company.

Upon the operational stage of the scheme commencing, the anchor tenants will be Living Care in the Diagnostic Medical Suite, Sheffield Sharks Basketball Franchise and MLS Contracts Ltd.

The applicant has noted that key team members overseeing project delivery are in place. The SRO identified is Canon Medical Systems Ltd represented by their Chief Executive, Mark Hitchman and the Director of Commercial Solutions, Ian Watson. Further detail regarding the governance/oversight in relation to project delivery and reporting lines and procedures would further benefit this business case.

The applicant notes that the project is supported by the Olympic Legacy Board and its Chairman, Richard Caborn. Subsequent clarifications highlighted that the Canon Diagnostic Suite and Arena has been subject to public consultation as part of the wider Olympic Legacy Park project. Within this, the Arena is considered an integral part of the Olympic Legacy Park development and has received support from schools and the University Technical College on site. Sheffield City Region are also supportive of the project and have provided assistance for planning permission for the scheme. Therefore, it is fair to assume that there is public support for this project.

At the time of writing, the applicant has not developed the monitoring and evaluation procedures for this scheme nor outlined how this would be resourced, with this element still to be determined between Canon and the MCA. Canon as project lead will be monitoring outputs through the scheme, however, it is unclear if these will be directly reported, and other elements are considered out of scope for the applicant. The applicant has also stated that there are no monitoring obligations for other funders.

## 7. LEGAL

The applicant originally sought advice from DLA Piper, whose advice was “*that the provision of funding to MRC does not infringe UK subsidy control law*”. The applicant states that due to the change in funding ask since this point (£1.4m funding compared to £1.2m previously) that this advice may need updating. However, no issues are foreseen in completing this minor change.

## 8. RECOMMENDATION AND CONDITIONS

<b>Recommendation</b>	Full grant award subject to conditions
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<b>Payment Basis</b>	Payment on defrayal
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### Conditions of Award (including clawback clauses)

***The following conditions must be satisfied before contract execution.***

1. Provision of a suitable subsidy control legal opinion. Clarity should be sought on subsidy control compliance, to confirm that the increase in the funding ask still complies with subsidy control laws.
2. Confirmation of planning approval
3. Confirmation of other funding in place

4. Confirmation of how any cost overruns will be funded without further recourse to the taxpayer. Although the majority of costs should be fixed once the JCT Fixed Price contract is signed in Feb 22, given the evidence of previous cost increases and potential for further value engineering/cutbacks noted in the business case, it would be advised for the MCA to introduce clawback conditions on the grant funding to ensure the delivery of the community elements/social value outcomes as part of the grant agreement.
5. Provision of current employment baseline and proposed phasing of headcount expansion, with evidence showing proportion of SY residents recruited
6. The MCA should confirm the monitoring and evaluation plans for the scheme with the applicant to determine how this will be resourced and confirm outputs and outcomes to be monitored in order to evidence the impact of the scheme.
7. Evidence of long-term hire agreements with principal partners should be provided to the MCA once signed.
8. Confirmation of how project delivery will be monitored

**The following conditions must be included in the contract**

9. Agreed schedule of inclusive and environmental commitments
10. Clawback on outcomes, including both jobs and social value commitments, at MCA's discretion
11. Suitable overage clause to be considered for inclusion in agreement
12. Confirmation the Applicant will cover cost overruns without reducing outcomes

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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Appendix 4

Project Name	Project Description	Change/s Requested	Justification
L0039 (A630 Parkway Widening)	This project is for highway improvements that will provide an additional lane in each direction of the 2.1 kilometre section of the A630 Parkway between the M1 Junction 33 and the Catcliffe Interchange.	<ul style="list-style-type: none"> <li>Request to slip 21/22 funds into 22/23 financial year, reprofiling 22/23 budget to £22.78m.</li> </ul>	Change to previous forecast fund profile following post year end reconciliation. Result of construction delays and lower than forecast management costs. Confidence of delivery by March 2023 (within approved timescales).
T0024 (Parkgate)	The project will deliver 3 interventions on and adjacent to the A633 corridor link road to relieve congestion	<ul style="list-style-type: none"> <li>Request to slip £2.00m from 22/23 into 23/24</li> <li>Revised scheme completion date June 2023</li> </ul>	Delays to satisfying conditions of approval linked to planning permission and associated land agreements.
Porter Brook	The project is receiving £0.35m Brownfield Housing Fund grant to clear and make good a potential housing site in Sheffield's Cultural Industries Quarter. It is hoped the cleared site will deliver between 160 and 200 apartments before March 2025	<ul style="list-style-type: none"> <li>Request to slip £0.29m of the funding budget from 21/22 to 22/23, with a corresponding change to the project milestones also.</li> </ul>	Delays to the works have resulted, however this delay will allow a private sector developer to be on board with the re-design and implementation of improvements to the pocket park which is part of the site.

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**Mayoral Combined Authority Board**

**18 October 2022**

**Independent Member Appointment to Audit, Standards & Risk Committee**

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<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Governance
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Not a Key Decision

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**Director Approving Submission of the Report:**  
Steve Davenport, Principal Solicitor/Monitoring Officer

**Report Author(s):**  
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**Executive Summary**

This report seeks approval of the appointment of an independent member to the Audit and Standards Committee.

**What does this mean for businesses, people and places in South Yorkshire?**

Properly constituted committees will ensure that the MCA can function effectively and make decisions that have a positive impact on the South Yorkshire communities.

**Recommendations**

Members are asked to approve the appointment of Dave Philips an independent member of the Audit, Standards and Risk Committee.

**Consideration by any other Board, Committee, Assurance or Advisory Panel**

n/a

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## **1. Background**

- 1.1 The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 prescribes a number of matters determining how the Combined Authority must make arrangements for an Audit Committee including, amongst other matters the appointment of at least one Independent Person as a member of the Committee.

## **2. Key Issues**

### **2.1 Audit, Standards and Risk Committee**

Until recently the Committee had two independent members. One member ended their term in July and the remaining member is due to end their term March 2023.

Following an open recruitment exercise, interviews took place on 26<sup>th</sup> September. The panel consisted of the Audit, Standards and Risk Committee Chair, The Executive Director of Finance and Investment and the Head of Corporate Governance.

It is recommended that Dave Philips is appointed to the Committee for a term of 3 years.

A further recruitment campaign will take place in the new year as required.

## **3. Consultation on Proposal**

- 3.1 None, it is a requirement of the 2017 Order to appoint an Independent Person to the Committee.

## **4. Timetable and Accountability for Implementing this Decision**

- 4.1 The term of office for the independent member will be 3 years from the date of the next Committee meeting – 19<sup>th</sup> October 2022.

## **5. Financial and Procurement Implications and Advice**

- 5.1 There are no financial implications associated with the appointments other than the agreed allowance made to independent members of the Audit and Standards Committee.

## **6. Legal Implications and Advice**

- 6.1 The membership requirements of all MCA Boards and Committees are determined by the Constitution and the Local Democracy, Economic Development and Construction Act 2009 (and regulations made there under). There will be a formal appointment contract put in place with the Independent Member.

## **7. Human Resources Implications and Advice**

- 7.1 There are no human resources implications relating to these appointments.

## **8. Equality and Diversity Implications and Advice**

8.1 The overall composition of the committee is determined by the nominations made by Local Authorities. The recruitment and selection process for independent members is open and transparent and appointments are made on merit.

## **9. Climate Change Implications and Advice**

9.1 An Impact Assessment is not required for this activity.

## **10. Information and Communication Technology Implications and Advice**

10.1 There are no information and communication technology implications relating to this activity.

## **11. Communications and Marketing Implications and Advice**

11.1 There are no communications and marketing implications relating to this activity.

### **List of Appendices Included**

A None

### **Background Papers**

MCA Constitution

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## Mayoral Combined Authority Board

18 October 2022

### Decisions & Delegated Authority Report

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<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Governance
<b>Funding Stream:</b>	Not applicable
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Not a Key Decision

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**Director Approving Submission of the Report:**

Ruth Adams, Deputy Chief Executive

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**Executive Summary:**

This paper updates the Mayoral Combined Authority on

- Decisions and delegations made by the MCA
- Decisions and delegations made by Thematic Boards
- Decisions and delegations made by the Officer Scheme of Delegation

**Recommendations:**

Members are asked to note the decisions and delegations made.

**List of Appendices Included**

- A **Appendix A** - Decisions and delegations made by the MCA

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## Appendix A

UI	Decision Maker	Date of delegation	Decision	Delegation	Delegated to	Financial value	Update	Status
127	MCA	27th July 2020	To enter into legal agreements with the four Local Authorities for their Phase 2 Active Travel schemes.	Enter into legal agreements with the four Local Authorities for their respective schemes for Phase 2 schemes.	Head of Paid Service in consultation with the s73 and Monitoring Officer	upto £7.939m	In progress	Active
216	MCA	02 September 2021	Progression of T28 Unity (OBC) to MCA for approval to proceed to FBC and release up to £50k business case development cost funding from TCF2 to Doncaster Metropolitan Borough Council subject to the conditions set out in the Assurance Summary at Appendix B to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme and enter into the necessary legal grant agreements with the Local Authorities and other delivery partners for the delivery of the Community Renewal funded projects.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£50k	Contract Negotiation	Active
219	MCA	20 September 2021	Progression of T18 iPort Bridge (FBC) to MCA for full approval of award of £5.45m from TCF2 to South Yorkshire Passenger Transport Executive subject to the conditions set out in the Assurance Summary at Appendix E to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme and enter into the necessary legal grant agreements with the Local Authorities and other delivery partners for the delivery of the Community Renewal funded projects.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£5.45m	Contract Negotiation	Active
Page 8 of 25	Transport & the Environment Board	16 December 2021	Progression of 'T27 South Yorkshire Rail Station Improvements' to MCA for full approval and award of £3.45m grant from Transforming Cities Fund to South Yorkshire Passenger Transport Executive subject to the conditions set out in the Assurance Summary.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£3.45m	Contract Issued	Active
244	Transport & the Environment Board	16 December 2021	Progression of 'O46 Warmsworth to Conisbrough Active Travel Link' to full approval and award of £1.0m grant from ATF2/Gainshare to DMBC subject to the conditions set out in the Assurance Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£1m	Contract negotiation	Active
254	Housing & Infrastructure Board	01 March 2022	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for "Doncaster Small Sites" project for £0.89m Brownfield Housing Funding to DMBC	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.89m	Contract Negotiation	Active

UI	Decision Maker	Date of delegation	Decision	Delegation	Delegated to	Financial value	Update	Status
255	Housing & Infrastructure Board	01 March 2022	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for "Former Nightingale School" project for £1.57m Brownfield Housing Funding to DMBC	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.57m	Contract Negotiation	Active
256	Housing & Infrastructure Board	01 March 2022	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for "Adwick Depot" project for £1.2m Brownfield Housing Funding to DMBC	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.2m	Contract Negotiation	Active
259	Officer Scheme of Delegation	02 March 2022	Appointment of Main Contractor – Parkgate Link Road and Park and Ride	Officer Scheme of Delegation to Executive Director of SYPTE	Executive Director of SYPTE	£8,420,930	Contract Negotiation	Active
260	Officer Scheme of Delegation	02 March 2022	Appointment of Balfour Beatty for Phase 1 of the A61 TCF Scheme – Widening of Old Mill Lane Bridge	Officer Scheme of Delegation to Executive Director of SYPTE	Executive Director of SYPTE	£5.5m	Contract Negotiation	Active
261	Officer Scheme of Delegation	02 March 2022	Approval to place an order with the SYMCA approved supplier of EV Chargepoint Equipment for the supply and installation of up to 50 EV Chargepoints at SYPTE P&R sites across the county.	Officer Scheme of Delegation to Executive Director of SYPTE	Executive Director of SYPTE	£532k	Contract issued	Active
262	Officer Scheme of Delegation	03 March 2022	Enter into a Funding Agreement with Northern Trains Ltd for the delivery of the Transforming Cities Funded (TCF) South Yorkshire Rail station improvements programme	Officer Scheme of Delegation to Executive Director of SYPTE	Executive Director of SYPTE	£3,133,440	Contract issued	Active
264	Housing & Infrastructure Board	15 March 2022	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for £0.06m Gainshare Funding to DMBC for "Doncaster Natural Flood Management" project.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.06m	Contract Negotiation	Active
265	Housing & Infrastructure Board	15 March 2022	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements £0.06m Gainshare Funding to DMBC for "Doncaster Surface Water Mitigation" project.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.06m	Contract Negotiation	Active
266	Officer Scheme of Delegation	04 May 2022	Appointment of consultant to undertake final detail design of the Parkgate link road, including drainage and site supervision of the construction.	Officer Scheme of Delegation to Corporate Director of Public Transport	Corporate Director of Public Transport	£655k	Contract issued	Active
267	Officer Scheme of Delegation	04 May 2022	Appointment of City Fibre to undertake the diversion of underground services affected by the new bridge widening and highway improvement scheme on the A61 in Barnsley.	Officer Scheme of Delegation to Corporate Director of Public Transport	Corporate Director of Public Transport	£271,768.68	Contract Negotiation	Active



UI	Decision Maker	Date of delegation	Decision	Delegation	Delegated to	Financial value	Update	Status
268	Officer Scheme of Delegation	01 June 2022	Grant authority to Doncaster MBC to deliver the A630 Bus Priority Technology Updates Project on behalf of the SYMCA	Officer Scheme of Delegation to Corporate Director of Public Transport	Corporate Director of Public Transport	£1.25m	Contract Negotiation	Active
269	MCA	06 June 2022	Progression of "Sheaf Valley Cycling Route" project to full approval and award of £2.3m grant to Sheffield City Council (SCC)	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and monitoring officer to enter into legal agreements for the schemes covered above, subject to funding being available	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£2.3m	Contract Negotiation	Active
270	MCA	06 June 2022	Progression of "A630 Bus Improvements" project to full approval and award of £1.6m grant to South Yorkshire Passenger Transport Executive	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and monitoring officer to enter into legal agreements for the schemes covered above, subject to funding being available	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.6m	Contract Issued	Active
277	Housing & Infrastructure Board	29 June 2022	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for £0.03m funding to BMBC for "Goldthorpe Pre-1919 Redevelopment" project.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.03m	Contract Negotiation	Active
278	Business Recovery and Growth Board	30 June 2022	Progression of the Tech Welcome pilot to full approval subject to the conditions in the	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£340k	Contract Negotiation	Active
Page 85	Transport & the Environment Board	30 June 2022	In principle approval of 'CRSTS03-1 Darton Active Travel Hub' OBC to FBC and release of development cost funding of £0.08m from City Region Sustainable Transport Settlement (CRSTS) to Barnsley Metropolitan Borough Council (BMBC)	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.08m	Contract Negotiation	Active
283	MCA	25th July 2022	Progression of 'Zero Emission Bus Regional Areas (ZEBRA)' Full Business Case (FBC) to full approval and award of £2.68m grant to South Yorkshire Mayoral Combined Authority (SYMCA)	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£2.68m	Contract Negotiation	Active
284	MCA	26th July 2022	Progression of 'Tram Train Magna Stop including Park & Ride' FBC to full approval and award of £6.54m to South Yorkshire Mayoral Combined Authority (SYMCA)	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£6.54m	Contract Negotiation	Active
285	MCA	27th July 2022	Progression of 'South West Bus Corridors' Outline Business Case to FBC and release of development cost funding of £0.38m grant to Sheffield City Council (SCC)	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements.	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.38m	Contract Negotiation	Active
287	Business Recovery and Growth Board	01 September 2022	Progression of "Canon Diagnostic Suite and Arena" project to full approval and award of £1.4m grant to Canon Medical Systems Ltd subject to the conditions in the Assurance Panel Summary attached at Appendix A	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme covered above	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.4m	No update at the present time.	Active

UI	Decision Maker	Date of delegation	Decision	Delegation	Delegated to	Financial value	Update	Status
288	Business Recovery and Growth Board	01 September 2022	Progression of D0036 Strategic Business Case (SBC) to the MCA Board for approval to proceed to Full Business Case (FBC)	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme covered above	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£5m	No update at the present time.	Active
289	Transport & the Environment Board	01 September 2022	Progression of 'T0003 A61 Royston Active Travel Scheme' Full Business Case (FBC) to the MCA for full approval and award of £5.2m grant to Barnsley Metropolitan Borough Council (BMBC)	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme covered above	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£5.2m	Contract Negotiation	Active
290	Transport & the Environment Board	01 September 2022	Progression of 'T0012 A635 Active Travel Scheme' FBC to the MCA for full approval and award of £2.4m grant to Barnsley Metropolitan Borough Council (BMBC)	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme covered above	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£2.4m	Contract Negotiation	Active
291	Officer Scheme of Delegation	07 September 2022	Decision to award ZEBRA funding to Stagecoach to procure buses and infrastructure	Officer Scheme of Delegation to Corporate Director of Public Transport.	Corporate Director of Public Transport	up to £6,716,702	Contract Negotiation	Active
292	Officer Scheme of Delegation	07 September 2022	Mass Transit Project - Amendment of Mott MacDonald Commission	Officer Scheme of Delegation to Corporate Director of Public Transport.	Corporate Director of Public Transport	£941,729.52	Contract Negotiation	Active
293	Officer Scheme of Delegation	07 September 2022	A61 Wakefield Road Bus Corridor - Phase 1, Variations to Consultant's appointment	Officer Scheme of Delegation to Corporate Director of Public Transport.	Corporate Director of Public Transport	£142,000	Contract Negotiation	Active
294	Delegated Authority - CEO	03 October 2022	BMBC - A61 Royston active travel scheme	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme covered above	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£5,200,173	No update at the present time.	Active
295	Delegated Authority - CEO	03 October 2022	BMBC - A635 active travel scheme	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the scheme covered above	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£2,404,481	No update at the present time.	Active
296	Officer Scheme of Delegation	21 September 2022	Restoring Your Railways Programme Update	Officer Scheme of Delegation to Corporate Director of Public Transport.	Corporate Director of Public Transport	0	No update at the present time.	Active
297	Officer Scheme of Delegation	21 September 2022	Bus Franchising – Staff Secondment (Deloitte's)	Officer Scheme of Delegation to Interim Executive Director Infrastructure & Place	Interim Executive Director Infrastructure & Place	Estimated between £184,710-£204,360 plus agreed expenses	No update at the present time.	Active