

Public Document Pack



Wednesday, 4 January 2023

To: Members of the MCA - Local Enterprise Partnership and Appropriate Officers

NOTICE OF MEETING

You are hereby invited to a meeting of the South Yorkshire Local Enterprise Partnership to be held at **South Yorkshire MCA, 11 Broad Street West, Sheffield, S1 2BQ**, on: **Thursday, 12 January 2023 at 11.00 am** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink that reads 'Martin Swales'.

Martin Swales
Chief Executive and Head of Paid Service

Member Distribution

| | |
|-----------------------------------|--|
| Lucy Nickson (Chair) | Private Sector LEP Board Member |
| Neil MacDonald (Vice-Chair) | Private Sector LEP Board Member |
| Mayor Oliver Coppard | South Yorkshire Mayoral Combined Authority |
| Bill Adams | TUC Representative |
| Angela Foulkes | Private Sector LEP Board Member |
| Councillor Terry Fox | Sheffield City Council |
| Alexa Greaves | Private Sector LEP Board Member |
| Louisa Harrison-Walker | Sheffield Chamber |
| Councillor Sir Steve Houghton CBE | Barnsley MBC |
| Mayor Ros Jones CBE | City of Doncaster Council |
| Peter Kennan | Private Sector LEP Board Member |
| Kevin Kerrigan | Sheffield Hallam University - LEP Member |
| Professor Koen Lamberts | Private Sector LEP Board Member |
| Councillor Chris Read | Rotherham MBC |
| Gemma Smith | Private Sector LEP Board Member |
| Richard Stubbs | Private Sector LEP Board Member |



Agenda

| Agenda Ref No | Subject | Lead | Page |
|---------------------------|---|-------------------|---------|
| Introduction | | | |
| 1. | Welcome and Apologies | Chair | |
| 2. | Declarations of Interest <ul style="list-style-type: none">• In relation to any agenda item• In relation to any activity since the last formal meeting• In relation to any forthcoming activity | Chair | |
| 3. | Notes of Last Meeting | Chair | 5 - 12 |
| 4. | The South Yorkshire Economy - Presentation | Felix Kumi-Ampofo | Verbal |
| Strategic Insights | | | |
| 5. | Promoting South Yorkshire: South Yorkshire Presence at UK Real Estate Investment & Infrastructure Forum | Tom Carney | 13 - 16 |
| 6. | Financing Growth: Unlocking Private Investment into South Yorkshire | Felix Kumi-Ampofo | 17 - 20 |
| 7. | National Policy Environment and Government Engagement: South Yorkshire Approach | Andy Gates | 21 - 24 |
| Updates | | | |
| 8. | LEP Governance: Update | Martin Swales | 25 - 26 |
| 9. | MCA and LEP: Policy and Programmes Update | Philip Cooper | 27 - 30 |
| Other Business | | | |
| 10. | Forward Plan | Chair | 31 - 34 |

Date of next meeting: Thursday, 9 March 2023 at 11.00 am

At: South Yorkshire MCA, 11 Broad Street West, Sheffield, S1 2BQ

This page is intentionally left blank

Councillor Terry Fox
Councillor Sir Steve Houghton CBE
Councillor Chris Read
Kate Josephs
Sharon Kemp
Sarah Norman

Sheffield City Council
Barnsley MBC
Rotherham MBC
Sheffield City Council
Rotherham MBC
Barnsley MBC

49 **Welcome and Apologies**

The Chair welcomed attendees to the meeting.

Apologies were noted as above.

Professor Kevin Kerrigan and Professor Koen Lamberts were welcomed to the Board.

The Board noted that this was the SYMCA Deputy Chief Executive's final meeting and thanked her for all of her work at the MCA.

50 **Declarations of Interest**

Professor Kevin Kerrigan declared an interest that his employer, Sheffield Hallam University, was a provider of skills services which fall within the UK Shared Prosperity Fund (UKSPF).

Mayor Ros Jones declared an interest in any activity relating specifically to Doncaster.

51 **Notes of Last Meeting**

RESOLVED: That the notes of the meeting held on 8 September 2022 be agreed as a true record, with the amendment that apologies were received from Bill Adams.

52 **The South Yorkshire Economy - Presentation**

A report on the South Yorkshire Economy was presented which highlighted the following:

- There had been no change to business density and healthy life expectancy since the previous LEP Board meeting
- There had been changes in Government policies following the recent change in Prime Ministers. The Energy Price Guarantee, reduced National Insurance and Investment Zones were still expected to go ahead
- South Yorkshire was more exposed to fuel poverty than the national average due to the structure of the economy and the presence of several energy-intensive users
- The cost of most household goods had increased since the previous meeting
- The Bank of England was due to announce an increase in interest rates
- Unemployment levels were very low, with the employment rate staying

- above 70%, and job vacancies were at a record high
- The skills profiles of jobseekers in South Yorkshire were largely not aligned with the skills being sought by employers. For example, warehousing skills were highly sought by employers, but not high amongst jobseeker profiles in the region
- Public Transport was seeing the highest levels of patronage since the pandemic. The increase in working from home was noted, and the Board considered that indicators other than high patronage could be measured in future
- High interest rates were positive for savers and investors
- House prices were expected to start falling
- Foreign Direct Investment (FDI) in the north had increased by 72%
- Wholesale gas prices had started to fall and this is projected to continue into Spring 2023

It was raised that though unemployment was low, there was a growing number of employed people who had to rely on in-work benefits due to low pay.

It was noted that the Chambers Quarterly Economic Survey (QES) could more fully incorporated into future economy updates at the Board. A summary slide on the QES was presented to the board as part pf this update.

RESOLVED: To note the update and agreed to receive it as a standing item on all LEP agendas.

53

New Government Update

A verbal update was provided on engagement with the new government.

An overview was given of the new Cabinet Leads:

- Gillian Keegan, Education Minister, was the first Education Minister from an Apprenticeships background
- Grant Shapps, Business, Energy and Industrial Strategy (BEIS) Minister, had expressed that clean energy was a priority for this Government
- Michael Gove, Secretary of State for Levelling Up, Housing and Communities, looked to be continuing with the Levelling Up agenda
- There was more opportunity for the MCA to work with Mel Stride, Secretary of State for Work and Pensions, due to the market challenges in South Yorkshire mentioned earlier in the meeting

The following messages were becoming clear from Government:

- The Autumn Budget would likely involve increased taxes and cuts to public spending
- Increasing technical and vocational qualifications would be a priority
- Devolution would continue across regions

The potential impacts on South Yorkshire were outlined:

- Revenue for public transport would be constrained
- The energy crisis would have a greater impact on manufacturing industry in the region

- Government ambition to create new international trade deals would align with the MCA's ambition for an International Strategy
- The Mayor's manifesto commitment to Healthy Life Expectancy also aligned with Government policies around health

The Board welcomed an International Strategy for the MCA, and noted that at present there was not a clear message of what South Yorkshire's international activity was, nor what its offer was to international investors.

It was asked whether there was a plan for building a network of contacts at the LEP and MCA, so that new policy issues could be addressed efficiently, and further devolution secured for the region.

It was noted that there was no clear message on immigration coming from government, and that different types of immigration impacted on the region in different ways, for example the impact of international students is different to asylum seekers.

RESOLVED: To note the update and agreed to receive it as a standing item on all future LEP agendas.

54 **Doncaster Sheffield Airport Update**

A verbal update was provided on Doncaster Sheffield Airport, noting that:

- There was still ongoing uncertainty around its proposed closure, and a collective campaign was ongoing across the region to save the airport
- Work was ongoing to support airport employees in finding alternative careers
- Negotiations were ongoing with a party interested in buying the airport, but Peel were resistant to sell
- An Injunctive Action had been filed for, which sought to prevent any degradation of the site and facilities which may prevent use of the site as an airport in the future
- The support of the business community on the issue had been very welcome

RESOLVED: To note the update.

55 **Cost of Living Response**

A report on the MCA's Cost of Living Response was presented to the Board, which noted that the MCA Board had approved £2m which had been used to cap bus fares in the region to £2 for a single journey, and towards food security initiatives.

It was noted that this was a new remit for the MCA, and long-term schemes were being investigated alongside Local Authorities and external partners via a series of workshops. Input from the LEP Board was welcomed on this.

The Board welcomed this work and expressed a desire to align all local initiatives and offers, for example the hardship funds put in place for students at the Universities, or cost-of-living easements being made by companies in the

region.

The Board suggested setting up a package of support and advice for local businesses on how to reduce costs during the cost-of-living crisis, such as reducing energy usage or where to access financial support.

It was raised that more immediate action to increase patronage on public transport would be welcomed.

RESOLVED: To note the interventions approved at the October MCA Board.

56 **UK Shared Prosperity Fund Implementation**

A report on the implementation of the UKSPF was presented to the Board. It noted that:

- The total fund was worth less than previous European funding
- There had been a short window to develop an investment plan. This was submitted to Government in August 2022 and the MCA was waiting for a response
- Year one of funding would focus on the Places and Communities theme, and Local Authorities would lead delivery
- Year two would focus on supporting local businesses, and work was ongoing with the Universities and other external partners to shape this offer
- Year three would focus on skills. The offer here had not yet been developed
- This yearly spending plan was mandated by Government, but work was ongoing to ease potential issues particularly cashflow and also getting a head start on designing and delivering skills initiatives
- Workshops were ongoing to develop the MCA's offer and to ensure that funding could be used as soon as possible after it was received from Government. External partners and local MPs had also been involved in this work
- A Partnership Group was being set up, which would advise on the shape and nature of interventions in the region.

The Board welcomed this work, but noted that European Regional Development funding would come to an end before UKSPF business support would be in place, which may result in a poor offer in terms of business support in the region.

RESOLVED: To note the update and to discuss membership of the Partnership Group.

57 **Investment Zones**

A report which set out the position of the Combined Authority on Investment Zones was presented to the Board.

It was noted that this policy could now be under review by Government, but that even without it, the MCA could use the information gathered to push forward development on key sites in the region.

No formal response had been given yet by Government on the submission.

A discussion was had about the possible negative impacts of the Investment Zones policy, and it was noted that Rotherham MBC had not submitted any sites in the submission.

RESOLVED: To note the submission of an Investment Zone Expression of Interest from the MCA.

58 **Cultural and Creative Industries Mapping**

A report commissioned by the MCA on Cultural and Creative Industries in the region was presented to the Board.

It was noted that this was a new area of work for the MCA, but one with good opportunities due to a vibrant cultural and creative sector in the region, and the possibility to align with initiatives such as UKSPF.

A presentation was given on the report. It included the following:

- The Office for National Statistics Business Register and Employment Survey estimated that there were approximately 13,500 people employed in cultural and creative industries in the region, but alternative analysis suggested that the figure was closer to 31,500.
- The highest concentration of these jobs was in town and city centres
- South Yorkshire has lower performance than the national average in terms of research and development funding, equity investments and University spinout companies
- However, in South Yorkshire creative industry was more flexibility and a higher level of collaboration was evident, with more agile use of contractors and freelancers in the sector
- There was also a legacy of strong independent creative outputs in the region in film, television, and music
- There was a conservative estimated value of £861m in this sector in the region, but which was thought to be closer to £2bn
- 18 out of the 21 priorities in the MCA Strategic Economic Plan were addressed by outputs of this sector
- There were strong opportunities for skills development and employment in this sector

It was asked whether the term ‘cultural and creative industry’ was too broad a label for several more distinct industries. It was responded that amplifying the benefit of cultural and creative industry through this strategy would be more effective.

The Board welcomed this work, supported its embedding within the MCA’s work, and noted that though it does not sit naturally within the work of one Thematic Board, related activity should be brought to an appropriate Board.

It was also noted that supporting this sector aligns with the MCA’s ambition for a stronger narrative for South Yorkshire. The West Yorkshire Cultural Manifesto was noted as a successful related initiative.

The Board asked for future updates on the implementation and resourcing of this work at future Boards.

RESOLVED: To endorse the report and recommendations

59 **The Economic Crisis Impact on Skills - Presentation**

RESOLVED: To defer this item to the next meeting of the Board, and to submit it as an item for the next Education, Skills and Employability Board agenda.

60 **Chief Executive's Update**

A verbal Chief Executive update was provided to the Board, which included:

- That the MCA Board had taken the decision to bring the Tram system back into public ownership
- A Bus Taskforce had been established, with a focus on passenger experience
- Progress was being made with City Region Sustainable Transport Settlements
- A bid had been made to the Levelling Up Fund, but no response had been given yet by Government
- An MCA Board was scheduled for 14th November, and would be considering: the organisational review, an amendment to the MCA Constitution to reduce quorum for Thematic Board Meetings, and the Integrated Rail Plan

RESOLVED: To note the update.

61 **Forward Plan**

A Forward Plan for future meetings of the Board was presented.

RESOLVED: To agree the Forward Plan, with above additions.

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

Signed

Name

Position

Date

This page is intentionally left blank



Thursday, 12 January 2023

Promoting South Yorkshire: South Yorkshire Presence at UK Real Estate Investment & Infrastructure Forum (UKREiIF)

| | |
|---|----------------|
| Is the paper exempt from the press and public? | No |
| Reason why exempt: | Not applicable |
| Purpose of this report: | Discussion |
| Strategic Priority | Cross Cutting |

Director Approving Submission of the Report:

Tom Carney, Director of Communication, Marketing and Engagement

Report Author(s):

Nici Pickering, Strategic Marketing Manager
Nici.Pickering@southyorkshire-ca.gov.uk

Recommendations:

- Note the early plans to attend the 2023 UKREiIF event in May.
- Note the intention to redevelop the South Yorkshire investment and regeneration proposition ahead of this event.

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

None.

1. Introduction

UKREiIF is the UK's Real Estate Investment & Infrastructure Forum, a 3-day event that takes place 16-18th May 2023 in Leeds City Centre at the Royal Armouries Leeds & Leeds Dock.

It is the second iteration of what is intended to become an annual event that brings together investors, developers, funders and the public sector - with the intention to become a UK version of MIPIM.

The forum aims to:

- accelerate the Build Back Better and Levelling Up agendas;
- actively promote Social Value and EDI;
- help to inspire the future of real estate and property;
- encourage and energise the transition to a more sustainable and Net Zero mindset within the industry.

This forum is a good fit within SYMCA's and individual councils emerging investor engagement approach providing an opportunity to coordinate a programme of Mayoral and Leader profile engagement.

We propose to build a programme of Mayoral, political and officer engagement, including on-stage speaking slots, based out of a combined South Yorkshire exhibition stand within the main conference hall.

This paper sets out our intention and seeks the LEP's support, as a body and as individuals, to make the UKREiIF 2023 event a success.

2. The issue and connection to delivering on our economic objectives:

Though a newly created event, the inaugural 2022 forum was attended by more than 4000 people, including a significant number of MCAs/LEPs. Feedback on the event, including from Sheffield City Council who had a presence at the event was positive and that the event would be stronger with a South Yorkshire presence.

The focus for UKREiIF in 2023 around economic growth, net zero development, capital investment and innovation provides a clear strategic fit with our economic objectives and assets.

The 2022 event had a significant government presence, led principally by DIT and the GREAT Britain campaign (with an export and investment focus) but also supporting attendance by BEIS, DfT, Cabinet Office, DEFRA, DLUHC, DHSC and Homes England.

The event programme includes ministerial attendance and extended opportunities to meet investors, influencers and intermediaries.

On that basis it is proposed that we should take a wider South Yorkshire presence at the 2023 event.

We are at the early stage of planning our approach but intend to focus on:

1. Creating a combined exhibition area with Sheffield City Council (which has already booked stand space) to show either a joined up SY-approach or to connect the strength of the regional offer with the existing core city proposition.
2. Creating a programme of engagement with targeted attendees that support our core SEP priorities.
3. Promoting a refreshed portfolio of investable propositions across SY, linked specifically to the SEP and to the emerging innovation corridor.
4. Create opportunities to test attitudes towards South Yorkshire's brand and the distinct South Yorkshire offer.

We plan to include a focus on innovation to demonstrate how South Yorkshire is developing an innovation corridor, tied to the South Yorkshire growth plan.

An exercise to catalogue available sites in public ownership, housing and or industrial land is in hand.

The event also creates opportunities to reconnect with local authority partners and investment opportunities, following a lapse in engagement during the pandemic and the changing face of activity across the region, with the aim of contributing to the building and telling of the South Yorkshire story, developed for domestic and international audiences.

This new South Yorkshire narrative is under construction – the UKREiIF event will be a first opportunity to test it amongst a business and investment audience.

We will develop the content for the exhibition and programme in line with the SEP priorities of:

- Growing the economy and enhancing its strength and resilience.
- Driving low carbon, green and circular economy opportunities within the economy and delivering net-zero emissions and lower overall environmental impact.
- Ensuring that everyone has a fair opportunity to contribute to and benefit from economic growth, that people have a greater stake in their economy, and that work is more closely linked to wellbeing and a decent life.

3. What are we doing in South Yorkshire already – and what could we do?

We last worked up a South Yorkshire pitch for MIPIM Cannes, covering investible propositions and the regeneration proposition which was all set to run as part of a Northern Powerhouse and NP11 collective proposition for March 2020.

The pandemic changed the course of direction, resulting in this UK version of MIPIM in May this year, run by the Built Environment and named UK's Real Estate Investment & Infrastructure Forum (UKREiIF).

SYMCA decided at the time not to take part in the first UKREiIF event, with a view to reviewing how successful it was. At that time, there was mixed commitment from counterpart organisations. The Mayoral Election was also taking place the weeks before the event.

Where possible it makes sense to build a stronger South Yorkshire-wide representation at the event, with each Local Authority central to that approach. We intend to factor into the programme unified asks for South Yorkshire through a working group led by SYMCA and including members from each Local Authority and the LEP.

Attendance will require a refresh of our Proposition and Place pitch for South Yorkshire.

4. Discussion points

Are Board members interested in working more intensively on this issue?

Are Board members supportive of the direction of travel?

Do Board members wish to be part of a sub-group?

5. Next Steps

- We will formalise the working group, led by SYMCA, for Local Authorities, LEP members and other partners to join.

- The working group will finalise the budget requirement and note necessary requirements in both the current year budget and 2022/23 business planning round.
- The MCA and partners will draw together the proposition, event and programme planning.

List of Appendices Included:

A



Thursday, 12 January 2023

Financing Growth: Unlocking Private Investment into South Yorkshire

| | |
|---|-------------------------------|
| Is the paper exempt from the press and public? | No |
| Reason why exempt: | Not applicable |
| Purpose of this report: | Discussion |
| Strategic Priority | Business, Recovery and Growth |

Director Approving Submission of the Report:
Clare Monaghan, Executive Director of Strategy and Development

Report Author(s):
Felix Kumi-Ampofo, Director of Corporate Policy
felix.kumi-ampofo@southyorkshire-ca.gov.uk

Recommendations:

The Board is invited to consider the findings of the report, and to consider how it may want to steer and guide this nascent evolution in how the MCA intervenes to grow the economy.

Consideration by any other Board, Committee, Assurance or Advisory Panel
None.

1. Introduction

Following the Economic Summit in March 2022, several financial institutions, including HSBC, Bank North, and British Businesses Bank stressed that even though finance for South Yorkshire businesses may be available, access to this was not always easy or known.

South Yorkshire's market for early-stage finance was identified as being particularly underdeveloped and one that needed specific attention. Public and private funding

vehicles were identified as having a key role to play in early-stage investment and further, deeper engagement with financial institutions was one of the key takeaways.

The Levelling Up White Paper published in February 2022 also emphasised the need to grow the private sector to boost economic development, especially in areas like South Yorkshire.

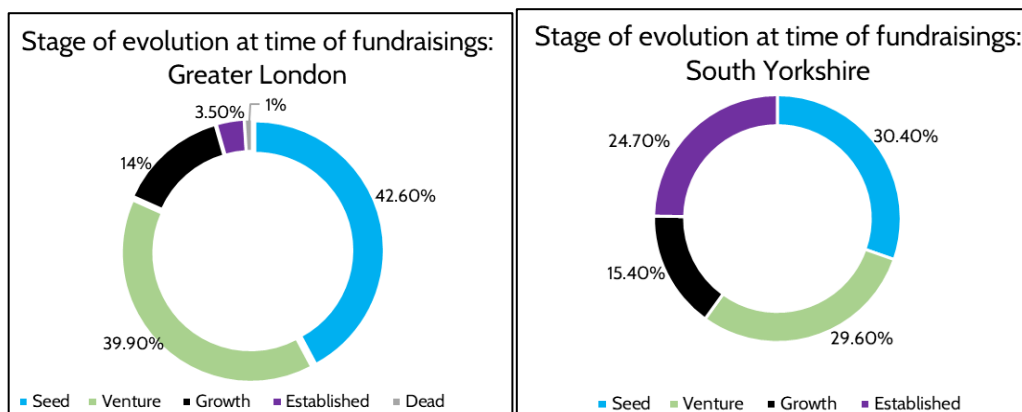
There have been some high profile 'finance' wins in the last year, particularly around the commercialisation of university led research in 'deep-tech'. This demonstrates that the market is starting to move in South Yorkshire – and that we have the business pipeline to attract this type of finance.

2. The issue and connection to delivering on our economic objectives:

Data from Beauhurst identifies 62,906 businesses in South Yorkshire (businesses with a head office or registered addresses in the area). From these, as of December 2022, 582 (0.93%) have been identified as high growth¹ businesses. That rate is comparable to Greater Manchester (0.80%) and West Yorkshire (0.97%). However, this is potentially misleading due to South Yorkshire's low business density (businesses per 10,000 population) which is at 13.6% compared to West Yorkshire's (24%), Greater Manchester's (37.9%) and Liverpool City Region's (19.9%)².

The evidence shows that, compared to Greater Manchester, West Yorkshire, Liverpool City Region and London, SY's business population is dominated by established³ businesses (45.1%) with relatively few seed⁴ companies (17.8%).

This evidence also shows that, in South Yorkshire, even though seed stage businesses attract the highest share of funding (30.4%), a relatively high proportion still goes to established businesses (24.7%), compared to other areas. In Greater London, for example, established businesses only receive 3.5% of the funding, with the majority going to earlier stage businesses (seed, venture and growth).



Recent good news in terms of high growth businesses in Sheffield landing investment include UoS spin outs:

- Iceotope Technologies - global leaders in precision immersion cooling technology benefiting from a £30m funding round from a global investment syndicate led by Singapore impact private equity firm ABC Impact and Northern Gritstone.

- Optran Technologies is a University of Sheffield spin-out that has re-engineered insect brain patterns to power advances for autonomous machines by mimicking the brain functions of insects, enabling machines to navigate complex visual and navigational challenges.
- Phlux Technology, the designer of high-performance infrared sensors, has secured £4 million in seed funding from leading deep tech investors. The round was led by Octopus Ventures and included Northern Gritstone, the Foresight Williams Technology Funds and the Innovation Fund, as well as receiving funding from Innovate UK.

¹ 8 triggers for high growth: equity investment, scaleups, accelerator attendances, MBO/ MBIs, academic spinouts, high- growth lists, major grant recipients, venture debt.

² Local Government Inform. (2020). https://lginform.local.gov.uk/reports/lgastandard?mod-metric=%3C5512%2F3281%2A10000%3ABusiness+density+%28businesses+per+10%2C000+people%3E&mod-area=E06000031&mod-group=AllSingleTierAndCountyLainCountry_England&mod-type=namedComparisonGroup

³ These are companies that have been around for 15 or more years, or 5 to 15 years with a three-year consecutive profit of £5m plus or turnover of £20m plus.

⁴ These are youngish companies with a small team, low valuation and funding received (low for its sector), uncertain product-market fit or just getting started with the process of getting regulatory approval.

3. What are we doing in South Yorkshire already – and what could we do?

With limited funding available to the MCA it may be prudent to try to move away from direct funding of individual businesses, to support those businesses in sectors where we have a comparative advantage and can develop stronger clusters and that create more high growth businesses that support economic growth more widely.

Interventions could start to move towards more system level and enabling interventions, such as investing in funds (e.g. the successful JESSICA fund, business co-investment funds) and catalysing and stimulating other financial institutions to work in South Yorkshire and testing new models of working.

To this end initial engagement has been under way with:

1. Institutional funders like South Yorkshire Pension Authority, UK Infrastructure Bank and the British Business Bank.
2. Commercial funders, for example Aviva, L&G and some high street Banks
3. Investors like Northern Gritstone, the Northern Powerhouse Investment Fund (NPIF), and Business Angels.

These early discussions have centred on identifying areas of particular interest, for example Clean Energy, Retrofit, Housing, commercial property and industrial premises as well as existing sites and opportunities in the region.

The MCA (through the region's European Structural Investment Fund) is 'invested' in the NPIF – and is well represented on the existing and future design of the fund through the LEP Board Member Neil McDonald.

The Growth Hub also delivers an Access to Finance offer – which works with businesses to support them access finance (from public and private sources) as well as convening a Funders Forum and network of regional commercial bank.

Some business investment pilot interventions are also at an advanced stage of development. These include direct MCA co-investment, funding for accelerators, white

label platforms and support to pitch and access funding. All of which are being progressed through the Business Growth and Recovery Board.

4. Discussion points

The Board is invited to consider how it may want to steer and guide this future development work: This might include:

1. Testing our assumptions and focus, for example ensuring that finance is available to all parts of the market, and the level of support (not just from the MCA) to support in non-high growth SMEs.
2. A deeper discussion about how we can 'crowd-in' other sources of private finance
3. Suggesting areas where a deeper-dive into the evidence and what works well might support our work.
4. Sharing business insight / sentiment.
5. Considering whether the MCA bring together a Finance Summit in 2023?

5. Next Steps

To be considered in light of the discussion at Board.

List of Appendices Included:

A



Thursday, 12 January 2023

National Policy Environment and Government Engagement: South Yorkshire approach

| | |
|---|----------------|
| Is the paper exempt from the press and public? | No |
| Reason why exempt: | Not applicable |
| Purpose of this report: | Discussion |
| Strategic Priority | Cross Cutting |

Director Approving Submission of the Report:

Clare Monaghan, Executive Director of Strategy and Development

Report Author(s):

Andrew Gates – Assistant Director External Affairs

Andrew.gates@southyorkshire-ca.gov.uk

Molly Axelby – External Affairs Support Officer

Molly.axelby@southyorkshire-ca.gov.uk

Recommendations:

That LEP Board note the current national policy environment and responsive MCA actions and provide reflections on the implications and opportunities for South Yorkshire.

1. Introduction

This paper provides an update on the national policy environment including key opportunities and implications for South Yorkshire and what the MCA is currently doing - to invite feedback and discussion on these key areas.

2. Background

To achieve transformative and sustainable change in South Yorkshire, we are dependent on an effective policy and investment partnership with Government. National policy is a significant driver of activity – providing collaboration and funding opportunities that enable South Yorkshire to deliver on our economic objectives.

Autumn Statement

Since the last LEP Board meeting, the Government announced their Autumn Statement on the 17th November - setting out their funding commitments and intended spending plans for the years ahead. This Statement marked a significant departure from September's Mini-Budget – reversing a number of fiscal commitments and policy decisions. It was also made in the context of a bleak economic outlook, according to the OBR projections at the time e.g. inflation at a 40 year high, expected shrinkage of living standards by 7% and a projected recession lasting for over a year.

Key takeaways:

- Restated commitment to Shared Prosperity Fund and Levelling Up Fund with funding announced by end of the 2022. (albeit without inflation protection).
- Trailblazer devolution deals with Greater Manchester and West Midlands will be signed in 2023, with the potential to provide single departmental-style settlements for them and other MCAs at the next Spending Review to be explored.
- Scaling back of Investment Zones with a re-focus on the highest potential sites, working with universities in left-behind areas.
- Confirmation of intention to proceed with the core Integrated Rail Plan, with no HS2 Eastern Leg between East Midlands and Leeds, and with Northern improvements focused on infrastructure between Manchester and Leeds (excluding a connection to Bradford).
- Levelling Up remains a notable policy driver e.g. Arts Council England spending announcement represented a dramatic shift of funding out of London to 'priority places' with the North seeing an uplift of 25%. Concurrently, Metro Mayors and policy experts have been giving evidence to a select Committee Funding for Levelling Up Inquiry, maintaining momentum and profile for the agenda.

3. What that means for South Yorkshire

Existing Funding Pots

- On 5th December we received notification that our Shared Prosperity Fund Spending Plan was approved by Government and that we will shortly be receiving the funding for Year 1 (22/23). However the MCA Board had already decided to underwrite the costs at

risk of the programme due to the delay in the announcement, demonstrating commitment and belief in that programme.

- We have yet to receive feedback on our Levelling Up Fund submission despite Government stating successful bids would be announced by the end of the year. Reportedly they will now be announced by the end of January 2023.
- Although the allocated budgets remain the same – due to the impact of inflation the spending power of these pots equates to a real-terms cut.

Devolution

- The trailblazer deals should pave the way for a deepening and widening of the powers and resources available to the MCA.
- Significantly, a move away from competitive bidding processes to a trial of single settlement funding would meet long-held aspirations to provide greater control, certainty and flexibility over available monies for Metro Mayoral areas.
- Through the M10 group, SYMCA is staying closely engaged with the progression of these Trailblazer negotiations and separately are establishing relationships with officials in DLUHC to ensure we are well placed for future discussions on devolution opportunities.

Investment Zones

- As discussed at the previous LEP Board meeting, we submitted a formal Expression of Interest to Government in October as part of their Investment Zone programme.
- Since that time, Government have scaled back and re-focused their original plans, however we are well positioned to benefit from this re-focusing in South Yorkshire with our existing assets in the AMRC and AWRC, given the new emphasis on “knowledge-intensive growth clusters” connected to research strengths in left-behind areas.
- SYMCA is ready to work strategically with HMT, BEIS and DLUHC on innovation clustering in South Yorkshire as part of Investment Zone discussions. As an MCA we are well positioned to organise broader coordination and alignment across skills and business support for example, to ensure a strategic approach across the region to maximise growth.

Transport

- After months of uncertainty, Government confirmed it will revert to the Integrated Rail Plan proposition, published in November 2021.
- As a reminder, this leaves South Yorkshire at the end of the HS2 branch line and provides no commitment to improving our connections to Leeds, Manchester and beyond.
- At the November MCA meeting, Leaders agreed on a set of Rail Investment Priorities for South Yorkshire which will be used over the coming months for lobbying and advocacy activity to ensure we speak with one voice to secure promised rail schemes and further investment in rail connectivity.
- As part of the M10 group, we have had early engagement on the intended future operating model of Great British Railways and will be developing a collaborative working relationship to ensure we can adopt a strategic cross-agency place-based approach to rail in South Yorkshire.

4. Discussion points

- Any additional insights on the national policy environment – have we captured everything of interest?
- Any feedback, advice or direction on activity of the MCA in response to the national policy environment?
- Any further detail required on MCA activities?
- Are there any policy areas Members would welcome deeper discussions on?
- Would members like to participate in government engagement activity and what support would they need to do so?

5. Next Steps

This paper will be a standing item as requested at the previous LEP Board meeting.

Background Papers

09. Investment Zones LEP Meeting 03 11 22



Thursday, 12 January 2023

LEP Governance: Update

| | |
|---|----------------|
| Is the paper exempt from the press and public? | No |
| Reason why exempt: | Not applicable |
| Purpose of this report: | Governance |
| Strategic Priority | Cross Cutting |

Director Approving Submission of the Report:

Martin Swales, Chief Executive and Head of Paid Service

Report Author(s):

Gabriella Kocsis, Democratic Services Officer
 Gabriella.Kocsis@southyorkshire-ca.gov.uk

Recommendations:

This paper recommends that the LEP Board approves the proposed change in Chair and expresses sincere thanks to Lucy Nickson for her dedication and commitment to the role of LEP Chair since January 2022, and her prior service as a LEP Board member.

Consideration by any other Board, Committee or Advisory Panel

N/A

1. Introduction

As part of the Government's March 2021 Budget, a review of Local Enterprise Partnerships (LEPs) in England was announced. The Government committed to consult and work in collaboration with LEPs and local businesses on the evolution of LEPs. The details of this were discussed at the MCA meeting in June.

Since January 2022, Lucy Nickson has been the Interim Chair of the LEP. Lucy has notified the LEP and MCA of her intention to stand down as Chair, and this paper seeks the LEP Boards approval to appoint Richard Stubbs as the new Chair. As a current LEP member, Richard has a full understanding of the LEPs responsibilities and functions, which will support a smooth transition in arrangements.

2. The issue and connection to delivering on our economic objectives:

At the March 2021 Budget, the Government launched a review on the **form, function and geographies** of Local Enterprise Partnerships (LEPs) in England. The Government committed to consult and work in collaboration with LEPs and local businesses on the evolution of LEPs.

The principle aim of the review was to ensure that local businesses would continue to be represented in decision-making processes that impact on businesses and economic growth, albeit under a new operating model from 2022/23. The Government's intention of better aligning LEP governance arrangements and geographical boundaries with new and existing Combined and Mayoral Combined Authorities (MCAs) was a key consideration for the review.

3. What are we doing in South Yorkshire already – and what could we do?

The Combined Authority has been through significant change since its inception in 2014 and continues to do so. Significantly, as it has evolved into the South Yorkshire Mayoral Combined Authority, it has taken on a much broader set of statutory responsibilities and powers. The election of the new Mayor in May 2022, with an ambitious Manifesto for South Yorkshire, came with a recognition of the need to review the current arrangements to ensure the MCA is ready for the next stage of the journey. As such, the MCA is currently undergoing an Organisational Review which may recommend changes in governance to the MCA Board that would impact on the LEP.

Government have indicated they have confidence in the way that the private and public sectors work together in South Yorkshire, and they expect this principle to be continued in any new arrangements. The Government expect that future arrangements must embed strong, independent, and diverse local business voice into local democratic institutions with a meaningful role in decision making.

4. Discussion points

Previous independent conversations with LEP members have indicated that the Board is supportive of the recommendation in Chair.

5. Next Steps

If agreed, Richard Stubbs will become Chair with immediate effect.

At its meeting on 14th November 2022, the MCA Board agreed to an MCA Review led by the Chief Executive which is currently ongoing. The LEP Board are aware that this review may impact future MCA governance arrangements including the LEP. The LEP and its new Chair will be fully involved in this process.

List of Appendices Included:

None.

Background Papers

None.



Thursday, 12 January 2023

MCA and LEP Policy and Programmes Update

| | |
|---|----------------|
| Is the paper exempt from the press and public? | No |
| Reason why exempt: | Not applicable |
| Purpose of this report: | Discussion |
| Strategic Priority | Cross Cutting |

Director Approving Submission of the Report:

Clare Monaghan, Executive Director of Strategy and Development

Report Author(s):

Philip Cooper, External Affairs Officer
philip.cooper@southyorkshire-ca.gov.uk

Recommendations:

Members to note a general update on activity being undertaken by the LEP and MCA outside of the agenda items under discussion.

List of Appendices Included:

A

| |
|---|
| January 2022 Policy and Programmes Update |
|---|

This page is intentionally left blank

January 2022

Policy and Programmes Update

Purpose of Report

To provide LEP Board Members with a general update on activity being undertaken by the LEP and MCA outside of the agenda items under discussion.

| | |
|------------------|---|
| <p>1.</p> | <p>Convention of the North</p> <p>LEP Board Members will have received an invitation to the Convention of the North 2023 which will be held on Wednesday 25 January 2023 at Manchester Central. The Convention of the North is the wider region’s major annual celebration, bringing together over 800 civic, business and political leaders to set a clear sense of direction for the year ahead, and build momentum for the North’s shared priorities. This year’s event will build on the work that has been done in previous years at Rotherham, Gateshead and Liverpool. It will bring the North together to celebrate the assets of the North and identify opportunities, to recognise the challenges the region faces, and to set out a bold agenda of specific propositions that the North should work on, both independently and in partnership with Government, over the next year.</p> <p>The programme for the day will respond to the immediate opportunities and challenges facing the North, as well as longer term issues, with high-profile keynote speeches, multiple panel events with a wide range of voices being represented, and workshops linked to the North’s socioeconomic agenda and its place in UK PLC’s global growth.</p> |
| <p>2.</p> | <p>Cost of Living Crisis</p> <p>The cost-of-living crisis shows no signs of abating. Following the investment in transport and food support, the Mayor has been considering options of what the next phase of support could be from the MCA. Engagement with a range of stakeholders has helped to shape what the next stage of cost-of-living support could involve. Sessions have been held with think tanks and with the voluntary and community sector to gather intelligence on what is needed and to seek ideas. Local authorities have also been consulted, specifically the business support leads. The SY Business Advisory Group and the LEP were asked for input, and a subsequent meeting has been held with the CBI. All of this informed a suite of options of what could be funded next.</p> <p>One option that is being considered is a South Yorkshire Cost-of-Living Response Fund. If taken further, the MCA could agree to commit money into this Fund. There could then be a call for investment to top this up from the private sector and any potential philanthropists. The Fund could then put a call out for projects for match-funding investment. This is very much at the ideas stage of development and discussions are ongoing to explore this concept further.</p> |

| | |
|------------------|--|
| <p>3.</p> | <p>SY Ownership Hub</p> <p>It has been one year since South Yorkshire partnered with the Ownership Hub to grow resilient and inclusive businesses through employee and worker ownership. So far, the project has focused on developing the business support infrastructure and increasing awareness. It has trained 70 business advisors and is partnering with support programmes the Skills Bank and Advance SY. This month the project will launch its marketing toolkit. The MCA will keep the LEP engaged and updated on future events and how the business case develops</p> |
| <p>4.</p> | <p>Tech Summit</p> <p>On 24 November 2022, South Yorkshire held its first Tech Summit in Barnsley, organised by The Seam (Barnsley’s Digital Campus). The Summit was attended by 188 digital and technology sector specialists and was held at Cineworld in Barnsley. It was a chance for businesses that work in the tech sector to network and showcase their expertise, build local, national and international relationships and share knowledge. The summit focused on the actions needed to ensure the right support, talent, finance, workspaces and culture are in place to help entrepreneurs and innovators from all backgrounds to achieve success.</p> |
| <p>5.</p> | <p>SY Transport Summit</p> <p>A South Yorkshire Transport Summit is being organised to take place on March 1st 2023. The Summit will take a longer term look at what the future of transport will look like in South Yorkshire and consider how the region can work together to create a self-sustaining system and ensure people get back on public transport.</p> <p>The Summit is intended as a collaborative exercise to lift our ambitions and co-create a deliverable vision that can help guide the creation of a more resilient, sustainable, human centric vision for our collective future transport system.</p> <p>Top place thinkers from a variety of UK geographies and disciplines – including transport futurists, policy makers and strategists – will contribute both tried and tested and fresh ideas for the future of South Yorkshire Transport. Reflections will be shared in a report and Transport Vision 2030.</p> |



Thursday, 12 January 2023

Forward Plan

| | |
|---|----------------|
| Is the paper exempt from the press and public? | No |
| Reason why exempt: | Not applicable |
| Purpose of this report: | Discussion |
| Strategic Priority | Cross Cutting |

Director Approving Submission of the Report:

Clare Monaghan, Executive Director of Strategy and Development

Report Author(s):

Andy Gates, Assistant Director External Affairs
andrew.gates@southyorkshire-ca.gov.uk

Recommendations:

Members consider proposed Forward Plan for 2022/23 and agree any changes or additional items to be scheduled.

List of Appendices Included:

- A

| |
|--------------------------|
| LEP Forward Plan 2022/23 |
|--------------------------|

This page is intentionally left blank

Local Enterprise Partnership – Forward Plan

12 January 2023

| Meeting Date | Suggested Agenda items |
|---------------------|---|
| 9 March 23 | <ul style="list-style-type: none">• Skills Strategy development• South Yorkshire Life Sciences Sector• Northern Powerhouse Independent Economic Review (NPIER)• Vertical Farming using mine water geothermals (Martin Howarth – Director of Hallam University's Centre for Food Engineering) |

This page is intentionally left blank