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Date of next meeting: Monday, 8 July 2019 at 9.30 am

At: 11 Broad Street West, Sheffield S1 2BQ

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20th May 2019

Economic Policy - Update

Purpose of Report

The purpose of this report is to update the LEP on the refresh of the Strategic Economic Plan and the development of the SCR's Local Industrial Strategy.

Thematic Priority

Cross-cutting to deliver all themes.

Freedom of Information

This paper is not exempt from the Freedom of Information Act 2000.

Recommendations

That LEP Board Members note the update provided on developing the Strategic Economic Plan and Local Industrial Strategy for SCR, and the timetable for completion.

1. Introduction

- 1.1 The Strategic Economic Plan (SEP) and Local Industrial Strategy (LIS) will outline a route map to a more prosperous and productive City Region. The refreshed SEP will become the overarching strategy which will set out aspirations and priorities for the SCR over the medium to long-term. The LIS is a new strategic document and will be a more focused plan; outlining the investment priorities for driving long-term growth in productivity, scaling up the assets in the City Region, and increasing investment in research and innovation.
- 1.2 This paper provides Board Members with an update on the process to develop the refreshed SEP and the new LIS, and the timescales for their completion.

2. Proposal and justification

- 2.1 The development of the SEP and LIS is being undertaken in four phases:

Phase 1: Updating the Evidence Base – gathering and analysing data and economic evidence to identify challenges and opportunities in the SCR economy (Timeframe: Complete end of May 2019)

Phase 2: Development of the Draft SEP and Draft LIS - engagement with stakeholder partners to identify emerging strategic priorities from the evidence base and preparation of a draft SEP for consultation (Timeframe: February to July 2019)

Phase 3: Consultation and Publication of the SEP – open consultation on the draft SEP, refinement based on responses and revised draft SEP presented to the LEP Board for approval (Timeframe: Complete in September 2019)

Phase 4: Engagement and Submission of the LIS – engagement with stakeholder partners and Government on refinement of the LIS and revised LIS submitted to Government for approval (Timeframe: Complete in November 2019)

Key milestones are set out in Annex 1.

2.2 The Evidence Base

The evidence gathering stage of the SEP is close to being finalised. It draws on the analysis undertaken by Metro Dynamics in 2017, supplemented by analysis of more recent data sets and in-depth research on the inclusion challenges within the labour market and economy undertaken by Sheffield Hallam University's Centre for Regional Economic Social Research (CRESR).

The evidence base will be presented to the LEP Board on 15th July 2019.

2.3 The SEP

The next stage of SEP development is in two parts.

Firstly, work is currently underway with experts in both universities to review the evidence, challenge assumptions and converge on the overriding narrative and systemic challenges which the economic vision and plan will seek to address. This should provide the rationale for target setting and policy making. The emerging priorities for the SEP will be presented to the LEP Board on 15th July 2019 with a discussion on ambition and targets. This will result in a revised draft SEP for consultation.

Secondly, work will progress on refining the draft SEP with partners and stakeholders and confirming the key high-level targets and policy propositions through an open consultation. These will lead to the completion of the eventual strategy and fully developed economic plan which will underpin and guide the design of policy interventions and drive investment in the City Region in the period ahead.

The revised draft SEP will be presented to the LEP Board for approval in September 2019.

2.4 The LIS

The LIS must be co-developed and agreed with Government and published before April 2020.

Whilst the evidence base and data analysis conducted for the SEP will inform the strategic priorities in the LIS, the LIS will also need to reflect the Government's priorities in order to be approved. The LIS will be jointly-owned by the SCR Mayor, LEP, the Combined Authority and Government and will form the basis of a 'deal' with Government for additional funding allocations to the SCR.

It is expected that the LIS will be submitted to Government for approval following discussion on the draft submission at the LEP Board in November 2019.

2.5 Partner engagement

The initial engagement phase has seen close working with local authority officers and has included analysis of local plans and evidence documents. In addition, there has also been engagement with a wide range of other organisations including universities, colleges,

charities, business representative bodies such as the CBI, the Office for National Statistics, and civil servants from across government.

We will engage private sector LEP Board Members and the wider private sector in the development of the SEP and LIS throughout the year (see Annex 2 – Engagement Plan).

3. Consideration of alternative approaches

- 3.1** Produce a LIS but do not refresh the SEP. To comply with Government requirements this was the do minimum option. However, this option was discounted for a number of reasons:

Refreshing the SEP as well as producing a LIS enables the LEP to set out a wide range of socio-economic priorities and intervention areas, which would not all be covered in the more tightly defined LIS.

The structure and formula for the LIS is defined by Government and therefore will not enable a uniquely local flavour.

The LIS is a co-produced document with Government and is expected to be central to negotiations regarding the Shared Prosperity Fund and other such future investment pots. It will be underpinned by the SEP evidence base and also a technical bid document which will detail our agreed priorities and policy propositions.

4. Implications

4.1 Financial

Other LEP areas with a compliant LEP geography have received some resource to develop their LIS (c£200k), this has not been made available to the SCR.

Work has progressed however to develop an evidence-based and logical narrative. It is vital SCR crafts and develops a compelling vision and makes a persuasive case to Government and other investment partners.

4.2 Legal

No legal implications at this stage. Government has made it a requirement for local areas to have a LIS.

4.3 Risk Management

The LIS timescales could be affected by decision-making delays from UK Government.

4.4 Equality, Diversity and Social Inclusion

Equality, diversity and social inclusion are at the heart of the evidence base and will continue to be important in the development of both documents.

5. Communications

- 5.1** Engagement is key to the successful development of economic policies. Numerous organisations have been engaged about the SEP and LIS. Further engagement is planned with a range of stakeholders (see Annex 2 – Engagement Plan).

6. Annexes

- 6.1** Annex 1 – Key Milestones

- 6.2** Annex 2 - Engagement Plan

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

Annex 1 – Key Milestones

Milestone	May 2019	June 2019	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019
Twin-tracking SEP and LIS Development								
Draft SEP and LIS Documents Produced								
Local Authority Officer Engagement								
LEP Board Engagement								
Private Sector Engagement								
Public Consultation								
Central Government Engagement								
SEP Finalised and Published								
Final Submission of LIS								

Annex 2 - Engagement Plan

Stakeholder	Engagement Approach	Engagement Tools	Frequency
SCR Senior Leadership Team	Consultation	Internal Workshop Face-to-Face One-to-Ones Email	Monthly
SCR Commissioning Teams	Consultation	Internal Workshop Face-to-Face One-to-Ones Email	Monthly
SCR LEP Board	Consultation	Face-to-Face One-to-ones Briefing papers/presentations	Bi-Monthly
LEP Sector Groups	Consultation	Face-to-Face Briefing papers Email and Telephone	3 months
SCR CEXs	For Information	Face-to-Face One-to-Ones Briefing papers Telephone	Frequently
SCR Policy & Advisory Group	For Information	Face-to-Face meetings Briefing papers/presentations	Quarterly
SCR Thematic Boards	For Information	Face-to-Face One-to-ones Briefing papers/presentations	TBC
Local Authority Heads of Economic Development	Consultation	Workshop Face-to-Face meetings Briefing papers/presentations	Frequently
Westminster & Civil Servants	Consultation	Workshop Face-to-Face meetings One-to-ones Briefing papers/presentations	As required
Ministers	Consultation	Face-to-Face meetings (where possible) Briefing papers/presentations Email and Telephone	As required
South Yorkshire MPs	For Information	Face-to-Face meetings One-to-Ones Briefing papers/presentations Email and Telephone	As required
NP11, Neighbouring LEPs	Consultation	Face-to-Face One-to-Ones Email and Telephone	As required
MIPIIM Sponsors	Consultation	Face-to-Face Briefing papers/presentations Email and Telephone	As required

FE Colleges	Consultation	Face-to-Face Briefing papers/presentations Email and Telephone	As required
SCR Universities	Consultation	Workshop Face-to-Face Briefing papers/presentations Email and Telephone	Frequently
Business Representative Organisations	Consultation	Face-to-Face Email and Telephone	Frequently
Science and Innovation Board	Consultation	Face-to-Face Briefing papers/presentations Email and Telephone	As required
AWRC and AMRC	Consultation	Face-to-Face One-to-Ones Email and Telephone	Frequently
Key Businesses	Consultation	Face-to-Face One-to-Ones Email and Telephone	Frequently
Third Sector	Consultation	Face-to-Face One-to-ones Email and Telephone	Frequently

20th May 2019**LEP DELIVERY PLAN****Purpose of Report**

Following the publication of the Government's LEP Review report in July 2018, '*Strengthened Local Enterprise Partnerships*', all LEPs are now required to produce and publish an annual Delivery Plan to outline the activities and outputs the LEP will deliver. This paper presents the draft LEP Delivery Plan 2019/20.

Thematic Priority

Cross-cutting across all six thematic priorities.

Freedom of Information

Under the Freedom of Information Act this paper and appendix will be made available under the SCR Publication Scheme.

Recommendations

LEP Board members are asked to consider and approve the draft LEP Delivery Plan 2019/20.

1. Introduction

- 1.1 On 24 July 2018, the Government published the '*Strengthened Local Enterprise Partnerships*' report which outlined the conclusions and recommendations from the LEP Review.
- 1.2 To improve the accountability of LEPs and to strengthen the monitoring and reporting of LEP performance, the Government tasked all LEPs to produce and publish an annual LEP Delivery Plan by 31 May 2019. This paper presents the draft SCR LEP Delivery Plan 2019/20 (Appendix A).

2. Proposal and justification

- 2.1 The '*Strengthened Local Enterprise Partnerships*' report concluded that LEP structures and performance measures vary across the country, resulting in a lack of clarity on the role and impact of the LEPs.

2.2 The LEP Review made a number of recommendations to improve the rigour of the Government's annual review of LEP performance (formerly known as the Annual Conversation) and to strengthen accountability and transparency over how public funds are invested.

LEPs are required to:

- Produce and publish an annual **LEP Delivery Plan** by 31 May 2019, outlining the agreed priorities and interventions that will be funded, delivered, monitored and evaluated over the coming year.
- Produce and publish a **LEP End of Year Report** on actual activities, outputs and outcomes delivered.
- Hold an **Annual General Meeting (AGM)** which is open to the public and promoted to businesses.

The Government will:

- Measure and publish economic performance data of all LEPs in an **Annual Economic Outlook** report. This will include benchmarking the performance of individual LEPs.
- Introduce a new regular **Peer Review** process to assess and improve LEP performance. The peer review system will be developed jointly by the Government, LEP Network and LEPs.
- Hold a **Mid-Year Review** session with each LEP to discuss strategic direction.
- Monitor the LEP's performance through the **Annual Performance Review** and the submission of Quarterly Monitoring Returns (DELTA) for major growth programmes.

2.3 The draft SCR LEP Delivery Plan 2019/20 is structured as follows:

- **Introduction** – briefly outlines the structure of the LEP, how the LEP and Mayoral Combined Authority (MCA) work together and the LEP's vision.
- **Our Strategic Objectives** – summarises the strengths and challenges in the SCR economy based on the latest data and the aspirations and targets for growing the SCR economy from the current Strategic Economic Plan (SEP). This section also includes a diagram of key LEP funded projects, a breakdown of LEP funding and expenditure by theme and the LEP's strategic priorities for investment.
- **Our Activities in 2019/20** – a table listing the LEP funded projects and initiatives that will be delivered by thematic area and strategic priority, including profiled expenditure and outputs for 2019/20.
- **Monitoring and Reporting Performance** – explains the processes in place for monitoring project delivery, reporting delivery progress to the LEP and MCA Boards, managing risk and evaluating the impact of projects.
- **Consultation and Engagement on Our Future Plans** – summarises how we will work with stakeholders and partners during 2019/20, including consultation on the revised SEP and development of the Local Industrial Strategy (LIS)
- **Timeline of Key Milestones 2019/20** – a diagram outlining when key LEP funded projects and activities will be delivered during the year, including public consultation on the SEP and partner consultation on the LIS.

2.4 LEPs were required to submit a draft of the Delivery Plan 2019/20 to Government by 30 April. SCR complied with this requirement.

2.5 LEP Board members are asked to consider the draft Delivery Plan 2019/20 at Appendix A and advise of any required changes. The finalised Delivery Plan must be submitted to Government and published on the SCR website by 31 May 2019.

3. Consideration of alternative approaches

- 3.1 The recommendations contained in the '*Strengthening Local Enterprise Partnerships*' report, including the production and publication of an annual Delivery Plan, are a form of guidance which all LEPs are required to comply with.

4. Implications

4.1

Financial

There are no direct financial implications arising from this paper.

The draft LEP Delivery Plan only includes LEP funded projects and initiatives that have already been approved by both the LEP and MCA Boards.

4.2 Legal

There are no legal implications arising from this paper.

4.3 Risk Management

As a result of the LEP Review, the Government has formalised their approach for dealing with non-compliant or underperforming LEPs. Should SCR fail to deliver the recommendations in the LEP Review or against the outcome targets in the annual LEP Delivery Plan, SCR could be subject to Government intervention. This ranges from regular performance meetings and remedial action plans to risk-based deep dive reviews and ultimately, the withholding of LEP funding.

4.4 Equality, Diversity and Social Inclusion ([Equality Act - Public Sector Equality Duty](#))

There are no equality, diversity and social inclusion implications arising from this paper.

5. Communications

- 5.1 Once approved, the LEP Delivery Plan 2019/20 will be published on the SCR website. A mid-year report on progress towards the activities, expenditure and outputs outlined in the Delivery Plan will be presented to the LEP Board in November 2019 and published on the SCR website.

6. Appendices/Annexes

- 6.1 Appendix A – Draft SCR LEP Delivery Plan 2019/20

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

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Sheffield City Region

LEP Delivery Plan 2019-20



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Version Control

v1	First draft produced	L Whitaker	
v2	Foreword, LEP funded projects diagram and timeline for milestones added	A Gates, L Whitaker	

Foreword

James Muir, Sheffield City Region LEP Chair

As the newly appointed LEP Chair for the Sheffield City Region I am delighted to present this LEP Delivery Plan for 2019-20.

This is an important year for the LEP as we pivot from an organisation focusing on delivering its existing Strategic Economic Plan to one that sets a new vision and strategy that will define what we do and how we do it for the next period of transformational economic growth.

Over the course of this year we will continue to deliver our ambitious programme of investment in the regions infrastructure, housing, business growth and skills programmes. We will retain a laser like focus on ensuring our programmes achieve their stated objectives.

Over the last year we have seen a significant renewal of the LEP Board membership, with successive recruitment rounds improving the diversity and representation of the region in the LEP Board's membership. This year, private sector Board members, with a clear set of lead portfolio areas will work with the Mayor and the Mayoral Combined Authority to develop a new Strategic Economic Plan that will set out what we need to do locally to deliver inclusive economic growth. We will also work in partnership with the Government to develop a Local Industrial Strategy (LIS) that sets the terms for a long term and productive relationship between the city region and the Government.

I am confident that the new governance model we have put in place draws together the very best of the private and public sector, giving real ownership, transparency and accountability to decisions being taken locally whilst putting us in a strong position to develop new evidence led strategies.

The year will also see us continue to focus on being an organisation that can be trusted to deliver by partners and stakeholders. I am delighted that our decision-making processes and our approach to transparency have been recognised as 'good' by the Government and we will strive to achieve 'exceptional' across the board.

It promises to be an exciting year for the LEP, we approach it with confidence and ambition and we look forward to working with partners in government, the private sector and stakeholders on the delivery of our plans.

Insert signature and photo

James Muir

Sheffield City Region, Local Enterprise Partnership Chair

1. Introduction

About the Delivery Plan

This Delivery Plan outlines the activities that the Sheffield City Region Local Enterprise Partnership (LEP) has committed to deliver between 1 April 2019 and 31 March 2020. This includes the programmes and projects that the LEP will be funding throughout the year and the LEP's publication of the revised Strategic Economic Plan (SEP) and development of the first Local Industrial Strategy for the City Region.

The Sheffield City Region Structure

The LEP is a voluntary business-led partnership which brings together business leaders, local politicians and other partners to promote and drive economic growth across the Sheffield City Region. Formed in 2010, the LEP leads on strategic economic policy development within the City Region and sets the blueprint for how the SCR economy should evolve and grow. The LEP raises the profile, image and reputation of the Sheffield City Region as a place to visit, live, work and invest in.

The Sheffield City Region Mayoral Combined Authority (MCA) was formally constituted in law in April 2014. Chaired by Dan Jarvis MBE MP, the elected SCR Mayor, the MCA comprises the nine local authorities in the City Region. The MCA is the legal and Accountable Body for all funds awarded to the LEP and approves the LEP annual capital and revenue budgets prior to the start of the financial year. However, the LEP retains ultimate decision-making authority over how these funds are prioritised and spent.

Together, the LEP and MCA form the core decision-making Boards for the Sheffield City Region. Five Thematic Boards support the LEP, MCA and SCR Mayor in delivering the aims and objectives of the Strategic Economic plan and driving forward activity and projects: Business Growth, Housing, Infrastructure, Skills and Employment and Transport.

To maintain good levels of communication and high levels of cooperation, the LEP, SCR Mayor and MCA are served by a central and impartial team of staff. The SCR Executive Team advises the LEP, SCR Mayor and MCA on policy. They also commission, manage and monitor the delivery of LEP and MCA funded schemes and projects.

Our Vision

The LEP vision is simple; a bigger, stronger private sector.



The nine local authority areas in the Sheffield City Region

2. Our Strategic Objectives

About the Sheffield City Region Economy

Sheffield City Region (SCR) is a polycentric city region, comprised of the core city of Sheffield and the surrounding towns of Barnsley, Rotherham and Doncaster; the largest metropolitan authority in the country. The wider SCR Local Enterprise Partnership (LEP) area also includes Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, and North East Derbyshire.

The City Region is home to 1.8 million people, with 68,000 businesses, providing 862,000 jobs. It is the 10th largest LEP area by population and has the 16th largest economy.

Our Strengths

The area has a strong industrial heritage with materials and manufacturing remaining as distinctive features of the economy. With world-class specialisms in Advanced Manufacturing and Engineering, the City Region is at the forefront of innovation and a major driver of economic growth as it develops its advanced manufacturing and engineering capabilities. The City Region has a large manufacturing sector with 14.1% compared to 10.1% nationally. Other key industries and employment strengths are in Construction; Materials; Logistics; Rail; Creative and Digital Industries; Education; and Health.

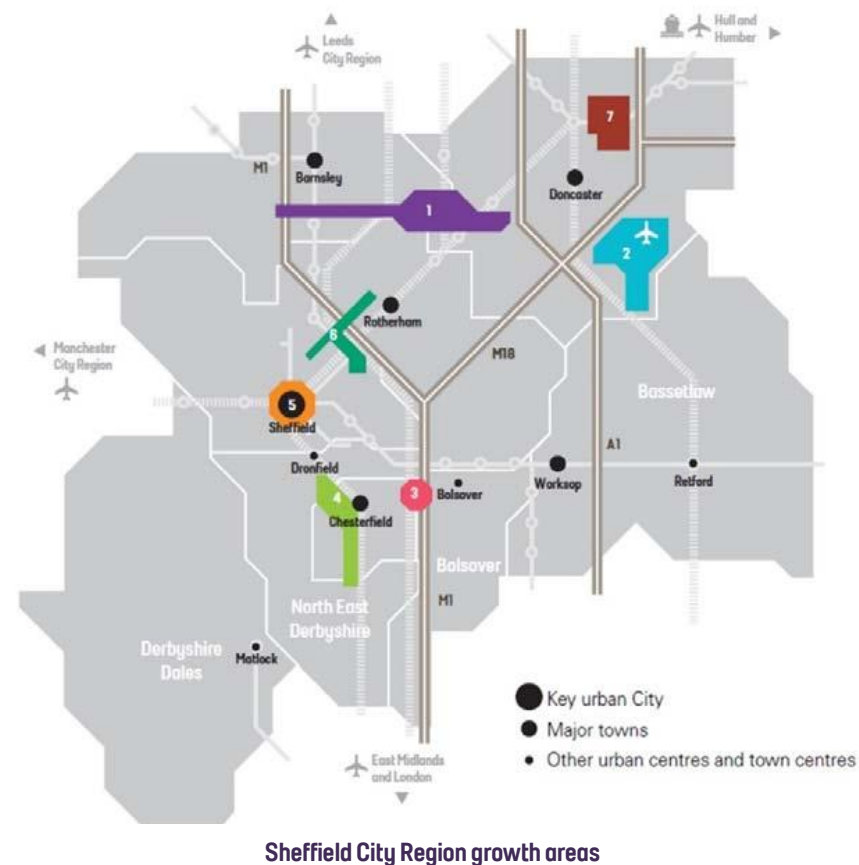
The number of jobs in the City Region has increased by 9.5% since 2011, which is marginally below the national rate of 9.8%.

Our economic growth has exceeded the target rate outlined in the Strategic Economic Plan 2014-2024, and the City Region now has an annual Gross Value Added (GVA) rate of £35 billion (the economy was valued at £31 billion in 2014). The rate of GVA growth over the last ten years since the LEP was formed is 20.3%. Whilst, this is slightly below the national average growth rate of 22.6%, the Sheffield City Region is one of the fastest growing economies in England in terms of productivity – 6th fastest out of 38 LEP areas and ahead of London for the 2009 to 2016 period.

Our Challenges

In 2016, the SCR ranked 34th out of 38 LEP areas in England for GVA per head. GVA per head in the SCR is currently £18,370, which is well below the UK average (£26,580) and over £5,000 lower than the UK average even when excluding London (£23,774). It also has some of the highest economic inactivity and unemployment rates across LEP areas.

Whilst jobs growth in the City Region has kept pace with the rest of England, the overall employment rate in the SCR is 1.8% below the national average. There are 47,900 unemployed SCR residents, and the key concern is the level of economic inactivity, which is above the national average. The City Region has the 11th highest economic inactivity rate across the 38 LEP areas. This is, and has been, a persistent challenge since de-industrialisation in the 1980s. In 2018, there were 260,200 economically inactive



residents. This includes full-time students, residents with temporary or long-term illness or disability and individuals who are caring for family members. Of this total, 82,600 people intend to seek employment (31.7% compared to 21.4% nationally). This indicates the opportunity available to move more individuals into employment if economic conditions could be improved.

There are significant areas of deprivation and the Sheffield City Region is the 7th most deprived LEP area in England. Too many of our residents are not in employment or training, are experiencing poor physical or mental health, or have low or no skills to help them get better jobs. There is also a disproportionate number of low-skilled residents in low-paid, part-time and often insecure work. There is a growing problem of long-term unemployment, and a cycle of intergenerational unemployment and poverty.

Our Aspirations and Targets for Growing the City Region Economy

The Sheffield City Region is focussed on creating a bigger, stronger, and more competitive private sector and our Strategic Economic Plan (SEP) 2014 – 2024 sets out a ten-year plan for growing the economy. It identifies ambitious targets for creating new jobs and supporting businesses to start-up, thrive and grow and outlines how these targets will be delivered.



ECONOMIC OUTPUT BY

£3 BILLION

Target:

Grow the economy by 10% (or £3.1 billion) by 2024

Progress to date (2018/19):

We achieved this target in 2018 due to strong performance in a range of industrial sectors. The SCR economy is currently valued at £35 billion. If the current rate of growth continues, our economy is expected to be worth over £37 billion in 2024.

More jobs

70,000



Target:

Create 70,000 net new jobs by 2024, with 30,000 to be highly skilled.

Progress to date (2018/19):

We are approximately four years ahead of schedule on achieving this target with 37,000 jobs created since 2014. This growth has been private sector-led with the business services and manufacturing sectors adding the most jobs. LEP funded activity under the Local Growth Fund (LGF) programme in 2018/19 has achieved 9,082 full time equivalent (FTE) jobs so far and the expected outcome by 2025 from the LGF programme is currently 60,785 FTEs.



6,000 more businesses

Target:

Generate 6,000 new business start-ups by 2024.

Progress to date (2018/19):

5,670 new businesses have started-up in the Sheffield City Region since 2014. LEP funded activity under the LGF programme, through our Growth Hub, has provided financial support to 24,628 businesses and grant support to 103 businesses.

Key LEP Funded Projects

Business Growth



Growth Hub

A single access point providing advice, training and financial support to help aspiring and existing business owners to start-up, operate and grow their business.



Launchpad

A project providing free training and mentoring to start-up and young businesses.



RISE

A service to recruit, job-match and place high-calibre graduates in SMEs to help businesses to innovate.

Trade & Investment



McLaren Automotive

The McLaren Composites Technology Centre will build the carbon fibre chassis for McLaren's new models from 2020. Located on the Advanced Manufacturing Park, the centre will create around 200 jobs.



Boeing

Boeing's first manufacturing facility in Europe opened in Rotherham in 2018. The facility manufactures wing actuation systems for the Next-Generation 737, 737 MAX and 777 aircraft.



Horasis China Conference 2017

The City Region hosted and sponsored the 3-day international Conference. 320 global business and civic leaders attended to explore China's trade strategy and potential trade and investment opportunities in the City Region.

Housing



Housing Fund

A pilot scheme to help private housing developers and housing associations build more homes in the Sheffield City Region

Infrastructure



Great Yorkshire Way

Construction of a new road to directly link Doncaster Sheffield Airport to the M18 and unlock land for commercial and residential development.



Olympic Legacy Park

Re-development of the former Don Valley Stadium providing into a mixed use site including 15,450 square metres of business space and the Advanced Wellbeing Research Centre.



Peak Resort

Construction of a 300 acre all-year tourist attraction on a reclaimed open-cast mine. The development will feature 2 hotels, 250 lodges, 600 holiday apartments, an educational campus, all-weather sports facilities and cycle trails. Phase 1 will open in Winter 2020.



Skills Bank

A demonstrator project where employers co-invest in training and skills for their business to drive growth. Skills Bank 2 launched in 2019.



National College for High Speed Rail

One of two sites in the UK providing NVQ level 4 and 5 technical training in railway engineering, signalling and technology to support the construction and operation of HS2.



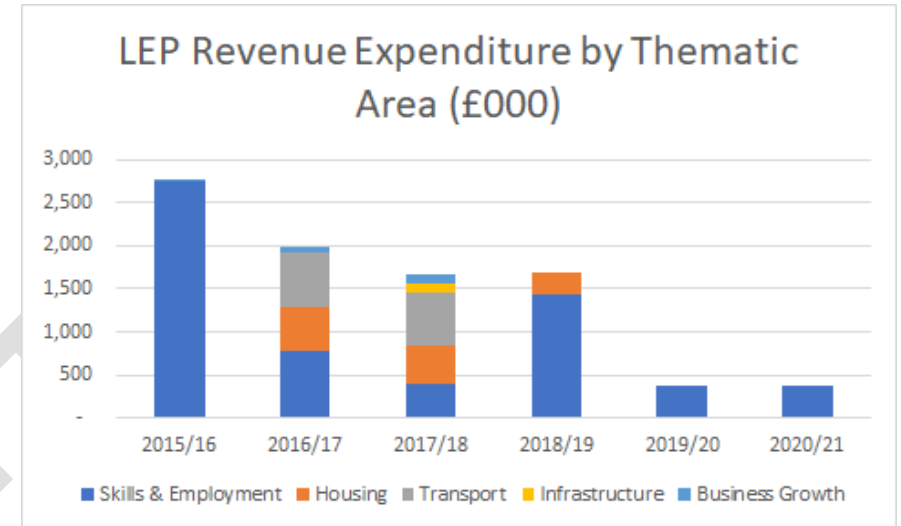
University Centre Rotherham

A purpose-built facility delivering Higher Apprenticeships, Foundation Degrees and higher level short courses to residents and employees.

Skills & Employment

LEP - Sources of Revenue Income

Theme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
Cabinet Office		357	305	240			£ 902
Ministry of Housing & Local Government (MHCLG)		150	125				£ 275
Department for Transport (DfT)		625	625				£ 1,250
Department for International Trade (DIT)	28	60	108				£ 196
Education & Skills Funding Agency (ESFA)				1,440	369	369	£ 2,178
Skills Funding Agency (SFA)	2,611	656	221				£ 3,488
Careers Enterprise Company	130	130	180				£ 440
Tees Valley Combined Authority			100				£ 100
TOTAL (£000)	£ 2,769	£ 1,978	£ 1,664	£ 1,680	£ 369	£ 369	£ 8,829

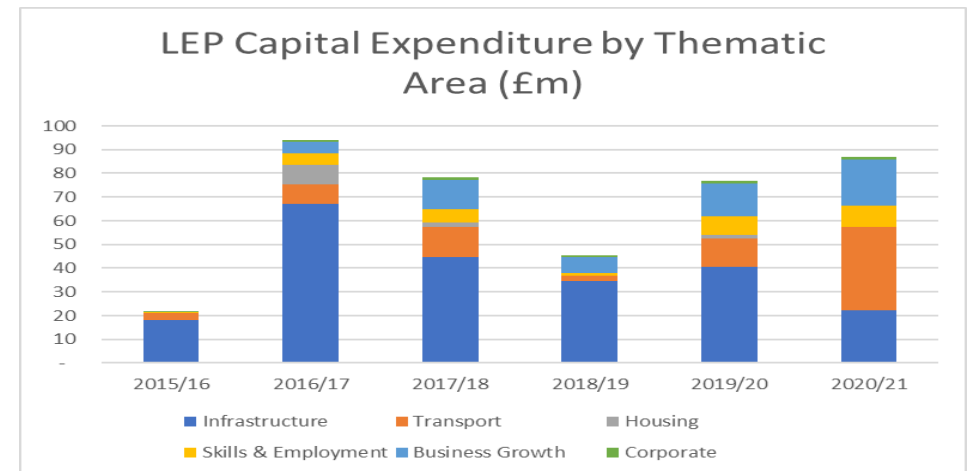


SCR LEP Funding

Where our funding comes from and how it is being invested

LEP Capital Expenditure by Thematic Area

Theme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
Infrastructure	18	67	45	35	41	22	227
Transport	3	8	13	2	12	35	73
Housing	-	8	2	-	2	-	12
Skills & Employment	0	5	6	1	8	9	29
Business Growth	0	5	12	7	14	19	57
Corporate	0	1	1	1	1	1	5
TOTAL (£000)	22	94	78	46	77	87	403



NB: The current pipeline of activity is over programmed for the final two years by £24 million.

Our Priorities for LEP Investment in 2019/20

In 2019/20 the Sheffield City Region LEP will fund projects and programmes that deliver against these strategic priorities:

1. Ensure businesses in the SCR have the support they need to realise their full growth potential

The LEP will achieve this by:

- Ensuring that new businesses receive the support they need to flourish.
- Facilitating and proactively supporting growth amongst existing firms.

2. Become more outward looking

The LEP will achieve this by:

- Attracting investment from other parts of the UK and overseas and improving our brand.
- Increasing sales of the City Region's goods and services to other parts of the UK and abroad.

3. Provide the conditions that businesses need to prosper and become more resilient

The LEP will achieve this by:

- Developing the City Region's skills base, labour mobility and education performance.
- Securing investment in infrastructure where it will do most to support growth.

Our Budget for Investment

Through three Growth Deals, the first agreed in 2014, the SCR LEP has been awarded £363.7 million Local Growth Fund (LGF) from Government to deliver the SEP over a six-year period. This included £4 million revenue funding for the SCR Growth Hub. Through early investment, some schemes have now repaid the LGF they received back to the programme, and this means that the current available capital funding has increased to £379 million. This has enabled us to invest in more projects and initiatives including:

- **Infrastructure Programme:** Between 2015 and 2021, we are investing £301 million in infrastructure development including vacant land and property redevelopment into new commercial and retail premises, new link roads such as the Great Yorkshire Way in Doncaster and Superfast South Yorkshire Broadband.
- **Business Investment Fund:** A £52 million fund helping indigenous and re-locating businesses to plug finance gaps which cannot be met through traditional sources. This could increase to £57 million due to demand for further investment.
- **Growth Hub:** A single access point where business owners can obtain advice and support on starting-up, running and growing their business. With a contribution of £4 million from LGF, the Growth Hub assists with skills and training, innovation and exporting and advice on financing a business.
- **Skills Capital Fund:** A £28 million fund to develop state-of-the-art training facilities and equipment across the Sheffield City Region. This could increase to over £29 million.
- **Housing Fund:** A £10 million pilot scheme to help private housing developers and housing associations build more homes in the Sheffield City Region. This could increase to £12 million during the year based on other potential projects coming forward for investment.

3. Our Activities in 2019-20

In 2019/20, we will invest our funding in the following contracted projects and programmes:

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2019-20	Expected Outputs/Outcomes 2019-20	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Facilitating and proactively supporting growth amongst existing firms.	Business Growth	Business Investment Fund (BIF)	April 2015/16	£7.84m	Jobs: 362	£52m	Achieved by 2018/19 Jobs: 2,097 Projected by 2024/25 Jobs: 3,959
		Hub Enhancement		£0.034m			
Facilitating and proactively supporting growth amongst existing firms and ensuring that new businesses receive the support they need to flourish.		Growth Hub	April 2015/16	£0.829m	Jobs: 342	£4m	Achieved by 2018/19 Jobs: 2,094 Projected by 2024/25 Jobs: 2,500
Facilitating and proactively supporting growth amongst existing firms.		Access to Finance		£0.126m			
Attracting investment from other parts of the UK and overseas and improving our brand.		Key Account Management (Trade & Investment)		£0.102m			
Sub-Total				£8.931m			

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2019-20	Expected Outputs/Outcomes 2019-20	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Securing investment in infrastructure where it will do most to support growth.	Infrastructure	DN7 Hatfield Link Delivery of 2km new road from M18 J5 to unlock a mixed use development comprising 3,100 houses, 395,000 m2 of commercial floor space and retail and educational facilities.	March 2019	£9.55m	Homes:0 Jobs:0 GVA: £0	£11.16m	Achieved by 2021/2022: Homes: 200 Jobs: 478 GVA: £0 Achieved by 2022/2023 Homes: 300 Jobs: 717 GVA: £0 Total Projected: Homes: 3,100 Jobs: 7,681 GVA: £910,587,387
		Digital Media Centre The Project will acquire and refurbish 'The Core' building, delivering three floors of "grow on" office space, a ground floor co-working space and provision of a tech lab facility.	March 2019	£1.08m	Jobs: 0	£2.13m	Achieved by 2021/2022: Jobs: 137 Achieved by 2022/2023: Jobs:137 Total Projected Jobs: 137
		Grey to Green Phase 2 Transformation of Castlegate /Victoria Quays as a major location for new investment, particularly for cutting edge technology and creative businesses. Providing 1,235 m2 of Sustainable Urban Drainage, 2,852 m2 of meadow planting, a 2,860 m2 new cycleway and 5,209 m2 new carriageway.	Feb 2019	£2.37m	Jobs: 89 GVA: £0	£3.32m	Achieved by 2021/2022: Jobs: 171 GVA: £0 Achieved by 2022/2023 Jobs: 296 GVA: £18,000,000 Total Projected Jobs: 766 GVA: £29,000,000

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2019-20	Expected Outputs/Outcomes 2019-20	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Securing investment in infrastructure where it will do most to support growth.	Infrastructure	Upper Don Valley Flood Alleviation Phase 2 Providing 1.07 km of linear flood defence to three discrete flood 'cells' within a high risk flood area on the River Loxley (a tributary of the River Don) and at the confluence of the Loxley and the River Don. The project will provide improved resilience to flooding for households, commercial properties and transport and other critical infrastructure whilst opening up development sites.	Dec 2019	£2.94m	Jobs:0 GVA: £265,000	£3.46m	Achieved by 2021/2022: Jobs:0 GVA: £265,000 Achieved by 2022/2023 Jobs: 86 GVA: £314,735 Total Projected Jobs: 86 GVA: £314,735
		M1 junction 37 (Claycliffe Economic Growth Corridor) Phase 1 The Project will deliver highway improvements to the A628 Dodworth Road and Pogmoor Road crossroads; a key arterial route into Barnsley's principal road network. Highway improvements will unlock prime development land currently restrained by highway capacity.	Sept 2019	£0.67m	Jobs:0 GVA: £11.6m	£1.17m	Achieved by 2021/2022: Jobs:167 GVA: £11.6m Achieved by 2022/2023: Jobs:167 GVA: £11.6m Total Projected Jobs: 167 GVA: £63.6m
		M1 junction 36 (Goldthorpe A6195 Dearne Valley Economic Growth Corridor) Phase 2 Highways improvement to alleviate current constraints and to facilitate the proposed development of 72.9ha of employment land at Goldthorpe.	July 2019	£4.17m	Jobs:0	£7.32m	Achieved by 2021/2022: Jobs:0 Achieved by 2022/2023 Jobs: 83 Total Projected Jobs: 1,400

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2019-20	Expected Outputs/Outcomes 2019-20	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Securing investment in infrastructure where it will do most to support growth.	Infrastructure	M1 junction 36 (Hoyland - A6195 Dearne Valley Economic Growth Corridor) Phase 1 1.8km of new and improved highways that will unlock significant employment land, opening up the regeneration and growth of the whole Dearne Valley.	Dec 2015	£2.62m	Jobs:322	£15.7m	Achieved by 2021/2022: Jobs:605 Achieved by 2022/2023 Jobs: 4,555 Total Projected Jobs: 4,555
		Energy and Sustainability		£0.059m			
Sub-Total				£23.459m			
Developing the City Region's skills base, labour mobility and education performance	Skills and Employment	Skills Bank 2		£1.082m			
		Enterprise Advisor Pilot		£0.180m			
Sub-Total				£1.262m			
Securing investment in infrastructure where it will do most to support growth.	Transport	Inner Ring Road (Sheffield) Improvements to selected junctions on the Sheffield Inner Ring Road to provide increased capacity for planned city centre regeneration particularly in the Riverside Business District. Project seeks to provide additional traffic capacity by adding a 2km of newly built road.	Feb 2019	£2m	Jobs: 150 GVA: £8.72m	£3.79m	Achieved by 2021/2022: Jobs:150 GVA: £8.72m Achieved by 2022/2023 Jobs:150 GVA: £8.72m Total Projected Jobs: 150 GVA: £8.72m

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2019-20	Expected Outputs/Outcomes 2019-20	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Securing investment in infrastructure where it will do most to support growth.	Transport	Transport Scheme Testing Tools		£0.13m			
Sub-Total				£2.13m			
	Corporate	SCR Operational Costs		£7.656			
Sub-Total				£7.656			
Total Committed Expenditure 2019/20				£43.438m			

NB: Quarterly reports on actual outputs achieved during 2019/20 will be published on the SCR website.

Other Significant Activities in 2019/20

Implementation of the LEP Review

Further to the recommendations made by the Government in the LEP Review 2018, the LEP will be reconfiguring its geographic area to remove the overlaps with the neighbouring D2N2 LEP area. The overlapping areas currently are Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire. The changes to the geography will be implemented by 31 March 2020.

Brexit

In 2019/20 the LEP will continue its work to help businesses across the Sheffield City Region prepare for Brexit. In 2018/19, we launched our Brexit tool as part of our Growth Hub service to assist small and medium sized businesses in particular to understand the implications of Brexit. We will continue to promote and encourage businesses to use the Brexit tool.

Enterprise Zones in the Sheffield City Region

As part of our commitment to unlock economic growth, we established several specialist Enterprise Zones across the Sheffield City Region. All these sites are superbly connected and supported by exclusive incentives, a business-friendly planning system, committed staff, and the opportunity to collaborate with world-leading manufacturers.

Development of the Enterprise Zone sites is drawing to a close. These zones comprise of 147.99 hectares of commercial land and have attracted international recognition. So far, 45 businesses have located to the Enterprise Zone sites including Euramax, Great Bear Logistics, Nikken and UC Universal Components, creating over 2,000 jobs.

Site	Total Size (ha)	Developed		Vacant		Businesses Located (by Jan 2019)	Jobs Created (by Jan 2019)
		Size (ha)	% of Site	Size (ha)	% of Site		
Ashroyd Business Park, Barnsley	10.02	8.11	80.94%	1.91	19.06%	3	375
Shortwood Business Park, Barnsley	3.39	3.39	100%			13	289
Europa Link, Sheffield	21.02	5.1	24%	15.92	76%	1	210
Tinsley Park, Sheffield	46.66	27.06	57.99%	19.6	42.01%	3	-
Templeborough, Rotherham	5.16	2.52	49%	2.64	51%	1	-
Advanced Manufacturing Park / Waverley	42.24	14.1016	33%	28.14	67%	20	730
Markham Vale North	6.53	5.96	91%	0.57	9%	2	67
Markham Vale South	12.97	12.97	100%			2	390
TOTAL	147.99	79.21	54%	68.78	46%	45	2,061

4. Monitoring and Reporting Performance

Monitoring Process

All projects and programmes funded by the LEP will be regularly monitored throughout 2019/20 to ensure that project delivery is on track, to identify any issues or underperformance and to capture the outputs and outcomes of each project. Measuring the performance of projects in this way enables us to check that public funds are being spent appropriately and that projects are delivering results. Monitoring data from projects will be used to support the LEP in making future decisions on the types of projects and activities to support.

Every organisation or business that receives LEP funding in 2019/20 will be required to submit a quarterly report on project expenditure and income (such as sponsorship or other funding) and information on actual outputs and outcomes achieved from the project to the Sheffield City Region. Project Applicants are also responsible for informing the Sheffield City Region of any changes to the scope, costs and timescales for their project. This will enable the LEP and Mayoral Combined Authority (the accountable body for the LEP) to fulfil their statutory duties in reporting and accounting for all public monies spent to Government during the year.

Risk Management

Anyone that applies for funding from the Sheffield City Region is required to identify any risks to their project as part of their application for funding. This includes contingency plans that will be put in place by the applicant to manage all risks appropriately. Risk management controls and mitigation action plans are in place for the projects and programmes listed in section 3 that will be delivered in 2019/20 and these have been added to our Risk Register. All risks will be monitored during the year, and reports will be submitted to the LEP Board to advise on issues with project delivery, requests by the applicant to change an aspect of the project and corrective action that ought to be taken to manage risk.

Reporting Progress to the LEP and MCA Boards

Whilst the Mayoral Combined Authority is the legal and accountable body for the LEP, the LEP is responsible for bidding for funding and programmes from Government and delivering the Local Growth Fund and other funded programmes. The LEP is also responsible developing the City Region's economic strategy and engaging and consulting with the business community and other partners and stakeholders on policy development.

In 2019/20 both the LEP Board and Mayoral Combined Authority will receive quarterly progress reports on project and programme delivery, including any outputs and outcomes achieved. Both Boards will also receive financial reports on capital and revenue expenditure. This will ensure that the LEP is informed of progress towards our strategic objectives and targets throughout the year and sighted on any issues that will result in financial slippage or underperformance by individual projects.

Publishing Programme and Project Performance

All information and reports on LEP funded projects and programmes will be published on the Sheffield City Region website throughout 2019/20. This will include the quarterly reports to the LEP and Mayoral Combined Authority Boards on output and outcome performance and capital and revenue expenditure.

Additional projects to those listed in the table in section 3 will be approved over the course of the year. Details of all projects and programmes that are approved will be recorded in the Minutes of the LEP Board meetings and published on our website. We will also update and publish the Grants and Contracts Register on our website for all contracts and agreements signed, along with a brief summary of the project or scheme, and the value of the contract.

Evaluation of Impact

We procure external evaluation of LEP funded programmes through an open and competitive process. The purpose of the evaluation is to assess the impact of our funding, to ascertain if programmes have run on budget and on time and if the programme represents value for money. Most importantly, the evaluation enables us to identify lessons that should be applied to the design, delivery or management of future programmes, such as the successes and achievements and why they occurred and the obstacles and issues that were encountered during delivery. In 2019/20 we will issue a Tender for the evaluation of the next phase of our Skills Bank project and will also undertake evaluation of the Sheffield City Region Growth Hub.

Project applicants are responsible for undertaking or commissioning evaluation of their project.

In 2019/20 we will review the results of all project and programme evaluation exercises completed and will publish the results on our website.

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5. Consultation and Engagement on Our Future Plans

Working with our Stakeholders

In 2019/20 we will continue to work with key stakeholders in the following ways:

- Quarterly meetings of the Sheffield City Region Policy Advisory Group - to share and pool economic evidence and data to inform the development of a revised Strategic Economic Plan and a Local Industrial Strategy (members of the group include local authorities, universities and the Department for Business, Energy and Industrial Strategy)
- Representing LEPs on the Northern Powerhouse Investment Fund Board
- Playing an active role in the North of England Growth Hub network to share best practice
- Working with the Department for International Trade (DIT) on the Northern Powerhouse agenda, including trade missions
- Quarterly meetings with local authority Finance Directors and Heads of Economic Development
- Being an active member of the national LEP Network and developing, sharing and embedding best practice with other LEPs

Collaborating with Our Partners

During the last year our collaboration with partners has largely been focused on developing the City Region's two key strategic documents – the Transport Strategy and Strategic Economic Plan (SEP). The Transport Strategy was finalised and approved by the Mayoral Combined Authority in January 2019 and whilst it was in development, we undertook extensive work in refreshing the economic evidence base for the City Region to inform the development of the new SEP.

We have worked with the Office for National Statistics, local authority partners, the universities and the Joseph Rowntree Foundation to gather and review the latest evidence and data on the performance of the local and wider UK economy. This includes data on skills, investment, housing and insights around inclusive growth and drivers of productivity change.

In 2019/20 we will present our data and findings in an Evidence Review document and will engage with business representative organisations and other partners in the private sector to incorporate additional statistical and anecdotal evidence from a broader range of sources. This will enable us to refine the focus of the SEP and to determine the priority themes and targets for growing the City Region economy, boosting prosperity and fostering economic inclusion. The revised SEP will be an overarching ten-year economic strategy.

In addition to drafting the revised SEP, in 2019/20 the LEP and our private sector partners, will support the Sheffield City Region Mayor in developing a Local Industrial Strategy (LIS). The LIS will be a more focused plan which will specifically outline the investment priorities for driving long-term growth in productivity, scaling up the assets in the City Region and increasing investment in Research and Development (R&D) by businesses. Partners will be consulted on the draft LIS in early 2020. Together, the SEP and LIS will outline a route map to a more prosperous and productive City Region.

Consulting the Public

We invite the public to comment on projects that are seeking LEP funding through our website. The public can also view a plan of all key decisions that the LEP and MCA will be making over the coming months.

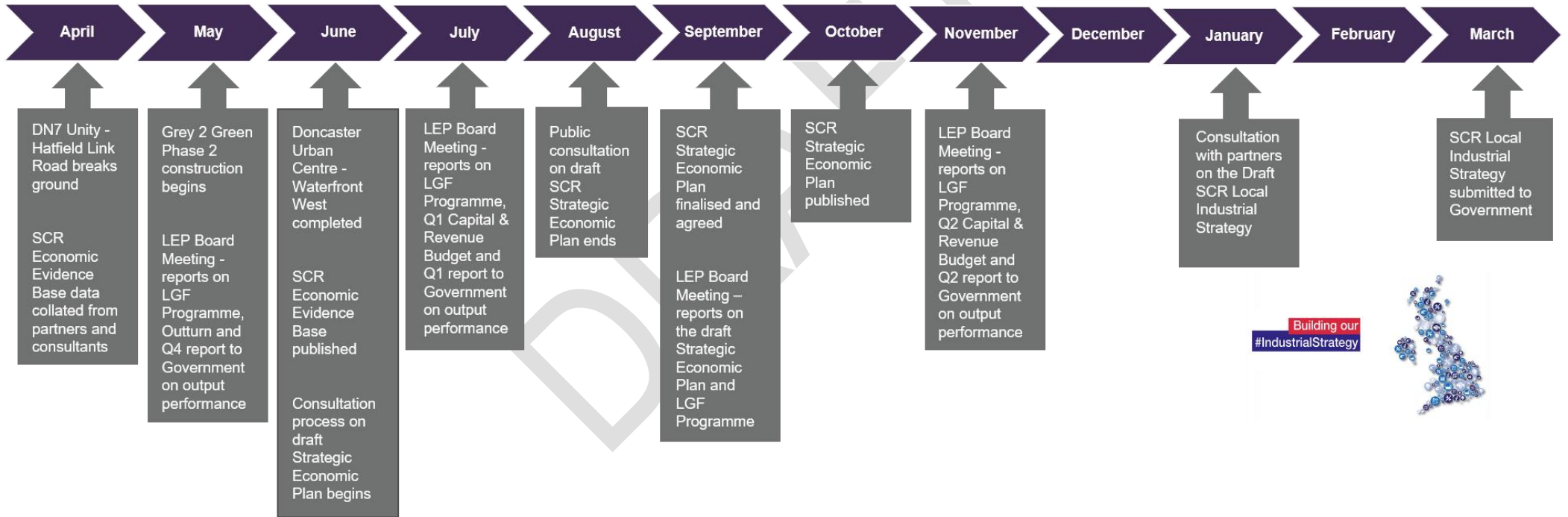
When we revise or develop a new strategic document or programme, we undertake a public consultation exercise to obtain views and comments from members of the public and special interest groups, as well as from our partners and stakeholders. Details of all public consultations are published on our website and social media feeds.

Consultation on our key strategic documents, such as the Transport Strategy and the SEP, usually run for 12 weeks. Members of the public are advised on how they can view the consultation documents and any background information and how to submit any comments and supporting evidence for us to consider. All comments and evidence submitted by partners and individuals during public consultations are logged, analysed and categorised, with records kept on how the final draft of the strategy has been amended to reflect the comments and evidence received.

The draft SEP will be circulated for public consultation in Spring/Summer 2019. Responses from the consultation will be reviewed before a final draft is presented to both the LEP and MCA Boards for approval.

DRAFT

Timeline of Key Milestones 2019/20



Building our
#IndustrialStrategy



Appendix – Mayoral Combined Authority Funded Projects

The Sheffield City Region will also deliver several major projects and initiatives in 2019/20 which are not LEP funded. These projects are funded by the Mayoral Combined Authority but are promoted through the Growth Hub and relate to the LEP's thematic priorities:

Working Win

The Mayoral Combined Authority is investing £2.179 million in 2019/20 into a Health Led Employment Support Trial. This five-year pilot project assists people with depression, anxiety, physical health issues and disabilities into sustainable employment.

Grant for Apprenticeships (GAP)

This initiative encouraged and supported employers in South Yorkshire to recruit young people aged 16 to 24 into apprenticeship roles. Businesses with less than 100 employees were able to access advice and support on employing apprentices in addition to grant funding ranging from £1,120 to £2,450 per apprenticeship, depending on the industrial sector of the business and the level of apprenticeship programme studied.

Tram Train Pilot

Construction and trial of the UK's first tram-train service between Rotherham and Sheffield. The Tram Train service launched in October 2018 and enables the Supertram to run on both traditional rail and tram railway lines. The pilot will run for two years and operates three services an hour in each direction, providing a more efficient and greener transport option between Rotherham and Sheffield.

One Public Estate

An Estates Transformation Strategy for utilising and re-developing the City Region's 9,000 public sector owned assets including public buildings and land to support employment, housing and economic growth.

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20th May 2019

TRANSPORT UPDATE PRESENTATION

Purpose of Report

To provide an update on the latest transport workstreams.

Thematic Priority

The programme contributes to the following current LEP thematic priorities:

6. Secure investment in infrastructure where it will do most to support growth.

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the SCR Publication Scheme.

Recommendations

SCR LEP are asked to:

1. Consider the presentation (Annex A)

1. Introduction

1.1 The LEP Board requested a presentation to provide an overview of a number of transport workstreams.

1.2 The presentation covers;

- Pan-Regional Activity – primarily Transport for the North and Northern Powerhouse Rail.
- Mayor's Vision for Transport and SCR Transport Strategy
- Integrated Rail Plan
- Transforming Cities Fund bid
- Active Travel
- Doncaster Sheffield Airport

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 Organisation Sheffield City Region
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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

TRANSPORT UPDATE

Sheffield
City Region

Transport Updates

- Transport for the North
 - Northern Powerhouse Rail
 - Strategic Development Corridors
- SCR Transport Strategy
 - Mayor's Vision for Transport
 - Strategic Policies
 - Implementation Plans
 - HS2 and the Integrated Rail Plan
- Transforming Cities Fund
- Scheme Delivery
 - Active Travel
 - DSA Rail Station

Transport for the North Strategic Transport Plan

TRANSPORT FOR THE NORTH

Strategic Transport Plan



Sheffield City Region

Northern Powerhouse Rail (NPR)

- Improvements to speed, frequency and capacity between the North's main economic centres – 30 mins/6 trains.
- Strategic Outline Business Case approved by the TfN Board in February.
- Work to begin on the Outline Business Case stage.
- Our interest is in the Sheffield to Leeds route via the Northern Loop, which will include a potential new parkway station in Rotherham and Dearne Valley.
- Also the Sheffield to Manchester route, which is 'difficult' due to the unlikely event a new line will be built, meaning improvements will be restricted to upgrades on the Hope Valley Line.
- SCR working with TfN on the OBC, including exploring all options to achieve the 'conditional outputs'.

**Sheffield
City Region**



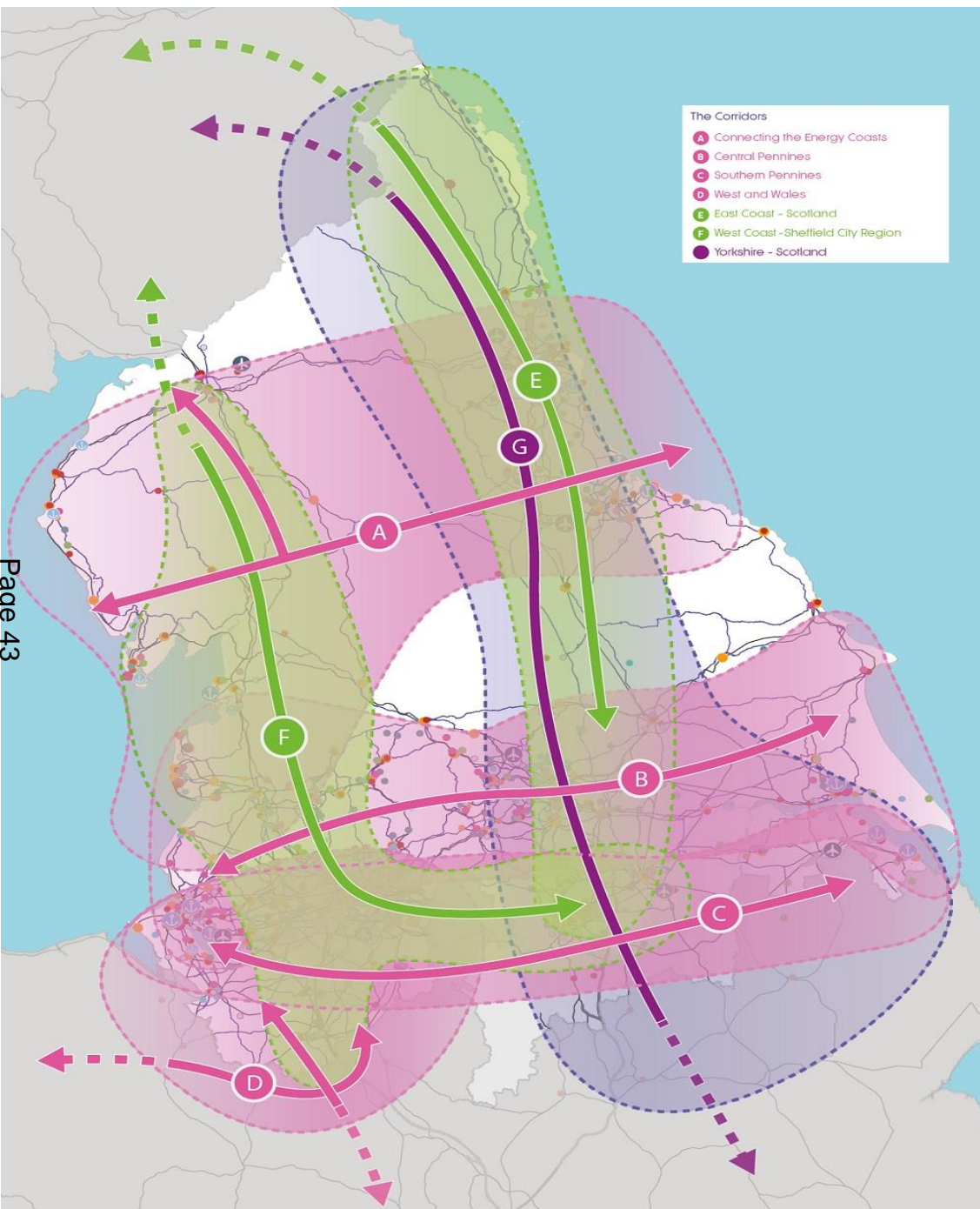
Strategic Development Corridors

- Southern Pennines Corridor

- The STP breaks down the 'north' into a series of transport corridors. Our principle corridor is the SPC, which spreads from Lancashire across to Hull.
- It includes key initiatives for us, such as improved M1 to A1 connectivity, as well as A1 to M18 connectivity. These initiatives may include a new or upgraded alignment.
- In addition, the proposed East Coast Mainline station at Doncaster Sheffield Airport is included as an identified scheme on this corridor.

- Trans-Pennine Connectivity

- Work ongoing to develop the business case for this, including a shorter tunnel. TfN co-clienting this with Highways England
- 'Wider connectivity' proposals associated with this includes a new road between the M1 and M18.



JOURNEY TIMES

NEIGHBOURHOOD TO REGIONAL HUB

15 MINS

By walking, cycling, driving or using public transport, residents will be able to travel from their local neighbourhood to their nearest regional hub in no more than 15 minutes.

REGIONAL HUB TO REGIONAL HUB

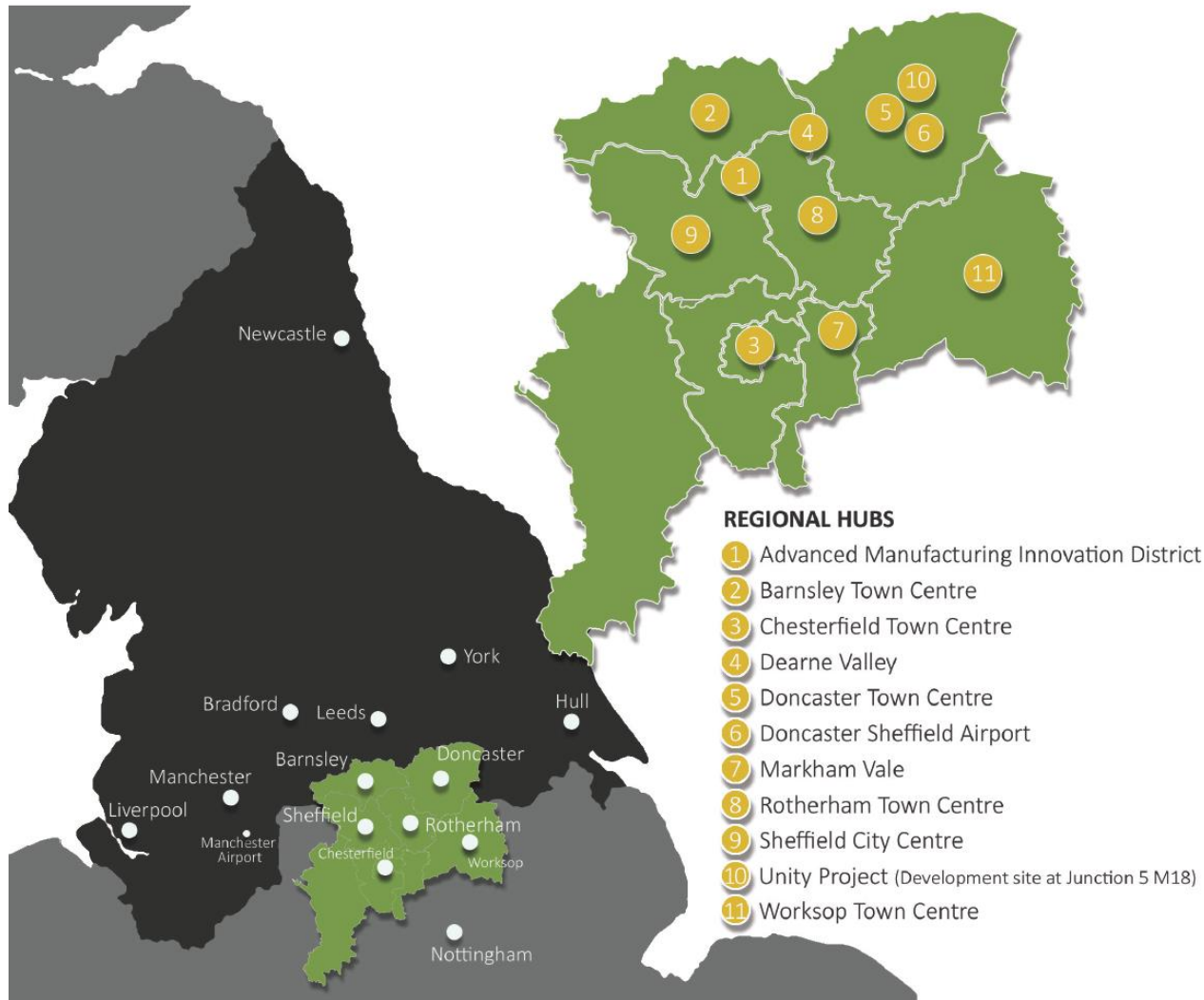
30 MINS

Using public or private transport residents will be able to travel between the region's major centres and employment hubs in no more than 30 minutes.

REGIONAL HUB TO MAJOR CENTRES

75 MINS

People will be able to travel from each of our main town and city centres to at least four other major cities within 75 minutes.

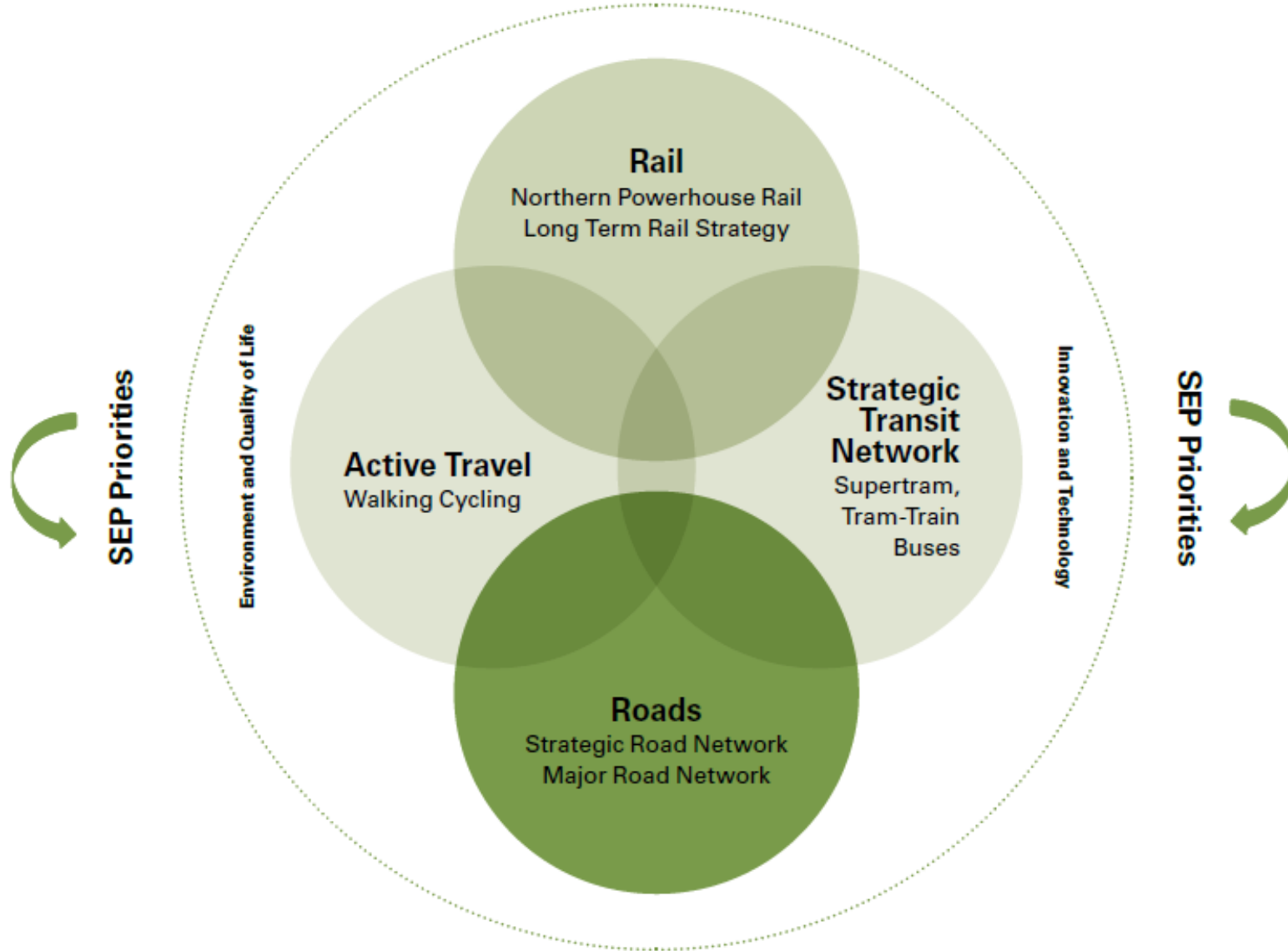


Transport Strategy and the Mayor's Vision for Transport

- The Mayor's Vision was adopted by the MCA in December 2018, followed by the full Strategy in January 2019.
- The Strategy is based around 3 overarching goals, which in turn have 3 specific policies which outline 'what' we want to achieve:
 1. Residents and businesses connected to economic opportunity
 2. A cleaner and greener Sheffield City Region
 3. Safe and reliable transport network
- The intention is to produce a series of implementation plans setting out 'how' we will deliver these goals and policies, naming specific schemes we wish to deliver or develop over the next 10 years.

Sheffield
City Region

Implementing the Transport Strategy



Integrated Rail Plan

- We should no longer be talking about HS2 in isolation, but rather how it and NPR can be a catalyst for how rail can support our move to a more integrated transport system in the City Region.
- Department for Transport, HS2 Ltd and Transport for the North have committed to work with SCR to produce an Integrated Rail Plan – a hybrid of our rail implementation plan and an HS2 Growth Strategy.
- SCR needs a properly planned high-speed network that is well connected to the conventional network, serving a wider spread of towns and cities.
- Whilst the benefits of national investment in HS2 and Northern Powerhouse Rail (NPR), for example, should be maximised, there needs to be ongoing, complementary investment in the local and regional network.
- The need to accommodate additional HS2 and NPR services at Sheffield Midland means that some local services need to be moved onto alternative networks, requiring an extension of the tram train system (underpinned by renewal of the existing tram system) beyond Rotherham into the Dearne Valley and Doncaster (and potentially the airport).
- Enhanced inter and intra-city region connectivity in the Dearne Valley, identified for large scale housing and employment growth, through a new NPR/HS2 Parkway.
- Improved Barnsley inter-city connectivity through extending Midland Mainline Services from Sheffield and onto Barnsley to assist with capacity and provide enhancement of services.

Transforming Cities Fund

- The £1.22bn Transforming Cities Fund process seeks to improve transport connections into main economic centers through a series of transformational improvements which will be focused on public transport (alongside walking and cycling).
- In May 2018 SCR submitted a proposal to DfT's Transforming Cities Fund process.
- This proposed improvements to how people move between and within 3 key transit corridors in the City Region – the Don Valley, Dearne Valley and AMID corridors – with the aim to:
 1. Connect areas of deprivation/transport poverty to areas of opportunity; or
 2. Seek to achieve significant mode shift away from the private car on key corridors that could stifle future growth ambitions.
- A draft business case is being prepared for submission by the 20th June 2019, followed by the final submission in November 2019.
- SCR is seeking between £170m and £210m for a range of schemes across each corridor:
 - **Public Transport** – a series of infrastructure improvements aimed at improving the performance of the public transport network, principally journey time, punctuality and reliability
 - **Active Travel** – drawing on the Local Cycling and Walking Infrastructure Plan (LCWIP) and the recent appointment of an Active Travel Commissioner to start developing a network of active travel routes
 - **Rail** – enhancing accessibility to/from and at rail stations within the SCR and interventions that support connectivity to HS2/ Northern Powerhouse Rail

Active Travel

- Mayoral manifesto commitment to appoint an Active Travel Commissioner – Dame Sarah Storey
- Active travel features heavily in the Mayor’s Vision for Transport and the corresponding Transport Strategy.
- The SCR Transport Strategy aspires to a 350% increase in cycle trips and 21% increase in trips undertaken on foot.
- The Commissioner will be supported by a small project team – Project Director now in post and secondment from public health due to start shortly.
- First requirement is to produce an Active Travel Plan (which will be the implementation plan sitting under the Transport Strategy) which will help to determine how TCF funding will be spent. The existing Local Cycling and Walking Investment Plan (LCWIP) will form the basis for this.
- It is expected that the Commissioner will appoint an advisory panel, likely to contain organisations such as British Cycling, Sustrans, Living Streets, Sheffield Hallam University etc.

Doncaster Sheffield Airport

- SCR continues to work closely with the airport through the Partnership Board – Chaired by Peter Kennan.
- The priority of this group has been on increasing passenger capacity (new routes and facilities) alongside the proposed new rail station.
- SCR agreed to fund £9m improvements to facilities capacity linked to attraction and expansion of carriers.
- Proposal to create a new rail station at Doncaster Sheffield Airport, providing a spur link from the East Coast Mainline and a connection to the Lincoln line.
- Strategic Outline Business Case (SOBC) developed by Arup in 2018, funded by DMBC, SCR and Peel. Strong economic and strategic fit – further work to do alongside Network Rail and DfT.
- Included in TfN's STP Investment Plan as a post-2027 scheme. There is a need to find it a 'home' within DfT to improve its status – discussions ongoing.
- Proposals for some public affairs activity to raise the project's profile, particularly within Westminster.

Bus Review

- The Mayor has asked Clive Betts MP to Chair a review of buses in South Yorkshire.
- The review was one of 10 commitments the Mayor made in his Vision for Transport, recognising that in the last 10 years the number of people using buses has decline by 18%, yet a quarter of all households do not have access to a car.
- The bus review will be independent and seek to report back with recommendations for the Mayor to consider by early 2020. It will not seek to start from potential solutions, but rather seek to identify what is causing failures in the bus market in South Yorkshire.
- Clive Betts will be joined by a panel of expert Commissioners will be bring their own field of expertise to the review. This includes Peter Kennan representing the private sector on behalf of the LEP.
- A call for evidence is expected to go live before the end of May. Public and organisations will have the opportunity to respond within a 2/3 month window.
- Open public evidence sessions will then be held, including with the bus operators and other key stakeholders.

20th May 2019

Skills Bank Update

Purpose of Report

This paper provides an update for LEP Board members on delivery on the SCR Skills Bank project.

Thematic Priority

Develop the SCR skills base, labour mobility and education performance

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the SCR Publication Scheme

Recommendations

That the Board note the update provided and actively suggest ways in which we can ensure the business community is aware of the programme and the support it can provide.

1. Introduction

- 1.1 In 2015 the SCR LEP secured a six-year deal with Government for funding of £21.6m to develop and deliver the Skills Bank project. The Skills Bank is designated a national demonstrator project (one of three nationally), as its ambition is to test a new and different model of co-investing in deals with businesses for their workforce.
- 1.2 The approach is to co-invest in deals where there was a credible and demonstrable business growth story and a requirement for training to realise this growth. This potentially could be a company with expansion plans leading to the creation of new jobs, the introduction of new technology, or access to new markets etc. The extent of the co-investment made by the Skills Bank is determined by the perceived return to the economy of the co-investment. Once a deal has been secured the employer has the autonomy to select a training provider of their choice.
- 1.3 The funding model, negotiated with government, for the Skills Bank is designed on a flat rate cost per output. Where deals are made on a lower cost per output the excess money is placed in an Innovation and Capacity Fund. This innovation fund allows the SCR to be more flexible in the deals it makes with inward investors or where new specialist capacity is required to support an inward investor or it could extend the life of the Skills Bank.
- 1.4 The Education and Skills Funding Agency (ESFA) procure and manage a Skills Bank Operator on the LEP behalf. We have sought over the past few years to have the funds paid directly to SCR, in order that SCR can directly procure and manage the Operator, but this approach was unfortunately rejected by the DfE.
- 1.5 In the first three years of the Skills Bank, £6.4m has been invested in businesses with over 600 deals to date and over 2,700 learners supported.
- 1.6 The conclusion of Phase 1 of Skills Bank in March 2018 enabled a stocktake of the programme to understand if the core principals designed by the LEP board and at the

heart of the demonstrator project remained true. This review resulted in several changes to the way the second phase of the Skills Bank was commissioned and is now being managed and delivered.

2. Proposal and justification

2.1 Phase 2 of Skills Bank went live in April 2019. The components of the service and offer are outlined below:

2.2 **Skills Brokers** - the original concept included a team of specialist Skills Brokers to work with businesses on their growth plans and the implications for their workforce needs in order to support and advise on the best skills solutions. In the first phase Skills Brokers were located within the contract for the Skills Bank Operator, this approach perversely skewed activity towards Skills Bank deals when there may have been a more appropriate training solution for the business funded either through mainstream Adult Education Budget (AEB), or an apprenticeship, for example.

In the second phase 2 Specialist Skills Advisors are located within the Growth Hub. This aims to improve the business experience of the services delivered by the LEP as the workforce element of the business growth conversation is no longer separated from the other aspects of the business conversation, such as access to finance.

2.3 **Application process** - many employers and training providers, expressed frustration with the application process put in place by the Operator. Citing that this was lengthy, lacked clarity as to what happened at different stages and lacked clear communication on next steps were once an application had been submitted. Key performance indicators for business responsiveness were frequently not met.

In Phase 2 all applications for deals are completed online via an employer portal. The application requires employers to identify how the training will support growth (a tick box) and requests evidence to support that selection. All employers, training providers and skills advisors are advised on timescales for decisions and contracting. Adherence of these KPIs part of our monitoring relationship with the new Operator.

2.4 **Marketing** – the marketing and communications activity on Phase 1 of Skills Bank was managed directly by the Operator which meant we had little control or influence on how this was delivered and managed. This has now been brought in house and we have developed and are delivering the communications plan for the Skills Bank in conjunction with the new Operator. This gives greater control the key messages about Skills Bank, this can be aligned to wider LEP and Growth Hub communications and campaigns and it provides the opportunity to flex communications to respond to specific business priorities as and when required.

2.5 **Contract Management** – Direct contract management of the Skills Bank Operator is done by the ESFA on behalf of the LEP. This arm's length relationship carries potential risks for the LEP. Examples from phase 1 include some instances of business or provider dissatisfaction which, without having the contractual relationship with the Operator, necessitated the Exec (and at points the LEP Board Member) to intervene to negotiate and broker remedies.

The SCR Executive has sought to develop a closer relationship with the ESFA which enables us to work directly with the Operator to ensure the project responds to the needs of the SCR economy and has greater accountability to local governance arrangements. Key members of the Operator's team are co-located within Broad Street West which means any identified issues are easily discussed and resolved. This has been crucial in developing the relationship with the growth Hub for the Skills Advisor role.

Evaluation - Skills Bank is a designated national demonstrator project, testing the impact of a more flexible, employer responsive skills system against the current business as usual offer from Government. It is incredibly hard to conduct a robust evaluation with a clear 'control' arm. The model proposed by government in the development stage for phase 1 sought to reject some credible applications from employers to see how they fared with the business as usual offer and somehow continue to track that businesses

activity. This was rejected by the LEP Board as they didn't want any business with a credible case for growth to not receive support.

The evaluation of phase 1 is scoped to consider the project overall, trends of what training was delivered, business sectors, size of business, levels, types etc as well as reviewing turnover of those who accessed Skills Bank with comparable businesses in SCR who didn't. Development of the specification for the second phase is nearing completion and the procurement process is planned to commence before the summer. The ambition is to focus on testing the impact of individual deals with employers, for example, if a deal was undertaken on the basis access to training would allow the company to expand into new markets, did the outcome occur? If a deal was undertaken on the basis it would enable the development of new products or services, did this? These evaluation case studies will also be used to support further marketing activity.

3. Consideration of alternative approaches

- 3.1 The initial development work on Skills Bank reviewed a range of alternative models for supporting employers from a business demand perspective, building upon the work started as part of the Skills Made Easy (SME) programme and its evaluation. This evaluation (which included the then LEP lead for skills contacting businesses to review their experiences) served to evaluate differing options, detailed below:
 - 3.1.1 **Adult Skills budget (ASB)** was part of the SME offer, businesses advised that this was valuable for some employees with basic or no qualifications but that it did not support their business plan and lacked flexibility for non-accredited training. ASB support for fully funded training meant that was also unsuitable for a co-investment model.
 - 3.1.2 **The service** that businesses received was as valuable, in many cases as the funding received, this was one of the key learning points from the SME programme where access to brokerage was essential to securing outcomes, especially from businesses who had not engaged in workforce development in the recent years.
 - 3.1.3 **Easy access to information.** The early development of the Skills Bank concept included exploring with Colleges, Training Providers and some technology companies whether it was possible to create the equivalent of an on-line shopping style portal for business training. The aim was to see if business could receive information and offers from different training offers in a manner akin to on-line shopping. A small pilot of this was tested but highlighted a fundamental weakness in how the training market regarding promotion of their offer to businesses.
 - 3.1.4 **Fast turnaround** of decisions and training. The Enhancement Fund run across Yorkshire and Humber in the early 2000s and the SME programme provided useful intelligence relating to operator, business and training provider behaviour. SME modelled the journeys of business through the process and found that in a significant number of cases delays in the time taken from first enquiry to a learner commencing on programme was because of the final decision being made within a small business. There were also other examples where providers delayed starting learning to seek to grow the cohort.

This experience was considered in the modelling of Skills Bank as deals, once offered, are time limited. There is a route where a deal can be done on behalf of multiple employees, this was designed to support smaller employers who lack the capacity to develop an application. This has an inbuilt safeguard to stop providers putting in deals without businesses being engaged is that deals of this nature have to have a minimum of 50% business named in the application

- 3.2 **Sector Focus** - The ESFA and previously the Sector Skills Development Agency had run sectoral approaches to training through a range of programmes. The evaluation of these programmes often found that the sector approach excluded the smaller business community. Given the ambition to work to get growth across our business stock an overtly sectoral approach was discounted and the chosen model built upon the City Deal programme and in line with the SEP was sector neutral as growth in a businesses of any size was the agreed driver. This does not mitigate against sectoral marketing and targeting if appropriate.

4. Implications

4.1 Financial

SCR MCA on behalf of the LEP receive a grant from the ESFA to support Executive Team activity in relation to Skills Bank which includes: contract management, evaluation, labour market information, capacity development fund and Skills Hub (skills advisors). This is drawn down via a series of deliverables and evidence to the ESFA. Funding for the Innovation and Capacity Fund is held by the Operator and paid to the MCA at interim points. Once received, this is held in a Skills Bank reserve for the purposes of delivering agreed Skills Bank activity or to sustain the Skills Bank model beyond the funding received from government.

4.2 Legal

SCR contracted activity is managed in accordance with the financial and procurement regulations. As part of the original growth deal agreed with government and because the Adult Education budget is the source of funding for the Skills Bank there is a requirement that this can only be spent on employers and adults in the workplace.

4.3 Risk Management

The key risk in relation to Skills Bank is our reliance on the ESFA to manage the programme. We have mitigating this by developing our 'ways of working' and ensuring the specification for the delivery of the project included all decisions having to be approved by the SCR Executive.

There is also a risk caused by the timing of the spending review, which has resulted in the initial contract for services between the ESFA and the Operator (Calderdale College) and the MCA running until March 2020 although the project runs until March 2021. We are currently working with the ESFA to resolve this as quickly as possible.

4.4 Equality, Diversity and Social Inclusion

Skills Bank is available to all business types, sizes and sectors across all geographical areas of the LEP. The only requirement for learners is that they are aged 19 or over and employed within the applicant employer no other stipulations are made which means the project is open and inclusive to all businesses and learners.

5. Communications

- 5.1 Skills Bank has an approved communication plan which is agreed with the SCR Exec, the Operator and the ESFA. This plan is constantly reviewed and refreshed to allow it to respond to the needs of the project and our economy.

6. Appendices/Annexes

- 6.1 None

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

20th May 2019

2018/19 MCA/LEP Revenue Outturn

Purpose of Report

This paper sets out the final outturn position for the Sheffield City Region MCA/LEP Revenue Budget and Revenue Programmes for financial year 2018/19.

Thematic Priority

All 6 thematic priorities apply due to the cross-cutting nature of the annual budget.

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper is not exempt from the Freedom of Information Act 2000

Recommendations

1. That LEP Board members consider and note the 2018/19 final outturn position on the revenue budget and revenue programmes.
2. That LEP Board members consider and endorse in principle the proposal to reinvest some or all of the income accrued from LGF to support resourcing the development of business cases, noting the need to develop the proposition in detail.

1. Introduction

- 1.1 This paper provides an overview of the final outturn position for the 2018/19 MCA/LEP Revenue Budget and Revenue Programmes, which will subsequently be presented to the MCA on 3 June 2019. Please note that the accounts are subject to external audit, which may result in adjustments at a later date to the figures reported in this paper.

2. Proposal and justification

- 2.1 This report comprises three key sections:
 - **Revenue Budget** – core operational revenue budget (£518k underspend)
 - **Revenue Programmes** – revenue programmes (£2.7m slippage to be carried forward)
 - **Reserves** – balances linked to LEP activity of £6.1m as at 31 March 2019.

2.2 Revenue Budget

The revenue budget is deployed to cover the day-to-day activity of running the MCA and LEP in its delivery of the Strategic Economic Plan (SEP). Typical costs include staffing, accommodation, business support, international trade and investment marketing and the commissioning of specific pieces of work as part of implementing the SEP and developing the Local Industrial Strategy and work towards the Shared Prosperity Fund (SPF).

2.3 The 2018/19 final outturn position on the core activities funded through the revenue budget is shown in the table below.

	Budget	Outturn	Variance	Variance
	£'000	£'000	£'000	%
Net Revenue Expenditure	£7,586	£7,661	£75	1%
Non-specific Income	-£7,586	-£8,179	-£593	8%
	£0	-£518	-£518	

2.4 Actual income exceeded budget by 8%, driven primarily by higher than anticipated investment income resulting from the bulk of 2018/19 LGF spend taking place at the tail end of Q4. There was a minor adverse variance of 1% on net expenditure. Further information on the revenue budget's final outturn position can be found in **Appendix 1**.

2.5 The £518k underspend has been returned to the MCA/LEP General Reserve, thus increasing the balance to £1.768m at 31 March 2019 (as shown in **Appendix 3**). An option for how the 2018/19 underspend could be utilised is set out in paragraph 2.10.

2.6 Revenue Programme

The spend across all 17 active revenue programmes in 2018/19 reached £10.1m, £2.7m below budget. In the vast majority of cases, there is slippage on programme delivery, the reasons for which are set out in the narrative below the table in Appendix 2. Approval will be sought from the MCA on 3 June 2019 to carry forward funding to allow programme activity to continue in 2019/20.

2.7 Further information on the revenue programmes can be found in **Appendix 2**.

2.8 Reserves

The MCA group controls a number of reserves, most of which are earmarked for specific purposes, whilst others are ring-fenced to particular activity, either by statute or in accordance with funding conditions. This paper focuses on those reserves held in connection with the MCA group's economic development activity, rather than its statutory transport functions and duties.

2.9 As at 31 March 2019 balances on reserves linked to LEP activity were around £6.1m, further details of which can be found in **Appendix 3**.

2.10 External Capital Team / Business Case Development Fund

As noted in paragraph 2.4, the 2018/19 underspend on the core operational revenue budget is driven primarily by higher than anticipated investment income resulting from the bulk of 2018/19 LGF spend taking place at the tail end of Q4. Specifically, of the £518k underspend, £433k is in relation to surplus investment income generated predominantly from LGF held on behalf of the LEP. By default, any underspends on the core operational revenue budget, which includes income earned, are returned to the MCA/LEP General Reserve at the end of the financial year. However, as this reserve is not earmarked for a specific purpose (other than as a general contingency as advised by the Section 73 Officer to cover risks and unforeseen costs), the LEP may wish to consider how a proportion of this year's underspend, that relating to income earned on LGF, could be invested.

One option, is to invest all or some of this funding to provide additional resource with the targeted aim of supporting the acceleration and delivery of high quality business cases for the final years of the LGF programme and potentially in order to support access to other future funding sources, such as Shared Prosperity Fund (SPF) and Transforming Cities Fund (TCF). Capacity to develop business cases is frequently cited as a reason contributing to programme delays, from a range of Scheme Promotors including Local Authorities and Colleges, for example.

A resource of this nature was outlined in the SCR Structure paper to the MCA 01/18/2016 where it was proposed to create an External Capital Team to work with Scheme Promotors across a range of disciplines, infrastructure, housing, transport and skills to support business case development.

Further work and consultation with stakeholders would need to take place before this proposal could be implemented in practice. An indicative view from the LEP Board is sought as to whether this proposal merits further development.

Depending on the success of piloting this, a longer-term option could be to convert some of this resource into a revolving fund through (a) capitalisation of the first wave of development costs, and (b) contributions from other sources of funding, e.g. interest accrued on LGF loans made in 2018/19.

3. Consideration of alternative approaches

3.1 In relation to the proposal for earmarking the 2018/19 underspend on the core operational revenue budget, the following options are available for consideration:

- Do Nothing – If the LEP Board is not minded to support the proposal to utilise the 2018/19 underspend as described in section 2.10, the money would simply remain in the MCA/LEP General Reserve (i.e. unearmarked reserves) and be available to support other priorities and/or unforeseen risks in the future.
- Do More – If the LEP Board is supportive of the proposal and wishes to see an increased level of investment, alternative sources of income would need to be considered, or the risk environment and reserves strategy would need to be reviewed in light of the fact that the current balance on the MCA/LEP General Reserve is geared to the level of known risk.

4. Implications

4.1 Financial

The financial implications are clearly set out in Section 2 and the accompanying appendices of this report.

4.2 Legal

There are no legal implications arising directly from this report.

4.3 Risk Management

In formulating the proposal as set out in paragraph 2.10, officers have taken a prudent approach in the context of the organisation's current risk environment.

4.4 Equality, Diversity and Social Inclusion

The principles of equality, diversity and social inclusion are built into the annual budget-setting process and are taken into consideration when assessing budget pressures and savings proposals.

5. Communications

5.1 The budget is reported throughout the year to the MCA and LEP. Information is discussed with Directors of Finance in Local Authorities, with MHCLG as part of the Annual Performance Review and with both the Audit and Standards Committee and the Overview and Scrutiny Committee.

6. Appendices/Annexes

- 6.1** Appendix 1 – Core Operational Budget
Appendix 2 – Revenue Programmes
Appendix 3 – Reserves

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Other sources and references:

Appendix 1

Core Operational Revenue Budget

1.1 As set out in paragraph 2.4, actual income exceeded budget by 8%. The following section provides a further breakdown of the variance.

1.2

Non-Specific Income	Budget	Outturn	Variance	Variance
	£'000	£'000	£'000	%
Enterprise Zone Retained Business Rates	-£3,144	-£3,834	-£690	22%
Traded Income - AMP	-£1,002	-£1,624	-£622	62%
Transport Hub Subscriptions	-£1,000	-£1,000	£0	0%
Subscriptions from Partners	-£204	-£204	£0	0%
LEP Grants	-£500	-£500	£0	0%
Investment Income - Treasury	-£195	-£628	-£433	222%
Investment Income - Property Portfolio	-£185	-£323	-£138	75%
Other income	£0	-£66	-£66	
Contribution from mayoral election reserve	-£1,356	£0	£1,356	
	-£7,586	-£8,179	-£593	8%

1.3 EZ Business Rates

At £3.8m, the amount of business rates retained by the MCA/LEP from the four billing authorities (which collect rates payable by occupiers of rateable properties in SCR enterprise zones) exceeded the 2018/19 budget by £690k (22%). As set out in the 2018/19 budget report approved by the MCA in March 2018, the amount paid over by billing authorities in respect of surpluses from 2017/18 (£843k) has been transferred to the business rates resilience reserve (further details in Appendix 3). The table below shows a breakdown of retained business rates from the four billing authorities.

	Budget	Outturn	Variance	Variance
	£'000	£'000	£'000	%
Barnsley	£815	£817	£2	0%
Chesterfield	£1,504	£1,504	£0	0%
Rotherham	£544	£545	£1	0%
Sheffield	£581	£581	£0	0%
2017/18 Balancing Payments	£0	£843	£843	
Risk-based Adjustments	-£300	£0	£300	-100%
Deferred Income	£0	-£303	-£303	
Increase in Bad Debt Provision	£0	-£153	-£153	
Total Retained Business Rates	£3,144	£3,834	£690	22%

1.4 Traded Income – AMP

The second largest source of income comes from the tenants who occupy workspace at the AMP Technology Centre. Occupancy levels in 2018/19 exceeded budgeted levels, thus yielding an income surplus of £622k (62%). After allowing for running costs of c.£1.5m (including a provision of c.£400k to cover essential capital maintenance works), the Technology Centre generated an operating surplus of £107k in 2018/19.

1.5 Subscriptions payable by member authorities

The table below shows the split of subscriptions for 2018/19, split between Transport Hub and LEP. The amounts have been frozen at the same level since the inauguration of the Combined Authority in April 2014.

	Budget	Budget	Budget	Outturn	
	Base	Transport	Total	Total	Variance
Partner	£'000	£'000	£'000	£'000	£'000
Barnsley	£32	£174	£206	£206	£0
Bassetlaw	£4	£0	£4	£4	£0
Bolsover	£4	£0	£4	£4	£0
Chesterfield	£4	£0	£4	£4	£0
Derbyshire Dales	£4	£0	£4	£4	£0
Doncaster	£41	£223	£264	£264	£0
North East Derbyshire	£4	£0	£4	£4	£0
Rotherham	£36	£190	£226	£226	£0
Sheffield	£76	£413	£489	£489	£0
	£205	£1,000	£1,205	£1,205	£0

1.6 LEP Grants

All LEPs across the country receive a capacity grant from central government. SCR's allocation for 2018/19 was £500k, the same as for 2019/20 which is the final year in which Government have so far confirmed that the grant will be paid.

1.7 Investment Income

The MCA/LEP receives two types of investment income:

- Treasury
- Property Portfolio

Treasury investment income comprises interest receivable from cash invested in accordance with the MCA Group's treasury management strategy. The MCA/LEP takes a low-risk approach in terms of its investment strategy in order to provide a secure source of income to the authority. The actual investment income received in 2018/19 exceeded budget by £433k, due to larger than anticipated cash balances being invested for longer as a result of not being drawn down to cover LGF scheme defrayals till the tail end of Q4.

Property portfolio investment income is derived from those investment properties which were transferred to the MCA from its former property-holding subsidiary SYITA Properties Ltd. The amount of income received in 2018/19 was £138k higher than budget.

1.8 Expenditure

The main costs of running the MCA/LEP include staffing, accommodation, business support, international marketing and the commissioning of specific pieces of work as part of implementing the Strategic Economic Plan (SEP), Local Industrial Strategy (LIS) and Shared Prosperity Fund (SPF). The table below provides a breakdown of these costs.

	Revised Net Budget	Outturn	Variance	
Net Revenue Expenditure	£'000	£'000	£'000	%
Staffing	£2,370	£1,898	-£472	-20%
SEP, LIS and SPF Development	£1,497	£1,487	-£10	-1%
AMP	£750	£1,517	£767	102%
Business Support, Supplies and Services	£924	£1,177	£253	27%
Trade and Investment	£477	£466	-£11	-2%
Other Property Costs	£212	£221	£9	4%
Sub-total	£6,231	£6,766	£536	9%

Mayoral election	£1,355	£1,173	-£182	-13%
Less: contribution from election reserve	£0	-£1,122	-£1,122	
Transfer to business rates reserve	£0	£844	£844	
Total	£7,586	£7,661	£75	1%

1.9 Staffing

The net cost of staffing was £472k under budget, with the late notification of Mayoral Capacity Fund in Q4 providing an opportunity to recharge eligible staffing costs. In addition, there were delays in officer recruitment during the year, and it was possible to recharge higher than budgeted amounts to the capital and revenue programmes.

1.1 SEP, LIS and SPF Development

0 Expenditure on SEP, LIS and SPF Development came in £10k (1%) under budget.

1.1 AMP

1 See paragraph 1.4 above.

1.1 Business Support, Supplies and Services

2 The main component of this part of the revenue budget covers the cost of professional support services currently provided to the MCA/LEP by partner authorities. Such services include finance, HR, internal audit, legal, member support, payroll and procurement. The other component consists of a wide range of organisational running costs, including external audit, insurance, IT and staff travel. Actual expenditure exceeded budget by £253k in 2018/19, mainly due to the need to set aside sufficient resources to cover the cost of the SCR becoming an employing body (for example, the implementation of new Finance, HR and IT systems and processes).

1.1 Trade and Investment

3 Actual expenditure on trade and investment and international and national marketing and communications came in under budget by £11k (2%).

1.1 Other Property Costs

4 Finally, this area of the revenue budget covers the cost of facilities and asset management activity undertaken by the MCA, for instance the cost of running Broad Street West and managing vacant investment properties. There was a minor overspend of £9k (4%).

1.1 One-off expenditure

5 Aside from day-to-day running costs, there were additional items classified as expenditure which were exceptional in nature during the financial year.

Firstly, the Authority incurred £1.2m of expenditure in respect of the mayoral election in May 2018, £182k less than budgeted. Taking into account the receipt of £51k of unanticipated election income, the net cost of the mayoral election was £233k less than budgeted.

Secondly, as referred to in paragraph 1.3, the four billing authorities who pay over business rates retained from properties on enterprise zones made additional payments during the year in respect of surpluses from 2017/18 (£844k) which have been transferred to the business rates resilience reserve (further details in Appendix 3).

Appendix 2

Revenue Programme

1.1 The spend across all 17 active revenue programmes in 2018/19 reached £10.1m, £2.7m below budget. In the vast majority of cases, there is slippage on the delivery of the programme, the reasons for which are set out in the narrative below the table. Approval will be sought from the MCA on 3 June 2019 to carry forward funding to allow programme activity to continue in 2019/20.

1.2

Programme Activity	Thematic Area	2018/19 Budget £'000	2018/19 F/Y Outturn £'000	Variance £'000
Skills Bank	Skills & Employment	£221	£383	-£162
Health Led Employment Support Trial	Skills & Employment	£5,379	£3,966	£1,413
Enterprise Advisor Pilot	Skills & Employment	£187	£160	£27
Gatsby/STEM	Skills & Employment	£81	£43	£38
Hub enhancement	Business Growth	£478	£286	£192
RISE	Business Growth	£50	£50	£0
Launchpad	Business Growth	£134	£131	£3
Growth Hub	Business Growth	£885	£639	£246
Access to Finance	Business Growth	£342	£276	£66
One Public Estate	Assets	£425	£323	£102
Planning Delivery Fund	Planning	£120	£65	£55
Sustainable Travel Access Fund	Transport	£2,500	£2,500	£0
Energy Hub	Infrastructure	£38	£36	£2
Energy & Sustainability	Infrastructure	£100	£0	£100
Key Account Management	Trade & Investment	£102	£109	-£7
HS2 Growth	Transport	£770	£506	£264
Mayoral Capacity Fund		£966	£698	£268
Total		£12,778	£10,064	£2,714

1.3 Skills & Employment

The two main workstreams in the area of Skills and Employment are the Health led trial (a MCA project) and Skills Bank (a LEP growth deal project).

The health led trial was launched successfully in 2018/19 and is now in the process of being delivered under a contractual arrangement with NHS Sheffield Clinical Commissioning Group and the delivery partner, South Yorkshire Housing Association. Under the terms of the original contract the planned end date for delivering the scheme was March 2020. However, negotiations with the Work and Health Unit have recently been concluded to allow for an extension of the scheme to October 2020. This will increase the overall amount of funding available to deliver the trial from £7.558m to £9.057m.

The original budget for 2018/19 of £5.540m was on the basis of the original agreement. Under the terms of the revised agreement the funding allocation for 2018/19 revised slightly to

£5.379m, giving rise to a budget variation of £161k. The profiled spend in 2019/20 has not been affected.

The total amount claimed against the revised 2018/19 allocation was £5.239m, resulting in a shortfall of £0.140m which, due to the terms of the contract, SCR will not be able to claim. The remaining £1.273m claimed in 2018/19 is being carried forward to meet commitments.

Skills Bank is a 6-year programme which forms part of SCR's Growth Deal. The first phase for the 3 years to 2017/18 has been concluded and evaluated with the lessons learnt to inform the change in the delivery model for the second phase over the 3 years from 2018/19. Skills Bank essentially comprises two elements: tasks and activities which the SCR is responsible for delivering and the main contract with the delivery partner for commissioning training.

A Skills Bank Operator (Calderdale College), has been secured for the main contract worth around £8.5m over the 3-year period from 2018/19. Their contract is with the ESFA - the SCR is not a co-signatory and is not accountable for this funding.

The SCR have received a funding agreement for its element confirming that the funding available in 2018/19 and 2019/20 is £1.812m in total, of which £1.444m had to be claimed in 2018/19. This amount is far higher than predicted and reflects the ESFA delaying the formal commissioning of the Skills Bank Operator. The Skills Bank team successfully achieved the deliverables necessary to claim the £1.444m in full. This has been claimed in 2 tranches - £0.284m and £1.160m.

The indicative allocation in 2020/21 of £0.369m is expected to be confirmed as the final year of the 6-year Growth Deal but falls under the Government's current spending review. If confirmed, this would bring the overall funding available for Skills Bank 2 to the £2.181m that was accepted in principle by the MCA at its meeting on 10 September 2018.

The spend on Skills Bank activity of £0.383m in 2018/19 has been funded by a combination of £0.048m from Skills Bank 1 (largely in relation to post-delivery evaluation) and £0.335m from Skills Bank 2.

The balance of unused funding on Skills Bank 1 of £0.498m together with the surplus arising on the Skills Bank pilot of £1.182m have been transferred to create the newly formed Skills Bank Reserve – see Appendix 3 and reference the Skills Bank Paper on the LEP agenda. The balance of unapplied 2018/19 Skills Bank 2 funding (£1.110m) is being carried forward as planned to support delivery of the programme in 2019/20 and 2020/21.

Mayoral Capacity Fund

The SCR successfully bid for Mayoral Capacity Fund monies to build capacity to help support the Mayoral Office and deliver against Mayoral and Manifesto priorities. The MCA received an allocation of £0.966m in 2018/19 and an indicative allocation in 2019/20 (yet to be formally confirmed) of £1.034m. The final outturn figure of £0.698m for 2018/19 leaves an underspend of £0.268m which is due to the fact that the SCR only received notification of its 2018/19 allocation in January 2019 and there is therefore a lead in time to commission.

Business Growth

In 2015 SCR agreed with government to 'swap' £4m of Local Growth Fund capital resource for revenue grant, on condition that the funding would be spent on business growth activity.

The revenue grant was transferred to earmarked revenue reserve ("the LGF reserve") and has been released on an annual basis to meet the majority of the costs of the Growth Hub and Access to Finance teams, along with individual projects such as Hub Enhancement, RISE and Launchpad and the 'Y Accelerator' (launched in 2018/19). Core Growth hub activity is also supported by central government grant (£410k per annum, confirmed to the end of 2019/20).

RISE and Launchpad ended on 31 March 2019. The hub enhancement project is ending on 30 June 2019 when European funding (ESIF) ceases.

SCR are partnering with Sheffield Hallam University in the launch of the Sheffield Innovation Programme (SIP) which is a 3-year programme starting in August 2019. SCR have agreed to provide match funding of £189k over the 3-year period to support the University's ESIF bid with an allocation of £27k during 2019/20. The purpose of this programme is to provide innovation support workshops for the benefit of regional SMEs' economic growth. The £189k of match funding is provided for within the Growth Hub's business plan. Formal MCA approval will be sought, if required, once the outcome of the ESIF bid is known.

In 2018/19, a total of £0.793m was drawn down from the LGF reserve to support Growth Hub activity. This leaves a balance of £1.655m on the LGF reserve at the end of 2018/19 which is sufficient to support planned business growth activity in 2019/20 and 2020/21 as set out in the current Growth Hub business plan.

Assets & Planning

The two main programmes in this area are: One Public Estate (OPE) and Planning Delivery Fund. OPE has been running for several years and will continue into 2019/20.

Planning Delivery Fund is a new workstream which started in mid 2018/19, hence slippage of £55k on the full year allocation of £120k. The project will be running at its full capacity in 2019/20 for which there is an estimated budget allocation of £162k. The funding is payable in advance by MHCLG and has been received. The areas of activity are expected to include:

- Development of a comprehensive and robust strategic housing and planning evidence base to support joint approaches to housing growth and the infrastructure / funding packages to support housing development, particularly for priority housing growth sites;
- Development of shared approaches to implementation, including addressing planning barriers to housing development; and
- Project management capacity for Local Authorities to call-off, to help fill capacity gaps and accelerate housing development for housing schemes across the SCR.

Transport

2 workstreams in the area of Transport, which will continue into 2019/20 are:

- Sustainable Travel Access Fund (STAF) £2.5m
- HS2 Growth Strategy £506k

STAF is a 3-year programme running from 2017/18 to 2019/20. Funding of £7.5m has been made available over the life of the programme in equal annual allocations of £2.5m p.a. Delivery has been strong to date. At Q3 all partner authorities reported to the LTP team that they have spent to budget in 2018/19, hence no slippage is assumed.

The MCA received £1.25m (in 2 tranches of £625k each) from the Department for Transport (DfT) in 2017/18 to prepare a HS2 Growth Strategy for SCR to ensure that the region takes full advantage of the economic benefits arising from the HS2 project, both during construction and operation. Actual spend for 2018/19 was around £506k, hence there is a slippage on the programme and approval from the MCA for a budget of £264k will be sought to cover slippage work relating primarily to master planning work for Chesterfield and Sheffield stations, and further activity to follow the launch of the Growth Strategy in 2019/20.

Infrastructure

A new work stream, Energy & Sustainability was started late in 2018/19. This is a 2-year programme and the estimated value is around £114k. £100k has been obtained from BEIS (via Tees Valley Combined Authority), and £14k will be added from Core budget in 2019/20. The programme funds a FTE post that will lead on activity to:

- Increase capacity to develop and deliver energy projects;
- Increase the number of projects designed to develop and deploy approaches to energy production and use, and which support local and national strategies, and;
- Improve the quality of energy projects brought forward to meet local and national strategies and targets.

Appendix 3

Reserves

1.1 As at 31 March 2019 the balance on reserves linked to LEP activity was £6.1m.

1.2

	Reserves as at 31.3.2019
	£'000
MCA/LEP General Reserve	£1,768
MCA/LEP LGF Reserve	£1,655
Business rates resilience reserve	£843
Skills Bank Reserve	£1,680
Revenue grants reserve - Apprenticeship Grant for Employers	£107
Total LEP Revenue Reserves	£6,053

The purpose of revenue reserves and balances is as follows:

MCA/LEP General Fund balance

The General Fund balance is to cover unforeseen costs and contingencies relating to the MCA/LEP's operating activities in the short to medium term.

MCA/LEP LGF reserve

The MCA/LEP LGF reserve represents the balance remaining of the £4m capital to revenue swap agreed as part of the Growth deal. It is earmarked specifically for funding the activities of the SCR Growth Hub and cannot be used for any other purpose.

Business rates resilience reserve

The income risk assessment process undertaken as part of the 2018/19 business planning process has highlighted that unlike many billing authorities, the MCA does not have any financial resilience to cope specifically with unforeseen events such as business closure, revaluation, the award of reliefs or appeals.

In order to mitigate this risk, a new earmarked reserve has been established in 2018/19 from the surplus business rates declared in respect of 2017/18.

The level of the reserve will be assessed annually to determine its adequacy. For 2019/20, the amount deemed to be adequate as per the Section 73 Officer's advice is £500k. Proposals on how any amount in excess of £500k should be re-distributed back to partner authorities were approved by the MCA as part of the 2019/20 revenue budget report on 25 March 2019.

Skills Bank reserve

As reported to the Skills Exec Board on 21 February 2019, the Skills Bank reserve has been established from the Skills Bank pilot surplus of £1.182m and underspend on Skills Bank 1 management and administration costs for which the SCR is accountable of £0.498m.

Subsequent to the year end, a further £3.3m Skills Bank 1 surplus has been returned to SCR by PwC from the balance held in the Innovation and Capacity Fund earned on the main contract for delivering Skills Bank 1. This will be added to the Skills Bank reserve in 2019/20.

The purpose of the reserve will be to support future Skills Bank delivery and sustainability post the conclusion of the government investment together with the recently secured Skills Bank 2 funding (see **Appendix 2** for further detail).

20th May 2019

LGF Programme Update Paper

Purpose of Report

This paper provides an update on the 2018/19 LGF outturn position and the impact on the 2019/20 LGF programme.

Thematic Priority

Secure investment in infrastructure where it will do most to support growth

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be made available under the MCA publication scheme.

Recommendations

1. LEP are asked to consider and note the 2018/19 LGF outturn position and the impact on the 2019/20 LGF programme.

1. Introduction

- 1.1 The 11th June meeting of the MCA confirmed the budget for 2018/19 LGF programme of £42.47m with £8.66m of the 2017/18 allocation available to carry forward if this was required as additional to the £42.47m.
- 1.2 The 25th March 2019 MCA approved the LGF capital programme for 2019/20 with total expected available funding of £60.5m with committed project spend of £34.5m and potential headroom of £26m available to fund schemes from the reserve pipeline.

2. Proposal and justification

- 2.1 **2018/19 LGF spend** - The outturn position has now been confirmed as £45,541,103 (£45.54m). This is 107% of the in-year LGF allocation and means that for a third year running SCR MCA have achieved 100% spend of our expected allocation.

This means that we have utilised £3.07m of the additional £8.66m, hence £5.59m remains available to spend in 2019/20.

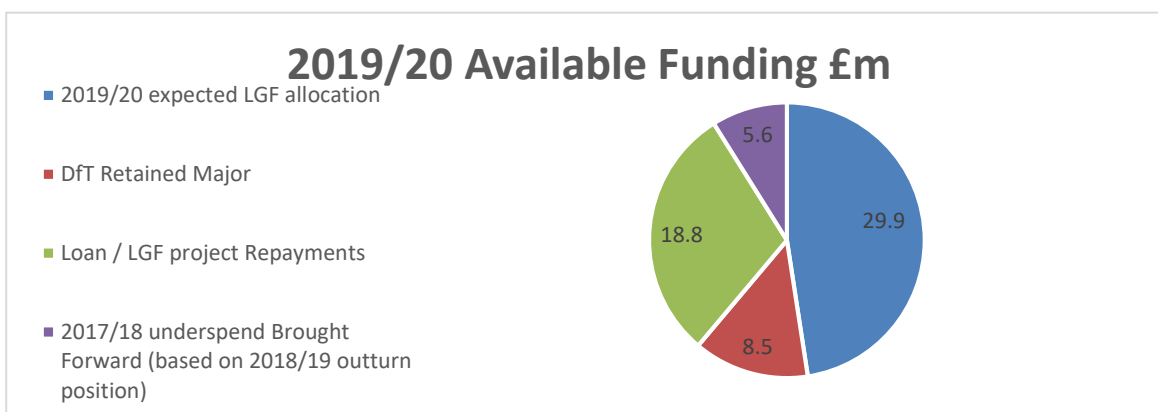
As a result of achieving 100% spend we have now received this year's grant offer which is 100% of our expected allocation.

- 2.2 As expected with a capital programme of this scale, the outturn spend for some committed schemes in 2018/19 differed to the approved spend when the budget was set in March 2018. **Appendix 1** sets out the individual projects but in summary the changes to schemes during 2018/19 are grouped into 8 categories shown below;

Programme Categories	No of projects	£m at outturn	£m change in year
In year spend reduced	7	8.84	-15.22
Projects withdrawn from the programme in year	2	0.00	-1.66
Spend accelerated from 2018/19 to 2017/18 at year end (after the budget was set)	2	0.09	-0.60
New scheme approved in year	8	21.89	21.89
Spend accelerated from 2019/20	5	8.49	1.89
Correction of accruals / claims and spend planned for 2017/18 but falling in 2018/19	4	0.55	0.55
In year spend in line with profile approved March 2018	5	5.68	0.00
Projects approved in year but not progressed to delivery	0	0.00	0.00
Total	33	45.54	6.85

2.3 2019/20

The total expected available funding for 2019 /20 is now £62.8m and is made up of the following elements.



As referenced in section 2.1 this includes:

- A new grant offer of £29.9m from MHCLG
- The £5.66m of funding carried forward from 2017/18.
- £8.5m allocation, which is currently subject to the retained major scheme being approved
- £18.8m loan repayments, broken down in detail in section 2.4 below.

2.4 The £18.8m anticipated loan LGF project repayment is broken down as follows:

Element	£m	Status / Comments
Capital receipt	£2.0	Funding received
FFE Loan Funding	£0.5	Funding received
FY Risk Capital	£0.32	Funding received
Hughes Armstrong	£0.10	Payment plan agreed, £20k received, payments due in quarterly instalments throughout the year, second instalment now due.
J36 Strategic acquisitions	£0.89	Subject to sales receipt in year
JESSICA loan	£15.00	Full value expected to be repaid 29 July 2019
Total	£18.81	

2.5 The project approval already in place for 2019/20 mean that we start this year with commitments of £38.09m, project profiles are set out in **Appendix 2**.

This **does not** include the potential approvals to be presented to the MCA in June 2019.

2.6 The remaining headroom in year is therefore £24.71m; however, it should be noted that £8.5m of this is ringfenced for the DfT retained major project hence £16.21m is available in year to fund other schemes. The June MCA is likely to receive funding approval requests of circa £12m (subject to appraisal process), £6m of which is due to be spent in 2019/20).

2.7 The Project Pipeline

The current pipeline of projects totals £105.96m from 25 projects, £38.7m of which are seeking funding within 2019/20. A summary of the project pipeline and indicative approval dates is included in **Appendix 3**.

Based on the current expected approval dates the 2019/20 programme is likely to be fully committed by the July MCA meeting and the full programme shortly after. This is highly likely to change as the projects progress through the assurance process and a record of planned approvals will be updated regularly.

2.8 The graphs at **Appendix 4** shows the overall performance of the LGF programme, the programme is currently over programmed (but not over committed) by £19.4m. While this provides a considerable buffer for schemes not progressing to delivery there is a growing concern from promoters that when their schemes are ready to deliver the funding will have run out. This concern is further compounded by the potential of new schemes to enter the programme (LGF and BIF).

3. Consideration of alternative approaches

3.1 This paper is not an options paper but presents the outturn position of the 2018/19 financial year and impact on 2019/20.

4. Implications

4.1 Financial – This paper set out the financial position of the LGF Capital Programme.

4.2 Legal – There are no direct legal implications as a result of this paper.

4.3 Risk Management – The current risks affecting over programming and potential over commitment is set out in section 2.7. The current level of over programming is £19.4m, it may be possible to mitigate this risk by use of successor funding when known.

4.4 Equality, Diversity and Social Inclusion – None as a direct result of this paper.

5. Communications

5.1 The outturn position reported in this paper has been communicated to Local Authority Chief Executives and Directors of finance prior to publication.

6. Appendices/Annexes

6.1 Appendix 1 – 2018/19 project spend and changes in year since the budget was set

Appendix 2 – Approved and Committed Projects

Appendix 3 - Project Pipeline and indicative approval dates

Appendix 4 - LGF Programme Graphs – 2018/19 outturn position

REPORT AUTHOR POST

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AD – PMO**

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West S1 2BQ
Other sources and references:

Appendix 1 – 2018/19 project spend and changes in year since the budget was set

Name	Budget set at March 2018 CA £m	2018/19 outturn spend position £m	Change in year £m
In year spend reduced / comments			
BIF - July MCA approved reprofiling by £5.15m. Approvals and claims for large inward investors were lower than expected in 2018/19 two new BIF categories have been approved by the LEP in year to further assist indigenous business growth	18.78	6.54	-12.24
Skills Capital Competitive Fund - Project Call was published August / September 2018 and spend is now fully allocated against individual projects rather than at a programme level	1.25	0.00	-1.25
M1 J37 Phase 1 – Claycliffe - Original 18/19 spend profile amend to £500k in year by a reduction of £0.67, include in the profiles for June / July MCA	1.17	0.48	-0.69
M1 Junction 37 Ph2 – Economic Growth Corridor (Claycliffe) - Original 18/19 spend profile amend to £0k in year by a reduction of £0.60, spend reprofiled to match approvals process, approved by MCA in December 2018	0.60	0.00	-0.60
Chesterfield Waterside – In year claims were lower than expected	0.47	0.32	-0.15
Corporate – outturn position less than profiled, in part due to vacant posts in year and systems upgrade being delayed	1.14	0.96	-0.18
Strategic Testing Tools - outturn position less than profiled	0.650	0.536	-0.114
Projects withdrawn from the programme in year			
Claywheels lane sustainable industries park Phase 1	1.16	0.00	-1.16
Harworth and Bircotes Phase 2	0.50	0.00	-0.50
Spend accelerated from 2018/19 to 2017/18 at year end (after the budget was set)			
Finningley and Rossington Regeneration Route Scheme - Phase 2 (FARRRS)	0.48	0.00	-0.48
M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor (Phase 1 Hoyland)	0.20	0.09	-0.12
New scheme approved in year			
National Centre of Excellence for food Engineering - NCEFE	0.00	0.62	0.62
DMC2 - Digital Media Centre	0.00	1.05	1.05
Gullivers Infrastructure	0.00	1.50	1.50
DSA Capacity Expansion – Loan	0.00	3.50	3.50
Parkwood Ski Village	0.00	4.80	4.80
Yorkshire Wildlife Park	0.00	5.00	5.00
Glassworks	0.00	5.29	5.29
Harrison Drive, Langold	0.00	0.14	0.14
Spend accelerated from 2019/20			
M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor (Phase 2 Goldthorpe)	0.40	0.65	0.25
Upper Don Valley Flood Alleviation Scheme	0.30	0.52	0.22
DN7 Unity - Hatfield Link Road	4.00	4.43	0.43
G2G 2 – Castlegate	0.50	0.95	0.45
IRR Junctions	1.40	1.94	0.54
Correction of accruals / claims and spend planned for 2017/18 but falling in 2018/19			
STEP LTP - Balance of accruals taken in 2017/18 but not claimed	0.00	-0.07	-0.07

STEP PTE - Balance of accruals taken in 2017/18 but not claimed	0.00	-0.04	-0.04
Worksop Phase 2 - Minor spend in year identified during project closure, reported to the MCA in December	0.00	0.03	0.03
Doncaster Urban Centre - The Civic & Cultural Quarter (CCQ) - Project was planned to deliver in 2017/18 but was carried forward at year end, reported to the CA in June 2018 out turn paper	0.00	0.64	0.64
In year spend in line with profile approved March 2018			
Superfast South Yorkshire	2.40	2.40	0.00
Doncaster Urban Centre - Quality Streets	1.35	1.35	0.00
Doncaster Urban Centre - Waterfront West	0.75	0.75	0.00
Worksop Phase 2 b	1.15	1.15	0.00
L0154 SKILLS The Sheffield College Increasing Higher Level Skills Construction and Engineering	0.03	0.03	0.00
Projects approved in year but not progressed to delivery			
Century BIC Phase II - £1.6m project approved but not ready to deliver, returned to pipeline	0.00	0.00	0.00
Etna Heritage Hangar £0.4m project approved but not ready to deliver, returned to pipeline	0.00	0.00	0.00
Housing Fund Phase 2 – up to £15m approved for phase 2 subject to housing pipeline and availability of funding	0.00	0.00	0.00
Total	38.69	45.54	6.85

Appendix 2 – Approved and Committed Projects

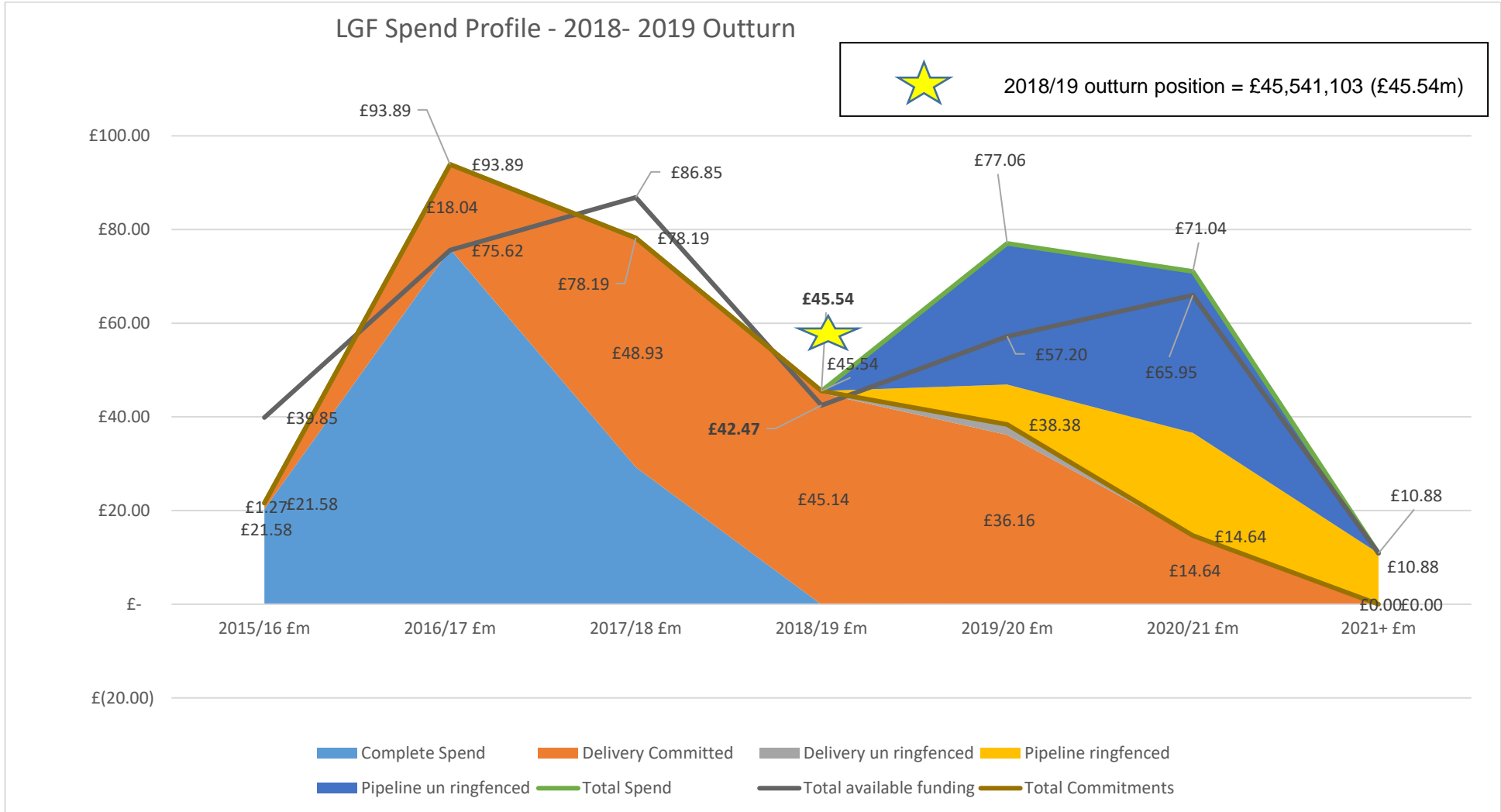
Project	LA	2019/20 Spend (£m)	2020/21 Spend (£m)	Total Spend All Years (£m)	Comments
Delivery Committed					
BIF	SCR	11.34	4.90	39.78	Allocations increased from £7.84m, £5.75m and £38.83m New approvals at 21 st March BIF panel meeting Claims from large inward investors were lower than expected in 2018/19.
DN7	DMBC	8.11	0	12.54	2019/20 allocation reduced from £9.55m due to acceleration of claims in 2018/19
M1 J36 Ph 2	BMBC	4.05	2.63	7.32	2019/20 allocation reduced from £4.17m and 2.70m in 2020/21 due to acceleration of claims in 2018/19
Upper Don Valley Flood	SCC	2.94	0	3.46	No change
M1 J36 Ph 1	BMBC	2.58	4.08	15.71	2019/20 allocation reduced from £2.62m due to acceleration of claims in 2018/19
Grey 2 Green 2	SCC	2.37	0	3.32	No change
IRR	SCC	1.85	0	3.79	2019/20 allocation reduced from £2.0m due to acceleration of claims in 2018/19
Digital Media Centre	BMBC	1.08	0	2.13	No change
Corporate	SCR	1.15	1.17	5.08	Total all years allocation has reduced from £5.26m due to underclaimed element in 2018/19
Testing tools	SCR	0.13	0.13	1.98	Total all years allocation has reduced from £2.03m due to underclaimed element in 2018/19
Total		35.59	12.91	95.10	
Delivery un-ringfenced - Project approved - pre contract conditions to be satisfied					
M1 J37 Ph 1	BMBC	0.69	-	1.17	2019/20 allocation increased from £0.67m.
Housing Fund Phase 2	SCR	1.53	0	1.53	Funding moved from 2018/19, final value still to be determined
Project Rhonda	RMBC	0.28	1.70	1.98	Project approved at 21 st March 2019 BIF Panel
Total		2.5	1.7	4.68	
Combined Total		38.09	14.61	99.78	Increased from £34.52, £13.83 and £95.57 since March Budget approval

Appendix 3 - Project Pipeline and indicative approval dates

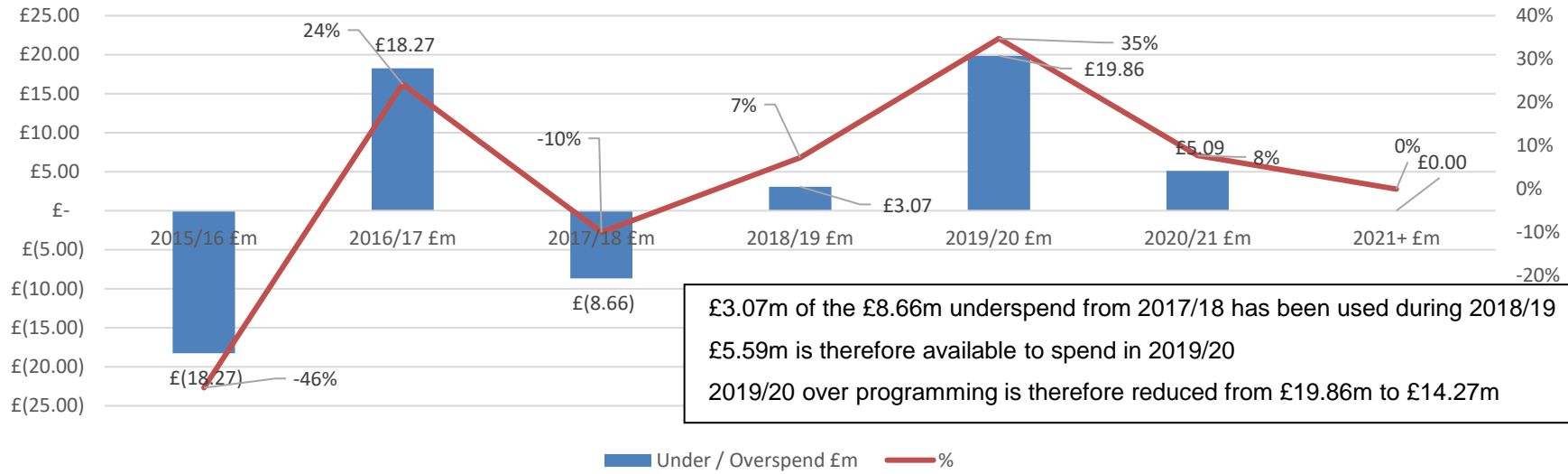
Stage	Project	19/20	later years	Potential Approval
3 Full Business Case	Waverley Local Centre	2.74	4.26	June 2019 MCA
3 Full Business Case	Project Abergavenny	1.00	1.20	June 2019 MCA
3 Full Business Case	360 VFX	0.91	-	June 2019 SEB
3 Full Business Case	From teenager to employee - A Sheffield City Region, engineering and advance manufacturing talent pipeline creator	0.49	-	June 2019 SEB
3 Full Business Case	BIF Company 0098	0.29	1.01	June MCA
Retained Major	Waverley Lower Don Valley A630	8.52	32.84	July 2019 MCA
3 Full Business Case	M1 Junction 37 Ph2 –Economic Growth Corridor (Claycliffe)	4.74	5.90	July 2019 MCA
3 Full Business Case	Doncaster Urban Centre Markets Phase 2	1.49	-	July 2019 IEB
3 Full Business Case	Digital Engineering Skills Development Network	0.58	3.13	July 2019 MCA
3 Full Business Case	Doncaster UTC Ltd	0.20	-	July 2019 SEB
3 Full Business Case	Doncaster Urban Centre - St Sepulchre West / Station Forecourt Phase 3	-	1.60	July 2019 MCA
3 Full Business Case	DSA Capacity Expansion - Grant	5.00	-	September 2019 MCA
2 Outline Business Case	Barnsley College Digital Innovation Hub	2.59	-	July 2019 MCA
2 Outline Business Case	Digital Innovation Partnership	1.88	4.13	July 2019 MCA
2 Outline Business Case	Bassingthorpe Farm Mitigation measures	1.40	1.90	September 2019 MCA
2 Outline Business Case	A630 Westmoor Link Dualing	2.50	2.50	November 2019 MCA
1 Pipeline	Productivity Challenge	0.33	0.67	Various BGEB through to March 2020
1 Pipeline	Made Smarter	0.33	0.67	Various BGEB through to March 2020
1 Pipeline	Indigenous Pipeline	0.28	0.67	Various BGEB through to March 2020

1 Pipeline	Project Penyfan	-	2.00	July 2019 MCA
1 Pipeline	Century BIC Phase II	0.60	1.00	November 2019 MCA
1 Pipeline	Etna Heritage Hangar	-	0.40	November 2019 IEB
1 Pipeline	Forge Island Phase 2	2.80	-	November 2019 MCA
1 Pipeline	DRIIVE	-	2.00	November 2019 MCA
1 Pipeline	Project flower	-	1.41	December 2019 MCA
		38.68	67.28	

Appendix 4 - LGF Programme Graphs – 2018/19 outturn position



LGF Programme Performance - 2018- 2019 Outturn



Programme spend / Funding - All years - 2018- 2019 Outturn



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20th May 2019

Annual Performance Review

Purpose of Report

This report presents the outcome of the 2018 / 2019 LEP Annual Performance Review

Thematic Priority

Cross cutting.

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Mayoral Combined Authority Publication Scheme.

Recommendations

LEP Board members are asked to consider the findings and recommendations of the report and identify any issues.

1. Introduction

- 1.1** As set out in the 2018-19 Annual Performance Review Guidance, officials in the Cities and Local Growth Unit undertook a review to look at the performance of each LEP. The review covered three themes: governance, delivery and strategy, with one of four markings: inadequate; requires improvement; good; or exceptional, available for each.
- 1.2** The approach adopted by government in undertaking these reviews is to highlight any areas where there may be need for further development or where good practice could be shared across the LEP Network.
- 1.3** The review has two elements:
- A desk top evaluation against 194 areas of compliance
 - A self-assessment against a series of pre-determined questions
 - A review meeting with the LEP Chair, CEX, S73 Officer, Monitoring Officer and a range of officials from across Government departments including MHCLG, DfT and BEIS.
 - An assurance statement from the LEP Chair / CEX and the S73

2. Proposal and justification

2.1 Review findings

Following the conclusion of the Annual Performance Review it has been confirmed that the Sheffield City Region LEP is compliant with the National Assurance Framework and is considered to be 'good' in all areas of the review.

Section 2.2 – 2.4 sets out the areas where MHCLG have asked the LEP to focus on over the year ahead.

2.2 Theme – Governance

Recommendations from MHCLG included:

- ensuring new governance arrangements are monitored and that MHCLG is updated in the autumn on how the arrangements are working in practice.
- exploiting the opportunities presented by the Skills Advisory Panel to enhance the relationship and partnership working with DfE at local level.

2.3 Theme – Delivery

Recommendations from MHCLG included:

- continuing to monitor programme performance to achieve profile and ensuring the final year-end position is in line with targets.
- re-examining the anticipated outputs from the Growth Deal, particularly 'new homes built'.

2.4 Theme – Strategy

Recommendations from MHCLG included:

- ensuring there is positive and proactive engagement with all key stakeholders in developing a new, shared vision for SCR.
- increasing collaboration with northern Derbyshire and Nottinghamshire.
- engaging with Government the expansion of the 'Advanced Manufacturing Innovation District' and further development of the 'Global Innovation Corridor' concept.

2.5 Next Steps

It is proposed that ahead of an update being submitted to MHCLG in the autumn, the LEP Board receives an update at its meeting 9th September.

3. Consideration of alternative approaches

- 3.1** Compliance with Government guidance is mandatory. However, the arrangements in place are proportionate and reflective of the context of the SCR LEP.

4. Implications

4.1 Financial

Non-compliance with Government's best practice guidance and a poor audit opinion could result in funds being withheld by Government. The findings of the Annual Performance Review demonstrate that SCR's arrangements meet Government requirements, therefore funding will not be affected.

4.2 Legal

As a public private partnership, responsible for the economic growth of the City Region, the LEP has a responsibility to have robust, but proportionate, governance arrangements in place - especially in relation to, funding streams, such as its Growth Deal, that it is responsible for. The findings of the Annual Performance Review provide assurance that current arrangements are fit for purpose.

4.3 Risk Management

Robust governance arrangements form an important risk management mechanism for the public funds the LEP is responsible for. No concerns have been raised through the review relating to LEP's approach to risk management.

4.4 Equality, Diversity and Social Inclusion

No concerns have been raised through the review relating to equality, diversity and social inclusion.

5. Communications

5.1 The outcome of the Government audit will only be made available publicly at a time determined by the Government.

6. Appendices/Annexes

6.1 Appendix A – Letter from Stephen Jones, Director, Cities and Local Growth Unit

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: None

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Department for
Business, Energy
& Industrial Strategy



Ministry of Housing,
Communities &
Local Government

Cities and Local Growth Unit
1st Floor, Fry Building, 2 Marsham Street,
London,
SW1P 4DP

11 March 2019

Dave Smith
Executive Director
Sheffield City Region LEP

By email

Dear Dave,

I would like to thank you, the LEP Chair and other colleagues for participating in the LEP Annual Performance Review this year. With the publication of *Strengthened LEPs*, it has been a year of significant change and I am grateful for your continued cooperation. Your participation in the LEP Network Working Groups has helped greatly in shaping this year's assurance processes, culminating in the publication of the revised National Local Growth Assurance Framework.

As with last year, I am writing to communicate formally the outcomes of the 2018-19 Annual Performance Review, and to set out the actions that are required. The agreed note of the Annual Performance Review is attached. Alongside the Section 73 Officer letter to the Accounting Officer, the outcomes of the Annual Performance Reviews will be used to inform recommendations for funding for the 2019-20 financial year.

Performance Review

As set out in the 2018-19 Annual Performance Review Guidance, following the Annual Performance Review meeting, officials in the Cities and Local Growth Unit undertook a review to look at the performance of each LEP across the three themes: governance, delivery and strategy. Following feedback and wider discussion, it was decided not to award an overall marking for this year as initially indicated.

The review also sought to highlight any areas where there may be need for further development or where there is good practice to be shared. This involved reviewing the information provided for the Annual Performance Review meeting along with other sources including Spot Checks on compliance with the National Assurance Framework, Growth Deal data submissions and LEP governance processes and policies.

Following the conclusion of the Annual Performance Review we have determined that the LEP is compliant with the National Assurance Framework. Feedback under each theme is set out below:

Governance

The LEP's governance is considered to be good.

The LEP has shown good working practices in its working alongside the Combined Authority, with a joint Assurance Framework that explains each institution's role. SCR's work to consolidate all the LEP's funding streams within the MCA as the single accountable body is noted; as are the steps being taken to bring the Section 73 and Monitoring Officer roles within the MCA staffing structure.

I recognise that the recent LEP Board (and Chair) recruitment processes has had a positive impact on gender balance. The board has a good, diverse spread of membership from across the city region's geography, its sectors and sizes of business. It is also of note that the LEP's board meetings are well attended by private sector members, who are effectively engaged and able to provide robust challenge.

Arising from the Annual Performance Review, the following actions and feedback are identified:

- The LEP is to continue to implement the findings from the LEP's governance review including "portfolio" lead roles for LEP Board members. It will be important for the LEP to keep these new arrangements under review in the months ahead, to ensure that the voice and influence of private sector partners remains robust; both at board level and throughout supporting structures and networks. We would welcome an update from the LEP in around 6 months' time on how these new Governance arrangements are working in practice; including in the context of how your governance arrangements will support delivery of your refreshed Strategic Economic Plan (SEP) and emerging Local Industrial Strategy (LIS).
- SCR's relationship with the Department for Education (DfE) was a particular focus of the annual performance review discussion, and the Unit will continue to work with SCR to clarify the position on Skills Advisory Panel (SAP) funding and implementation. It will be important for SCR to fully exploit the opportunities presented by the SAP to enhance its relationship and partnership working with DfE at local level.

Finally, with regard to governance, while we are still some time away from all the requirements of the 'LEP Review' coming into force, it would be remiss of me not to note that the SCR's geography and associated LEP Board composition will need to also be kept under review in the weeks and months ahead, as the final positions of Local Authority partners become clear, in order for the LEP to be fully compliant with the Review when we reach the end of 2019-20.

Delivery

The LEP's delivery progress is considered to be good.

The LEP has effectively set out a clear plan for the delivery of the Growth Deal programme. While there is still a forecast for an overall spend shortfall at the end of 2018-19, the steps taken by SCR to start to overturn the shortfall from previous years have been well executed. It is most encouraging that these efforts are now expected to make an impact.

It will be important during 2019, as we progress beyond the mid-point of the Growth Deal, for the LEP to reach some final conclusions on how its Local Growth Fund sub-programmes can be rationalised so that final spend can be managed within the overall funding available.

In the light of the Annual Performance Review, the following actions and feedback are identified:

- While recent project approvals are demonstrating positive progress and assurances against in-year spend targets, there remains a significant challenge for spend in the

final two quarters to meet its profile. It will be important that the LEP continues to monitor this, to help ensure the final, end-of-year position is in line with the assurances given.

- SCR should also now take the opportunity to re-examine the anticipated outputs from the Growth Deal. As highlighted in the APR notes, the SCR's housing outputs for the current year will, in particular, need to be looked at again. Though we do also recognise that the key role of the LEP is to help prepare such land for development, rather than deliver actual house-building programmes. Nevertheless, both Government and the SCR will be equally keen to see the numbers of new homes built matching original funding expectations and commitments given.
- As per the note of the Review meeting, there are also a number of specific actions identified for the Unit and wider partners to take forward with SCR, including with regard to future transport funding, the relationship with Homes England, and delivery of the next phase of the "Skill Bank" project with DfE (where my points above regarding the opportunities presented by the SAP should again be noted).

Strategy

The strategic impact of the LEP is considered to be good.

There is a good degree of fit between the SCR's strategic vision and current spend programmes, and the new SEP and LIS will need to be instrumental in providing a strategic framework for how ongoing resources are invested.

The reasons for delaying the renewal of SCR's Strategic Economic Plan (SEP) are understood; not least to ensure that the new LEP Chair is able to put his own stamp on future strategic direction, as well as to ensure incorporation of the Mayor's vision. SCR has nevertheless set out a helpful project plan for delivering a renewed SEP and new Local Industrial Strategy (LIS), which is welcomed.

In the light of the Annual Performance Review, the following actions and feedback are identified:

- We are aware from a range of local partners that the refreshed strategy work is eagerly anticipated. Hence, positive and proactive engagement with all key stakeholders in a new, shared vision for SCR will be critical; including in terms of galvanising buy-in for the City Region as an institution that can add value and accelerate growth. SCR needs to take all opportunities presented by engaging on its SEP and LIS to embed and enhance its networks and relationships with stakeholders.
- SCR also needs to collaborate positively with its neighbouring LEPs on its future strategic direction; in particular 'D2N2', given the shared economic interests in the northern parts of Derbyshire and Nottinghamshire. As the role of LEPs matures, I am keen to see ever-greater collaboration and SCR's location, playing-in to a range of neighbouring local economies, should provide a case study for joint-working and engagement.
- There are opportunities for SCR to engage with Government, particularly BEIS, via the expansion of the 'Advanced Manufacturing Innovation District' and further development of the 'Global Innovation Corridor' concept as it finalises its LIS. The Unit will continue to support the development of these relationships, between the local area and Whitehall, wherever it can.

Next Steps

This letter sets out some areas where we would like you to focus over the year ahead and my team will be in touch to follow up. If you have not already done so you should publish on the SCR website the joint assurance statement you provided ahead of the Annual Performance

Review. You will receive further information on the decisions relating to your Local Growth Fund and core funding allocations for the 2019-20 year shortly.

As part of the Review preparation we asked you to provide us with information on where Government could better support you to fulfil the ambitions of your place. We have noted this feedback and will continue to work with you to explore these issues over the coming months. As noted above, we also remain committed to working with you to deliver your local priorities and develop your LIS.

I take this opportunity to remind you of the importance of following the communication and branding guidance as Minister Berry stated last year. This will continue to be a term of your grant offer letter.

Thank you once again for participating positively in the process.



STEPHEN JONES
DIRECTOR, CITIES AND LOCAL GROWTH UNIT

cc. LEP Chair and Section 73 Officer.

20th May 2019

LEP Overlapping Geography Collaboration Framework

Purpose of Report

The LEP Review 2018 specified that the current pattern of overlapping geographies be removed. Where overlapping geographies are to be removed government have suggested a Collaboration Framework is put in place. This report provides LEP Board Members with a first draft of a suggested Collaboration Framework for agreement by the SCR and D2N2 LEPs. This document is also being considered by the D2N2 LEP Board.

Thematic Priority

Cross cutting - governance

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be available under the SCR Publication Scheme

Recommendations

That Board Members:

1. Provide comment on the draft Collaboration Framework and recommend any amendments or omissions.
2. Approve the CEX to continue to negotiate this document on the LEP behalf, bring a final document to a future board for approval.

1. Introduction

- 1.1 The LEP Review 2018 specified that the current pattern of overlapping geographies be removed. This requires areas currently in multiple LEP geographies to become a member of a single LEP only. This policy signifies a shift from LEPs being organised by functioning economic areas to one which is more closely aligned to administrative geographies. Where overlapping geographies are to be removed government have suggested a Collaboration Framework is put in place.
- 1.2 Four of the current Districts (Bassetlaw, Bolsover, NE Derbyshire and Derbyshire Dales) have put in writing their intention to be a substantive member of the D2N2 LEP, subject to government and D2N2 addressing some specific requirements. At the point of drafting, these issues remain unresolved. Chesterfield BC has not yet resolved their position. Against this backdrop work has commenced on the draft Collaboration Framework which sets out how the transition on on-going relationship will develop and be managed.

2. Proposal and justification

- 2.1** There is a requirement to have a Collaboration Framework, setting out how SCR and D2N2 will manage the transition to areas becoming a sole member of either SCR or D2N2 LEP. The formal letters issued by 4 of the 5 districts, signifying their intentions, has provided the impetus to commence the development of this document.
- 2.2** The draft collaboration framework, attached as Appendix 1 to this report, seeks to perform a number of tasks:
- It set out the overarching principles which provide the policy framework for collaborative working relationships
 - It sets out a number of objectives for the collaborative arrangements we are seeking
 - It defines two distinct phases with actions allocated to these phases
- 2.3** The LGF schemes included in the annex to this framework are all currently supported schemes in the overlapping area, this list will be monitored and refined during this year.

3. Consideration of alternative approaches

- 3.1** No alternative options to producing the Collaboration Framework have been considered
- 3.2** The draft Collaboration Framework recommends that each LEP will continue to manage out the legal agreements they have entered into in respect of LGF supported schemes, to the end of the programme. This will also include management of any subsequent outcome reporting or the application of clawback. The alternative approach to this is that SCR / D2N2 novate contracts and supporting resource to fund these agreements. This has been discounted in favour of the suggested approach as it would require detailed legal and funding work be undertaken.

4. Implications

4.1 Financial

The draft framework, commits the SCR LEP to continuing to support schemes in contract. Beyond this the individual LEPs will have full responsibility for scheme development or service delivery. This is in anticipation of future funding to LEPs being allocated to a single LEP for their geography.

The implications of a District leaving the SCR LEP, is the reduction in the subscription payable. This is referenced in the MCA budget paper (25.03.19) and equates to £4k per annum for each of the 5 Districts.

The full financial implications associated with this requirement will be known and are dependent upon the decision of Chesterfield BC. This is as a consequence of the early policy decision that a significant part of the SCR LEP Enterprise Zone would be in Chesterfield and that the business rates from these sites would be payable to the SCR LEP to support its policy priorities. Based upon 2019 estimates the potential risk is in excess of £1m. The Markham Vale Enterprise Zone site is referenced in the Framework document.

Finally, due to not having a compliant geography, SCR LEP has not been in receipt of the additional financial support to develop the LIS which has been made available to other areas.

4.2 Legal

The draft Collaboration Framework recommends that each LEP will continue to manage out the legal agreements they have entered into in respect of LGF supported schemes, to the end of the programme. This will also include management of any subsequent outcome reporting or the application of clawback.

If the SCR LEP geography changes, all documents would need to be updated on the new revised geography.

4.3 Risk Management

The major risk for the SCR LEP associated with this policy is outlined within the financial implications section. The MCA budget has sought to manage this risk through maintaining an EZ reserve to manage fluctuations in income.

A further reputational risk is if both LEPs and the affected districts cannot agree to this Collaboration Framework. This will be monitored and reported upon if the risk looks likely of materialising.

4.4 Equality, Diversity and Social Inclusion

There are no specific considerations associated with the development of this Collaboration Framework, and one of the suggested principles is that in the transition phase there is no detriment to the businesses or residents of the affected areas.

5. Communications

5.1 Alongside the development of this draft Collaboration Framework a communication plan will be developed. This will include business communications in signposting businesses to the relevant Growth Hub and business support infrastructure.

6. Appendices/Annexes

6.1 Appendix 1 – Draft Collaboration Framework

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

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DRAFT SCR and D2N2 Local Enterprise Partnership's Collaboration Framework

Section 1 Principles and Objectives

Principles underpinning the collaboration framework

1. Collaborate on shared endeavours
2. LEP Board / MCA/Accountable Body has primacy over local decision making
3. Appropriate and transparent oversight to monitor the agreed objectives is established with the areas affected
4. The Mayor / MCA and conversely the Districts and Counties may collaborate on matters of policy which are not in scope of the LEP and therefore outside this agreement

Proposed Objectives

1. Smooth transition for Districts currently part of an overlap to solely operating within a D2N2 / SCR framework ensuring no detriment to businesses or residents effected during the transitional period
2. No detriment to any of the current LEP areas following the transition
3. Continue to develop shared approaches where there is a clear rationale to do so and where the impact of doing the activity will exceed the economic benefits of separate endeavours

Section 2 - Transitional Phase 2019-2021

1. Strategic Collaboration

Transport

Where there are potential benefits or disbenefits of schemes / proposals that are material across both LEP areas.

Maximising the Impact of HS2

Maximising the economic impact of the investment could include strategies relating to skills, supply chain or land and housing

2. Operational Transition

LGF schemes

See annex for schemes in transition or with on-going reporting obligations. Each LEP will continue to support schemes in contract until the conclusion of the LGF programme and its monitoring of outcomes. For the districts moving to D2N2 information will be shared with D2N2 on progression of the overlap schemes.

Growth Hub

SCR propose to conclude as many as possible detailed support for companies in the overlap during 19/20. Where this is not possible, and SCR Growth Hub is part way through a business assist activity this will be supported until concluded and thereafter as outcomes are reported. A full list of these transitional businesses will be compiled and shared (annex of businesses to be developed closer to year end).

In 20/21 all new business enquiries for Growth Hub support in the former overlapping geography will be signposted to the relevant Growth Hub.

ESIF

Both LEPs already work closely together at an operational level in terms of the delivery of ESIF across the overlap. Where funding is yet to be commissioned which will include delivery in the overlap areas, both LEPs will commit towards working together to inform future calls and jointly promote across the overlap area.

SCR Skills Bank

New deals will be entered into during 2019/20, post transition companies in the former overlapping geography will be signposted to D2N2 skills and training provision, however deals in progress will be delivered to conclusion.

3. Resourcing

Markham Vale Enterprise Zone: Clarification on the legal and policy position in terms of the payment of future rates is being obtained from Government in the event that Chesterfield Borough Council remains solely within D2N2 LEP. Based on the outcome of the advice future arrangements for Enterprise Zone business rates will be agreed as part of the transition agreement. ***(At the time of writing no position has been agreed by Chesterfield Borough Council on its future LEP membership arrangements)***

Growth Hub resource for the overlap area - during transition SCR will withdraw from funding business support in the former overlapping areas moving solely to D2N2, including any shared posts and D2N2 will assume full arrangements for the Districts within its remit.

Modelling and appraisal tools - The new SCR transport model (SCRTM1) and the new land use model (FLUTE 18) have both been designed to include all current SCR MCA local authority areas (with respect to the detailed modelled area). The effects of transport investment therefore can be modelled in the overlap at a granular level. All the LA districts and partners within the overlap districts will be able to use this model, irrespective of the redrawn boundaries. Should any issues thrown up by SCR transport modelling, which affect the non-constituent members, will be communicated in a timely and agreed manner.

4. Communication and Information Sharing

Areas to include:

Evidence base supporting the SCR Economic Plan and Local Industrial Strategies
to understand any emerging synergies from the evidence base

Other investment plans and priorities as appropriate to the scope of this collaboration framework eg cross boundary major investment / supply chains.

ESIF, both LEPs will look to share information wherever possible on contracts and providers delivering within the overlap area to ensure strategic alignment and co-ordination across both ESIF programmes.

Section 3 - Post -Transitional Phase 2021 onwards

1. Strategic Collaboration

TBC but likely to be:

- Transport,
- HS2 Growth Plan, including the implications for housing etc)
- Spatial planning
- Flood alleviation
- Energy Strategy?

2. Joint Ventures

TBC

3. Communication and information sharing

Legacy programme information – outcomes / outputs

Section 4 - Collaboration Approach

This section still needs developing – but will explore whether this is through joint Chair meetings, joint CEX meetings or through written communications and reporting

Annex A - Operational programmes Transitional arrangements

Local Growth Fund

Below is a list of live and pipeline projects within each respective programme where there is either an ongoing financial or output commitment:

D2N2 LGF Programme

Project Name	Project Applicant	Location	D2N2 LGF Contribution	LGF Contribution to Claim	Outputs	Status of the project
Chesterfield Centre for Higher Level Skills	University of Derby	Chesterfield	£3.48m	£0	45 Jobs 1483 Learners	Construction Complete Monitoring of outputs
Harworth Access Road	Nottinghamshire County Council	Harworth, Bassetlaw	£1.1m	£0	6650 Jobs 885 Homes	Construction Complete Monitoring of outputs
Seymour Link Road	Derbyshire County Council	Markham Vale, North East Derbyshire	£2.52m	£0	1235 Jobs	Construction Complete Monitoring of outputs
A57/A60 Worksop	Nottinghamshire County Council	Worksop, Bassetlaw	£1.83m	£0	1753 Jobs 6000 Homes	Construction Complete Monitoring of outputs
Vesuvius Works	Dooba Developments Limited	Worksop, Bassetlaw	£4.49m	£0	400 Jobs	Construction Complete Monitoring of outputs
Ashbourne Airfield	Derbyshire County Council	Ashbourne, Derbyshire Dales	£1m	£1m	483 Jobs 367 Homes	Awaiting Final Business Case
Riverside Business Park	Litton Properties Group	Bakewell, Derbyshire Dales	£3.35m	£3.35m	320 Jobs	Awaiting Final Business Case
HS2 Strategic Sites	Chesterfield Borough Council	Chesterfield	£2.4m	£2.4m	300 Jobs	Awaiting Final Business Case

SCR LGF Programme (information currently incomplete)

Project	Applicant	Location	LGF Contribution	LGF Remaining to Claim	Outputs	Status
Worksop Phase 2	BDC	Bassetlaw	£1,225,734	£0	1,359 Jobs 93,000m2 Commercial Floorspace	Construction Complete Monitoring of outputs
Worksop Phase 2 b	BDC	Bassetlaw	£1,150,560	£0	915 Jobs	Delivery
Bassetlaw Employment Sites – Retford	BDC	Bassetlaw	£725,000	£0	48 Jobs 686m2 Commercial Floorspace	Construction Complete Monitoring of outputs
Harry Needle Rail	Private Co.	Bassetlaw	£500,000	£500,000	40 Jobs	Approval Granted
Worksop site delivery and Vesuvius scheme	BDC	Bassetlaw	£500,000	£0	420 Jobs 40,703m2 Commercial Floorspace	Construction Complete Monitoring of outputs
Harworth and Bircotes Step Change Programme Road Improvement	BDC	Bassetlaw	£450,000	£0	2,281 Jobs 888 Housing Units 73,700m2 Commercial Floorspace	Construction Complete Monitoring of outputs
North Notts College Facelift	North Notts College	Bassetlaw	£308,055	£0	1,072 Learners 1,635m2 Refurbished Training Space	Construction Complete Monitoring of outputs
Harrison Drive, Langold	BDC	Bassetlaw	£135,000	£0	8 Jobs	Construction Complete

						Monitoring of outputs
National Fluid Power Centre Integrated Systems	RNN Group	Bassetlaw	£132,500	£0	900 Learners	Construction Complete Monitoring of outputs
Northern Gateway	CBC	Chesterfield	£5,830,000	£0	510 Jobs 2,600m2 Commercial Floorspace 4,500m2 Indirect Commercial Floorspace	Delivery
Seymour Link Road	CBC	Chesterfield	£3,780,000	£0	350 Jobs 3km New Road	Construction Complete Monitoring of outputs
Peak Resort	CBC	Chesterfield	£2,849,993	£0	406 Jobs 35,000m2 Commercial Floorspace	Construction Complete Monitoring of outputs
Chesterfield Waterside	CBC	Chesterfield	£2,552,532	£0	330 Jobs 5 Acres Developed 7,400m2 Commercial Floorspace 21,700m2 Residential Development 310 Housing Units	Delivery
Chesterfield College Infirmary Road Project	Chesterfield College	Chesterfield	£243,000	£0	8,241 Learners	Construction Complete

						Monitoring of outputs
OTHER PRIVATE BUSINESS GRANT SCHEMES	Private Co.	Chesterfield	£249,000	£249,000	20 Jobs	Not yet approved
OTHER PRIVATE BUSINESS GRANT SCHEMES	Private Co.	Chesterfield	£120,000	£0	10 Jobs	Project Complete
OTHER PRIVATE BUSINESS GRANT SCHEMES	Private Co.	Chesterfield	£110,000	£0	11 Jobs	Project Complete
OTHER PRIVATE BUSINESS GRANT SCHEMES	Private Co.	Chesterfield	£100,000	£0	25 Jobs	Contract Issued
OTHER PRIVATE BUSINESS GRANT SCHEMES	Private Co.	Chesterfield	£51,372	£0	8 Jobs	Project Complete
OTHER PRIVATE BUSINESS GRANT SCHEMES	Private Co.	Chesterfield	£34,000	£0	12 Jobs	Project Complete
OTHER PRIVATE BUSINESS GRANT SCHEMES	Private Co.	Chesterfield	£25,000	£0	11 Jobs	Contract Issued

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SCR COMBINED AUTHORITY DOCUMENT HISTORY COVER SHEET DOCUMENT DETAILS

DOCUMENT DETAILS

Thematic Board Membership

CREATOR

Claire James

DATE VERSION 1 SAVED

30/04/19

FILE LOCATION PATH

VERSION	DATE	SAVED BY	NOTES
1	30/04/19	CJ	First draft (based on FB/LW paper from Jan 19)
2	10/05/10	CJ	Amends made further to DS comments section 2.1

APPROVALS REQUIRED BY

APPROVAL REQUIRED BY	DATE
Managing Director	
Monitoring Officer	
Chief Finance Officer	

Board Paper Instructions

1. Before commencing the preparation of a paper, please ensure that your Director is aware that it will be on the agenda for the meeting.
2. Please read the guidance for preparing a paper below and contained within the body of the template.
3. If your paper relates to a project rather than a policy decision, ensure that it has received Full Business Plan approval prior Director approval date above. Programme Management process needs to be reflected here
4. Use the format set out below to structure your paper. Noting:
 - a. Papers should be less than 4 pages long with additional material in an annexes;
 - b. Recommendations should be self-contained and specific given they will be used in the minutes;
 - c. Pages should not be numbered (they will be numbered for the final .pdf paper pack);
 - d. Paragraphs must be numbered correctly;
5. Ensure that your Director and subsequent approvers receives the paper in good time to comment on and approve within the timescales set out above.

Should you require any assistance with formatting issues, please contact Claire James who will be happy to assist.

Please ensure that you follow the above before submitting papers. With regret if papers stray from these guidelines we may need to return them to the author, which runs the risk of the paper missing a Board cycle. We would obviously wish to avoid this if at all possible.

REMEMBER

In general, all reports are available to the press and public, however it may be in the public interest for a report to remain confidential. Information regarding exemptions under the Section 12A to the Local Government Act 1972 can be found [here](#).
 Avoid jargon or acronyms
 Provide a clear explanation of any terms used (use a glossary if necessary)
 Be as concise as possible
 Use appendices for detailed supporting documentation – reference them clearly in the narrative and list them at the end of the report

20th May 2019

Thematic Board Membership

Purpose of Report

Following consultation with partners, this paper proposes the membership of each of the thematic boards.

Thematic Priority

Cross cutting – the model impacts on all elements of the SCR CA and LEP decision making.

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Mayoral Combined Authority Publication Scheme.

Recommendations

The LEP Board is asked to ratify the membership of the thematic boards.

1. Introduction

- 1.1 At its meeting on 14th January 2019 the LEP Board agreed to revised governance arrangements in the SCR.

It was agreed that one of the features of the SCR's revised governance arrangements would be that, whilst the sub structure of the MCA and LEP would retain its thematic focus in the areas of business growth; skills and employment; housing and infrastructure; and transport a stronger model of leadership would be introduced in that each boards purpose would be to:

- Shape future policy development and priorities on issues related to its thematic area;
- Develop new programmes;
- Make investment decisions up to £2 million within the agreed budget and policy on the relevant thematic area, as delegated by the Mayoral Combined Authority (MCA) (Board decisions are legally taken by the Head of Paid Service (or their nominated representative) in consultation with the Chair of the Board. By protocol, decisions will not be taken unless there is Board consensus for the decision. Where consensus cannot be reached the issue will be escalated to the MCA and/or the LEP as appropriate for final decision)
- Accept grants with a value of less than £2 million; and
- Monitor programme delivery and performance on the thematic area.

In addition, each Thematic Executive Board also has delegated authority to approve tender awards up to [£200,000.00] that are related to its area of responsibility, provided the proposed spend is within budget. Previously a general Statutory Officer delegation had been in place to approve revenue funded tender awards up to £100,000.00. Above that figure, tender approvals require Authority approval. This allows Thematic Executive Boards a level of delegation within their own areas.

The LEP Board has formal responsibility for the appointment of private sector members to each board and for the appointment of the private sector Chair and Vice Chair. The appointment of elected members to each board will be made at the Mayoral Combined Authority AGM on 3rd June 2019.

2. Proposal and justification

2.1 It has previously been agreed that, with the exception of the Transport Board, each thematic board will comprise two leaders, with one from the constituent councils and one from the non-constituent councils, a member of each of the remaining councils (to be nominated by the respective authority) and two private sector LEP Board members, as well as a lead chief executive from a different authority to the leader. The action to appoint a non-Constituent council member is currently in abeyance pending final decisions on overlapping geographies.

2.2 The Board is asked to agree the private sector membership for each board as proposed below.

2.3 Business Growth Board

Private Sector member (Chair)	Neil MacDonald
Private Sector member	Lucy Nickson
Leader (Constituent member authority) (Chair)	Cllr Sir Steve Houghton

2.4 Housing Board

Private Sector member (Chair)	Tan Khan
Private Sector member	Neil MacDonald
Leader (Constituent member authority) (Chair)	Cllr Chris Read

2.5 Infrastructure

Private Sector member (Chair)	Owen Michaelson
Private Sector member	Richard Stubbs
Leader (Constituent member authority) (Chair)	Mayor Ros Jones

2.6 Skills and Employability

Private Sector member (Chair)	Julia Muir
Private Sector member	Philippa Sanderson
Leader (Constituent member authority) (Chair)	Cllr Julie Dore

2.7 Transport

Mayor (Chair)	Mayor Dan Jarvis
Leader (Constituent member authority) (Deputy Chair)	Cllr Chris Read
Private Sector Member	Peter Kennan, Alison Kinna

3. Consideration of alternative approaches

3.1 Alternative approaches have been considered in the in the development of the new governance arrangements, this paper only proposes the membership of each board.

4. Implications

4.1 Financial

A delegation limit from the MCA to the sub boards has been set at £2m.

This provides consistency with the limits previously in place for the BIF and Housing Investment Boards and is below the average (financial) value of schemes currently being funded through the LGF programme.

4.2 Legal

The changes set out in the agreed model have been captured in the MCAs Constitution and elements of the LEPs governance framework. Both are published on the SCR website.

4.3 Risk Management

Continuing to strengthen governance arrangements in the Sheffield City Region is an important mechanism in managing a number of corporate risks. The agreed changes reflect the commitment of both the MCA and LEP to transparency, and the clear delineation of responsibilities between different elements of the decision-making system.

4.4 Equality, Diversity and Social Inclusion

In developing the composition of the sub boards of the SCR governance arrangements it has been important to consider diversity and how this represents the breadth of the City Region, including factors such as geography and gender.

5. Communications

5.1 Once the Boards become operational it will be important to clearly and effectively communicate when, how and what decisions are being taken and the roles of different boards within this process. This will be vital in signposting people to the information that they wish to find and in improving awareness of the activity being undertaken by the MCA and LEP collectively.

As a requirement of the LEP Review, the SCR are developing a corporate plan for 2019/20. Developing this document will further clarify these roles and purposes of the Thematic Boards.

6. Appendices/Annexes

6.1 None

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: Not applicable

20th May 2019

Appraisal & Assurance Process

Purpose of Report

Further to the approval of new governance arrangements, this paper:

- Provides details of the current principles and approach to LGF scheme appraisal,
- Reviews the strengths and weaknesses of the current approach, and
- Makes a recommendation for strengthening current arrangements whilst ensuring no compliance requirements are compromised.

Thematic Priority

Cross cutting - governance.

Freedom of Information

This paper will be made available under the MCA publication scheme.

Recommendations

That the Board considers and approves the proposed option to strengthen the appraisal, assurance and decision-making processes based upon the options presented in section 2.4 of this report.

1. Introduction

- 1.1 The City Deal and Growth Deal process required LEPs and their Accountable Bodies to demonstrate conformance to implementing an assurance process which enables a value for money conclusion to be reached prior to investment decisions. Successive National Assurance Frameworks have increased the obligations on LEPs and their Accountable bodies to strengthen governance and assurance processes, and particularly focus on independence and transparency requirements.
- 1.2 The SCR approach to scheme evaluation and prioritisation resulted in SCR being awarded a greater than anticipated growth deal in 2014 and receiving the maximum flexibility over the funding allocation. To date MHCLG evaluations of the LEP and MCA has determined that local arrangements are compliant with the National Assurance Framework and that SCR is considered to be 'good' in all three areas of the review, Governance, Delivery and Strategy.
- 1.3 In December 2018 and January 2019, the MCA and LEP respectively approved new governance arrangements, agreeing that five Thematic Boards, accountable to the MCA and LEP, would be established. Each Board will have a defined thematic portfolio including distinct responsibilities for the Business Growth, Housing, Infrastructure, Skills and Employment and Transport programme. The Boards will also have a delegated authority to approve schemes with a value of less than £2 million.

Further to agreeing the establishment of the Thematic Boards, officers committed to reviewing the arrangements currently in place for the independent assurance of schemes. This review is summarised below in sections 2.1-2.3 and a recommendation option presented in section 2.4.

2. Proposal and justification

2.1 The current required assurance and appraisal process is based on the following principles:

- Independence
- Expertise
- Transparency
- Flexibility

The National Assurance Framework for LGF reviews these principles as the basis for the annual national audit of LEPs. The review undertaken firstly, clarifies strengths of the approach in the SCR model and then identifies potential weaknesses and offers an approach to how these could be addressed.

There are currently three different appraisal and eventual approval pathways in operation, for schemes seeking to access LGF. These are detailed in full in Appendix A to this report.

2.2 SCR Scheme assurance and appraisal strengths

The strengths of the current model are detailed in sections 2.2.1 – 2.2.9 below:

- 2.2.1** The appraisal function is separate from the decision-making role undertaken by the LEP and/or MCA.
- 2.2.2** The assurance and appraisal of schemes is managed independently of the Scheme Promotor by officers of the SCR.
- 2.2.3** The SCR approach includes an Appraisal Panel, made up of the Statutory Officers of the Authority (or their designate), to ensure senior level oversight of the process and recommendations to decision makers.
- 2.2.4** The Appraisal Panel are supported by other relevant teams including the Programme Management Office and Contracts team. Any officer supporting or undertaking any aspect of the appraisal process is required to undergo HMT Green Book Better Business Cases approved accredited training for assessors (appraisal modules).
- 2.2.5** The technical appraisal of schemes is undertaken in conjunction with an independent and contracted team of experts known as the Central Independent Appraisal Team¹(CIAT), thus is fully independent of Scheme Promotors and SCR Executive and ensures technical experts are informing the recommendation to decision makers.
- 2.2.6** The extension of the CIAT to five organisations from three, has provided increased technical capacity.
- 2.2.7** For business investment fund appraisal, expertise relating to banking, commercial financial and investment has been accessed via specialist membership of the BIF Panel.

1. ¹ In October 2018 the MCA approved entering into five contracts for the Central Independent Appraisal Team service with a combined potential value of circa £450k over the next 4 years. The use of this independent appraisal panel provides HMG the assurance that SCR is able to fully appraise its own growth deal programme to the standard required by government. SCR therefore is one of a number of LEP areas awarded enhanced flexibility over the management of LGF.

2.2.8 The appraisal model, utilising a combination of SCR Officers and CIAT expertise, enables a flexible timetable to be implemented. Meetings are scheduled fortnightly but additional meetings to minimise any delays to a project's journey through the assurance process can be easily convened.

2.2.9 The SCR appraisal approach conforms to both the National Assurance requirements and the Transparency Code of the authority and has been regularly subject to Internal and external audit and Scrutiny

2.3 SCR Scheme assurance and appraisal weaknesses

The weaknesses of the current model are detailed in sections 2.3.1 – 2.3.9 below:

2.3.1 Whilst the current appraisal model demonstrates independence from Scheme Promoters and decision makers, some LEPs have increased independence by nominating a LEP Board Member or other external expert to Chair the Appraisal Panel.

2.3.2 The BIF Panel (no longer in existence under the new governance arrangements) lacked the separation between appraisal and decision making as the BIF Panel both reviewed schemes and made decisions on schemes under £2m in value.

2.3.3 The removal of the BIF Panel in the new governance arrangements, risks the loss of the banking, commercial finance and investment specialist capability in the appraisal process of the LGF-BIF schemes.

2.3.4 The current model has the potential, for reasons of either confidentiality or perceived conflicts of interest, to redact too much information from the scheme summary and appraisal summary which could hamper the decision-making role.

2.4 Proposed option for consideration

In light of the strengths of the current approach but in recognition of the identified weaknesses the following approach is recommended for consideration.

2.4.1 Appoint an independent Chair of the Appraisal Panel from either:

- the LEP Board (potentially the Vice Chair with the programme portfolio)
- a pool of LEP Board Members, recognising the requirement to maintain the separation between appraisal and decision-making or
- a different independent expert.

2.4.2 Ensure no loss of banking, commercial financial or investment expertise within the appraisal process by either:

- expanding the current CIAT framework to include business expertise,
- co-opting the existing experts from the BIF Panel to the Appraisal Panel, or
- identifying new technical specialists in this field and co-opting them on to the Appraisal Panel.

2.4.3 Produce, for decision makers, of a more detailed scheme overview and appraisal summary in addition to a clear assurance opinion and enable access to full business cases and appraisal recommendations. Noting the need to balance commercially confidential information with transparency requirements for publication of papers

2.4.4 Formalise and publish dates for assurance panels to be at least monthly or maintain the current 2 weekly approach. Noting the frequency may be affected by the decision to appoint an independent Chair

3. Consideration of alternative approaches

- 3.1 Do nothing – continue with the current arrangements. This is a potential especially as the model has been found to be fully compliant with expectations. This has been discounted however as the new governance arrangements necessitate steps are taken to maintain the technical expertise previously on the BIF Panel, and to look at information required in the delegated decision model
- 3.2 Do something – The recommendation detailed in section 2.4 maintains the majority of the current approach but identifies actions to mitigate against identified weaknesses.
- 3.3 Do more – An alternative is to put in place a fully independent model of assurance by procuring a fully outsourced service. This has been discounted as would increase the costs associated with appraisal, would make the Statutory Officers of the Authority more removed from programme decisions and would increase the risks of compliance.

4. Implications

- 4.1 **Financial**
The costs of enhancing the independent appraisal of schemes is managed within the overall envelope of the LGF programme and therefore any costs associated with increasing the pool of appraisal experts can be met by the programme.
- 4.2 **Legal**
Any changes will have to maintain compliance with the National Assurance Framework and the MCA Constitution.
- 4.3 **Risk Management**
Robust assurance and appraisal processes are vital in ensuring the MCA manages financial risk effectively.
- 4.4 **Equality, Diversity and Social Inclusion**
There are no equality, diversity or social inclusion implications to revising Assurance and Appraisal Panel arrangements.

5. Communications

- 5.1 The Assurance Framework will be updated to reflect any governance changes agreed by the LEP and MCA. This will be published on the SCR websites and all partners will be made aware of these changes, where necessary.

6. Appendices/Annexes

- 6.1 **Appendix A** – Current arrangements for LGF

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

- National Assurance Framework
- SCR Assurance and Accountability Framework

Appendix A LGF Current Approach

1.0 Local Growth Fund Appraisal and Assurance Routeways

- 1.1 There are currently three different pathways in operation, for schemes seeking to access LGF, to undergo appraisal and eventual approval or otherwise. Further details regarding current arrangements can be found in **Appendix A**.
- 1.1.1 LGF schemes (Infrastructure, skills capital and transport)**
Schemes that have been accepted into the LGF pipeline by the LEP, undergo independent appraisal, by the Appraisal Panel.
The recommendation of the Appraisal Panel is submitted to the relevant Executive Board for endorsement.
The Executive Board then makes a recommendation to the MCA.
Originally the ESFA undertook the independent appraisal of skills capital investment but this was stopped in 2017.
- 1.1.2 LGF Housing schemes (Housing Fund)**
Schemes are independently appraised, by the Appraisal Panel. Schemes are then submitted to the Housing Board for a decision or for endorsement to the MCA.
Approved investments of up to £2m are enacted by the Head of Paid Service (or his delegate) and reported to the MCA.
Investments of £2m and above are endorsed by the Board and presented to the MCA for decision.
- 1.1.3 LGF Business Investment Fund (BIF) schemes**
BIF applications were independently appraised, by the Access to Finance Centre of Expertise (AFCoE) advisors and the contracted Managing Agent.
Schemes were presented to a BIF panel made up of commercial and financial specialists, the Managing Authority (SCC), a lead CEX and the SCR Exec S73 delegate.
For schemes under £2m in value, the BIF Panel was a decision-making body, instructing the S73 delegate to progress the offer of a grant or loan.
Schemes greater than £2m in value were presented to the MCA for a decision.

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20th May 2019

Revised LEP Policies

Purpose of Report

This report presents LEP policies, revised to ensure compliance with National Assurance Framework guidance.

Thematic Priority

Cross cutting.

Freedom of Information

This paper will be made available under the MCA publication scheme.

Recommendations

The LEP Board is asked to consider and agreed the proposed changes to the LEP policies.

1. Introduction

- 1.1 Further to the publication of a revised National Assurance Framework and in line with SCR's commitment to review LEP policies annually, this report presents an overview of the changes required to ensure compliance with the new guidance.
- 1.2 The revised policies are published in draft form on the [SCR website](#) and were circulated to LEP Board members on the 1st April 2019.

2. Proposal and justification

2.1 Overview of changes

Diversity Policy

Key changes made to meet the requirements of the guidance

- Added a commitment to ensuring Private Sector membership has equal representation by 2023.
- Added a commitment to naming the Diversity Champion on the website.

2.2 Expenses Policy

Key changes made to meet the requirements of the guidance

- Clarified that Members expenses claims will be published on the SCR website quarterly.

2.3 Terms of Reference

Key changes made to meet the requirements of the guidance

- Made reference to LEP supporting the Mayor in developing the LIS
- Added reference to MCA having a Scheme of Delegation
- Clarified public sector/private sector membership ration and referenced the 'exceptional circumstance' in not being able to meet the requirement of one third

public sector to two thirds private sector membership ratio whilst also adhering to the membership limit of 20 people.

- Added reference to the Appointments Committee and the inclusion of the E & D Champion on the panel. (This is not a requirement of national guidance but we commit to it in our Diversity Policy. It can be removed if necessary)
- Added the provision for the Chair and Vice-chair to be appointed for a further term on exceptional circumstances.
- Changed frequency of meetings to 8 weeks (from 6)
- Clarified that the quorum will be one quarter private sector and one quarter of constituent public sector members.
- Added that RoI will be reviewed annually.
- Amended section on transparency to clarify that information will not be published and considered exempt under the Local Government Act 1972 Schedule 12A. Included reference to the SCR Executive Team being 'independent'

2.4 Whistleblowing Policy

Key changes made to meet the requirements of the guidance

- Added placeholders for links to other relevant policies as required by guidance.
- Added (at 10.3) that the Responsible Officer will inform CLG of any concerns raised.
- Added (at 10.6) that where possible, a final response will be provided to the Discloser, no more than 28 working days of the concern being raised.

2.5 Confidential Complaints

Key changes made to meet the requirements of the guidance

- Amended reference to DPA.
- Specified a 3 stage process aligned to example policy, including escalation routes and where a complainant could seek help in making a complaint.

2.6 Complaints Procedure

Key changes made to meet the requirements of the guidance

- Added reference to Confidential Complaints Policy
- Included reference to escalating the complaint to the Monitoring Officer
- Included reference to aiming to provide a full response within 28 days

2.7 Code of Conduct

Key changes made to meet the requirements of the guidance

- Added requirement for Members to sign up to the Code upon appointment.
- Added reference to Diversity Policy as required by guidance.

2.8 Declaration of Interests Policy

Key changes made to meet the requirements of the guidance

- Clarified who is required to complete the Register.

2.9 Gifts & Hospitality Policy

Key changes

None required by national guidance, only to have one in place.

2.11 Next steps

Further to ratification by the LEP Board the policies will be re-published as 'final' on the SCR website and will be scheduled for an annual review in 2020.

3. Consideration of alternative approaches

- 3.1** The LEP Policy Framework ensures the key requirements of the SCR Assurance Framework are implemented. Failure to update the policies in line with guidance would risk the SCR being non-compliant with national standards on governance and

transparency. The Government has clearly indicated that failure to comply will result in funding being withheld from the LEP.

4. Implications

4.1 Financial

The SCR LEP and MCA are required to demonstrate compliance with national guidance in order to receive the core funding and LGF allocated to the LEP by Government. The LGF element alone represents around £194 million up to 2020/21. This investment is vital in enabling the SCR LEP to be able to deliver and realise the outcomes identified in the Strategic Economic Plan.

4.2 Legal

The Assurance Framework outlines the legal duties of the MCA as the Accountable body for the LEP and the policies and procedures that are in place to ensure that the MCA and LEP make decisions in a legally compliant, robust and transparent manner.

4.3 Risk Management

Robust policies and procedures that are reviewed, updated regularly and are communicated effectively are an essential control in managing risk.

4.4 Equality, Diversity and Social Inclusion

The LEP is required to demonstrate its approach to equality and diversity in terms of the composition of the LEP Board and its Equality and Diversity policy (see section 2.1)

5. Communications

- 5.1 Revised draft policies will be communicated to LEP Board members by email, published on the SCR website by 1st April. Draft policies will be ratified at the next LEP Board meeting 20th May.

6. Appendices/Annexes

- 6.1 None

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Other sources and references:

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20th May 2019

LEP Vice Chair Position

Purpose of Report

This report is seeking to provide a rationale for the appointment of a second LEP Vice Chair.

Thematic Priority

Cross cutting Governance

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the SCR Publication Scheme

Recommendations

That the Board consider progress to appointing a second Vice Chair.

1. Introduction

- 1.1 The LEP Review has a mandatory requirement for all LEPs to have a Chair and Vice Chair and to appoint to these roles through an open process. The SCR process to appoint the Chair, Vice Chair and LEP Board Members is documented in the Terms of Reference for the LEP Board which is ratified annually.
- 1.2 In response to the requirements of the new governance arrangements and the LEP work programme for 2019/20 and beyond, the LEP Chair has considered the distinct and required roles of the Chair and Vice Chair and LEP Board Members. The request, outlined in the proposal below, is for a second Vice Chair role to be created to enable management of the increasing priorities of the LEP.

2. Proposal and justification

- 2.1 The LEP high level strategic and operational priorities and work programme for the coming three years are outlined in Sections 2.2-2.4 below.

2.2 2019-2020

Strategic developments

- Revised Strategic Economic Plan, produced and adopted by the LEP Board
- Local Industrial Strategy (LIS) co-produced with government and adopted by the LEP Board and Mayoral Combined Authority
- Northern Powerhouse 11 (NP11 LEPs) programme developed, agreed and negotiated with MHCLG
- Revised comprehensive stakeholder engagement programme, particularly focusing on negotiations with government, private sector strategic investors etc
- Revised comprehensive business engagement programme

Operational Programme

- Continued delivery of the LGF and other Growth Deal programmes
- Delivery of the LEP Review including negotiations re a compliant geography
- LEP Review compliance work
- LEP/MCA governance Boards

2.3 2020-2021

Strategic developments

- Negotiations with government for SCR Shared Prosperity Fund (SPF) settlement
- Northern Powerhouse 11 (NP11 LEPs) programme delivery phase
- Stakeholder engagement programme implementation
- Business engagement programme implementation

Operational Programme

- Continued delivery of the LGF and other Growth Deal programmes, including evaluation of schemes
- LEP Review compliance work
- LEP/MCA governance Boards
- LEP Board member recruitment

2.4 2021-2022

Strategic developments

- Commencement of SCR SPF strategic programme
- Stakeholder engagement programme implementation
- Business engagement programme implementation

Operational Programme

- LGF programme closure
- LEP Review compliance work
- LEP/MCA governance Boards

2.5 In considering this programme, the proposal is that the **LEP Chair** will prioritise

- leading the development of a refreshed strategic economic plan,
- leading the development of a local industrial strategy in partnership with Government,
- making the economic case for investment in the City Region
- building relationships and engaging with business in the city region
- supporting the LEP Board to effectively implement the new public-private collaborative decision-making arrangements

- 2.6** The **Vice-Chair** will prioritise
- Overseeing the performance of the LEP and leading the relationship with Government on LEP performance
 - Leading on the LEP's compliance with good governance standards, the LEP Review, accountability and transparency standards
 - Overseeing delivery of the LGF programme and working with LEP Board members in ensuring effective financial management of the programme
- 2.7** Set against the priorities outlined in sections 2.2-2.4, the proposal is made for a **second Vice Chair** to support the Chair in the areas of:
- stakeholder engagement and management of the agreed programme
 - local business engagement and management of the agreed programme
- 2.8** If agreed the appointment to the position of the second Vice Chair would be in accordance with the LEP Board Terms of Reference and the Equality and Diversity policy.

3. Consideration of alternative approaches

- 3.1** Continue with the current arrangement of a Chair and a single Vice Chair. This is compliant in accordance with the LEP Review. The risk of this approach is the time required to lead the strategic priorities given the volume and significance of the upcoming work programme and given the voluntary nature of the LEP Board private sector leadership and membership.
- 3.2** Distribute additional roles and responsibilities to LEP Board Members. This has been considered but in response to the revised governance where LEP Board Members will be taking on responsibility on delegated decision-making Boards, capacity to take on additional leadership responsibilities are felt to be minimal.

4. Implications

4.1 Financial

There are no direct costs associated with this proposal, but there are indirect officer costs associated with LEP Board recruitment. Should the agreement be given to this proposal the recruitment pack is in place and the process can be internally managed.

4.2 Legal

If the recommendation to appoint a second Vice Chair is agreed there will be a requirement to amend the LEP Terms of Reference.

4.3 Risk Management

The proposal to recruit a second Vice Chair is made as a response to the strategic risk management action plans of the MCA/LEP. Clarifying the leadership remit of the LEP Chair and Vice-Chair and the appointment of the second Vice Chair seek to strengthen current controls in the risk areas of:

- Programme and portfolio management
- Reputation management
- Decision-making and transparency
- Compliance
- Organisational performance and viability
- Strategy-led prioritisation

As the LEP seeks to implement revised governance arrangements, refresh and develop the SEP / LIS, increase and improve its engagement programme and negotiate for additional resource this offers an additional 'control' to potential risks.

4.4 Equality, Diversity and Social Inclusion

The LEP Board approved policy recognises that in order to achieve its vision, bringing benefits to all City Region communities, it is essential that the Board represents the diverse population of the region, and embraces the benefits this will bring in improving creativity, productivity and innovation.

The appointment of a second Vice Chair, in light of the scale of the LEP work provides the opportunity for further diversity to the Board. If approved the recruitment for the second Vice Chair will be particularly promoted to women and others with protected characteristics.

5. Communications

- 5.1 If approved, a communications plan for the recruitment and selection of a second Vice Chair will be developed. As a minimum this will include the publication of the role and remit via the local website and social media, the government appointment channels and via partner agencies.

6. Appendices/Annexes

- 6.1 None

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

- SCR LEP equality and diversity policy
- SCR LEP Terms of Reference

20th May 2019

**Local Growth Fund Programme MHCLG DELTA Dashboard Monitoring Return - Quarter 4
2018/19**

Purpose of Report

This paper presents the Local Growth Fund Quarter 4 update in the form of the 2018/19 DELTA Dashboard monitoring form, seeking approval to submit the return to the Ministry of Housing, Communities and Local Government (MHCLG) prior to the 24th May 2019 deadline.

Thematic Priority

Secure investment in infrastructure where it will do most to support growth.

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

Recommendations

The LEP Board are asked to:

1. Consider and approve the formal submission of the Q4 2018/19 DELTA Dashboard to MHCLG.

1. Introduction

- 1.1** DELTA is the method for reporting quarterly performance information regarding the Growth Deal to the Ministry of Housing, Communities and Local Government (MHCLG). There is a requirement that the DELTA Dashboard be signed off by the LEP Board or Chief Executive and Section 73 Officer prior to its submission. Each quarter the LEP Board are provided with an update of the LGF programme position and ordinarily asked to sign off the DELTA dashboard.
- 1.2** At the time of the composition of this report, some projects have not provided Q4 updates regarding performance information. Consequently, the skills and jobs created outputs have the potential to increase prior to the submission of the DELTA dashboard to MHCLG. Any such changes to these figures will be reported in LEP Board either verbally on 20 May 2019, or in an update to the subsequent meeting on 8 July 2019.
- 1.3** This report presents the Q4 2018/19 DELTA return for sign-off, which is due for submission to MHCLG by 24th May 2019.

2. Proposal and justification

2.1 DELTA Dashboard

The DELTA Dashboard is comprised of four key sections:

Deliverables Progress - This section identifies forecast and actual rates of outcomes delivery, and includes housing, jobs, skills and transport.

Financial Progress - This section identifies forecast and actual rates of LGF spend, other funding spend, and total contractual commitments associated with this project spend.

Project RAG Rating - This section utilised MHCLG's own RAG rating criteria for delivery, financials and reputation and presents a single RAG indicator based on the outcome of all three elements for each project. Ratings are tracked against previous quarters to allow trend analysis. An overall RAG rating is also generated for the programme, based on the individual project RAG ratings.

Commentary - A free text box to provide highlight commentary on the dashboard.

At the time of writing the report there were a small number of Q4 returns outstanding and therefore the final actual outputs position may be slightly higher than the figures reported. Any output returns received before the MHCLG submission deadline is proposed to be included within the Q4 returns and work will continue with promoters to ensure that future reporting comprehensively captures all outputs being delivered.

2.2 Deliverables Progress

Housing

Although 73 housing outputs were reported during Quarter 4, this was still not sufficient, when combined with previously reported outputs for the year, to achieve the projected total target for 2018/19, with a shortfall of circa 63% or 234 Housing Units. This shortfall is primarily due to the slippage in the start of a large infrastructure project, which is anticipated to deliver a significant number of housing outputs, albeit the units will follow the delivery of the road hence the profile of planned outputs will need to be updated.

Additionally, there are ongoing discussions with one scheme promoter which have completed housing numbers but not yet reported targets which could improve the position before the DELTA return is submitted.

As previously reported discussions are also continuing with MHCLG regarding the present definition of housing outputs, with the aim of ensuring that the achievements of the SCR LGF programme in this area are adequately captured and recognised through DELTA reporting.

2.3 Jobs

There was an upturn in Q4 for employment outputs, with 1,558 jobs created during the quarter. This improved performance, combined with delivery from the previous three quarters, meant the programme was ultimately able to slightly exceed its 2018/19 annual target for job creation, delivering 4,465 outputs against a target of 4,440.

2.4 Skills

Following some previously reported issues with data collection for Skills outputs from promoters, this quarter saw a significant amount of this missing information returned, with a total of 1,865 new learners reported as assisted in Q4. Combined with previously reported outputs for the year, this bring the total number of new learners assisted to 2,622 for 2018/19, significantly exceeding the annual target of 1,385.

2.5 Financial Progress

The MHCLG dashboard financial figures differ from the LGF capital programme spend profile as the dashboard includes the £4m cap/rev swap in the 2015/16 allocation, but does not include the DfT Retained Schemes in future years which have a total value of circa £42m. Reporting to MCA also includes income generated by LGF of circa £19m, which is not included in the dashboard. It should be noted that MHCLG agreed to roll forward the £8.66m underspend in 2017/18, which can be utilised in 2018/19 and/or 2019/20.

As anticipated, there was a significant increase in LGF outturn during Q4, with circa 83% of the projected spend for the year being claimed in this final quarter. This upsurge ultimately saw the programme exceed its forecast annual spend target by around 1%, or

circa £614k. This also represented spend of circa £3.555m over the LGF Award amount allocated for 2018/19. This additional spend was managed via part of the rolled over funding from 2017/18 detailed above (£3.07m), and part of the remaining Cap/Rev swap for Growth Hub expenditure (£0.48m).

The SCR Executive Team continue to closely monitor expenditure performance and explore ways to ensure the LGF grant will be maximised, whilst also managing over-programming for future years.

2.6 RAG Ratings

Five projects have seen their overall RAG rating change this quarter with an upward trend overall:

- 'M1 J36 to Dearne Valley' has changed from Amber/Red to Amber due to significant progress in delivery, including the second phase of the project signing a funding agreement.
- 'Sheffield City Centre - Infrastructure to support substantial development' has changed from Amber to Amber/Green, due to good delivery progress in the quarter, including two elements making their first funding claims.
- 'Doncaster Urban Centre' has changed from Amber/Red to Amber, due to robust progress this quarter, including substantial funding claims.
- 'DN7 (Hatfield Link)' has changed from Red to Amber/Red, due to some of the previous complex issues delaying the project being resolved and the project making its first and a significant funding claim.
- 'SCR Housing Intervention Fund - Phase 2' has changed from Amber to Amber/Red, due to funding not being allocated in year.

3. Consideration of alternative approaches

3.1 Q4 2018/19 DELTA Dashboard Approval

The next proposed meeting of the LEP Board is scheduled after the MHCLG deadline for submission of the Quarter 4 2018/19 Dashboard. Therefore, later meetings could not be considered for this approval.

4. Implications

4.1 Financial

Section 2.5 details the financial implications of the paper.

4.2 Legal

There are no legal implications resulting from this paper.

4.3 Risk Management

Any risks identified in the DELTA Dashboard will be addressed through SCR's standard Programme Management arrangements.

4.4 Equality, Diversity and Social Inclusion

There are no equality, diversity or social inclusion implications resulting from this paper.

5. Communications

- 5.1 The approved Q4 DELTA Dashboard will be submitted to MHCLG in line with the 24th May 2019 deadline date.

6. Appendices/Annexes

Appendix 1 - Q4 DELTA Dashboard

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Other sources and references:

Growth Deal Dashboard

LEP Name **Sheffield City Region**

This Quarter: **Q4_1819**



Deliverables Progress									
Housing	This Quarter	15-17	Financial Year					Total	
			17-18	18-19	19-20	20-21	21-25		
Houses Completed	73	0	60	136	0	0	-	196	
Forecast for year	370	-	60	370	2,459	3,559	585	7,033	
Progress towards forecast	20%	-	100%	37%	0%	0%	-	3%	
Jobs									
Jobs Created	1,558	1,734	2,894	4,465	0	0	-	9,092	
Apprenticeships Created*	0	0	20	0	0	0	-	20	
Jobs including Apprenticeships	1,558	1,734	2,914	4,465	0	0	-	9,112	
Forecast for year	4,400	1,734	2,914	4,400	5,609	6,034	40,095	60,785	
Progress towards forecast	35%	-	100%	101%	0%	0%	0%	15%	
* Apprenticeships included within jobs totals prior to 2017									
Skills									
Area of new or improved floorspace (m2)	0	2,000	7,260	3,300	0	0	-	12,560	
Forecast for year	3,300	2,000	7,260	3,300	0	0	0	12,560	
Progress towards forecast	0%	-	100%	100%	-	-	-	100%	
Transport									
Number of New Learners Assisted	1,865	500	105	2,622	0	0	-	3,227	
Forecast for year	1,385	500	105	1,385	1,560	1,695	5,881	11,126	
Progress towards forecast	135%	-	100%	189%	0%	0%	-	29%	
Length of Road Resurfaced	0	0.4	1.8	0.0	0.0	0.0	-	2.2	
Length of Newly Built Road	0	15.0	0.0	3.0	0.0	0.0	-	18.0	
Length New Cycle Ways	0	15.8	28.7	0.0	0.0	0.0	-	44.4	

Project Name	Previous Quarter	This Quarter	Project Name	Previous Quarter	This Quarter
	Q3_1819	Q4_1819		Q3_1819	Q4_1819
M1 J36 to Dearne Valley	AR	A	Forge Island	AG	AG
Sheffield City Centre - Infrastructure to support s	A	AG	AMRC Lightweighting Centre - Phase 1	AG	AG
Chesterfield Waterside	AR	AR	SCR Property Fund	AG	AG
Hanworth Bircotes	A	A	SCR Housing Intervention Fund	AG	AG
Skills Capital - Competitive fund	AG	AG	Purchase of Advanced Manufacturing Park (AMP)	AG	AG
Workshop and Vesuvius Works	AG	AG	Market Harborough Line Improvements	AG	AG
Sustainable transport exemplar	AG	AG	SCR Housing Intervention Fund - Phase 2	A	AR
Extending SCR RGF - Unlocking business Inves	AG	AG	National Centre of Excellence for Food Engineeri	AG	AG
Skills capital - British Glass Academy	N/A	N/A	Harrison Drive, Langold	AG	AG
SCR Growth Hub	AG	AG	Century BIC - Phase II	A	A
Doncaster Urban Centre	AR	A	Bassingthorpe Farm Mitigation Measures	AG	AG
Superfast Broadband	AG	AG	Yorkshire Wildlife Park	N/A	AG
Markham Vale	G	G	Gullivers Infrastructure	N/A	AG
Olympic Legacy Park	AG	AG	Parkwood Ski Village	N/A	AG
BRT North	AG	AG	Glass Works	N/A	AG
Urban Development Fund	AG	AG	DSA Capacity Expansion (Loan)	N/A	AG
Upper Don Valley	AR	AR	-	-	-
DN7 (Hatfield Link)	R	AR	-	-	-
FARRS 2	A	A	-	-	-
Peak Resort	AG	AG	-	-	-
Chesterfield Northern Gateway	A	A	-	-	-
Supertram Renewals	G	G	-	-	-
Modelling and Strategic Testing	A	A	-	-	-
EZ	G	G	-	-	-
Westmoor Link	R	R	-	-	-
M1J37 Claycliffe Link	AR	AR	-	-	-
Bassetlaw Employment Sites - Retford Enterpris	AG	AG	-	-	-
Better Barnsley Town Centre Retail and Leisure	G	G	-	-	-
M1 Junction 36 Strategic Site Acquisition	AG	AG	-	-	-
A618 Growth Corridor	AG	AG	-	-	-

Growth Deal Performance	Area lead comments
AG	

Financial Progress							
LGF Award	2015-16	2016-17	17-18	18-19	19-20	20-21	Total
	£43,847,944	£75,122,442	£86,850,906	£42,471,649	£29,867,716	£43,238,940	£321,399,596
LGF Outturn							
This Quarter	Financial Year						Total
Actual	£ 37,802,557	£ 116,078,698	£ 78,947,408	£ 46,027,079	£ -	£ -	£ 241,053,185
Forecast for year	£ 45,413,233	£ 116,078,698	£ 78,947,408	£ 45,413,233	£ 38,520,909	£ 41,635,036	£ 320,595,284
Progress towards forecast	83%	100%	100%	101%	0%	0%	75%
LGF Expenditure							
This Quarter	Financial Year						Total
Actual	£ 37,802,557	£ 116,078,698	£ 78,947,408	£ 46,027,079	£ -	£ -	£ 241,053,185
Forecast for year	£ 45,413,233	£ 116,078,698	£ 78,947,408	£ 45,413,233	£ 38,520,909	£ 41,635,036	£ 320,595,284
Progress towards forecast	83%	100%	100%	101%	0%	0%	75%
Non-LGF Expenditure							
This Quarter	Financial Year						Total
Actual	£ 41,901,693	£ 104,911,119	£ 71,501,841	£ 127,615,383	£ -	£ -	£ 304,028,343
Forecast for year	£ 230,812,712	£ 104,911,119	£ 71,501,841	£ 230,812,712	£ 188,651,097	£ 98,950,254	£ 694,827,023
Progress towards forecast	18%	100%	100%	55%	0%	0%	44%
Total LGF + non-LGF Expenditure							
This Quarter	Financial Year						Total
Actual	£ 79,704,250	£ 220,989,817	£ 150,449,249	£ 173,642,462	£ -	£ -	£ 545,081,528
Forecast for year	£ 276,225,945	£ 220,989,817	£ 150,449,249	£ 276,225,945	£ 227,172,005	£ 140,585,291	£ 1,015,422,307
Progress towards forecast	29%	+100%	+100%	+63%	+0%	+0%	54%

Contractual Commitments (manual entry)							
	15-17	17-18	18-19	19-20	20-21	Total	
Forecast	£ 116,078,698	£ 78,947,408	£ 46,027,079	£ 38,520,909	£ 41,635,036	£ 321,209,131	
Actual	£ 116,078,698	£ 78,947,408	£ 46,027,079	£ 36,276,509	£ 12,911,564	£ 290,241,258	
Variance	+0%	+0%	+0%	-6%	-69%	-10%	

Commentary

Housing Outputs
 - The shortfall against the housing target for 2018/19 can specifically be attributed to one project, which saw a delay in commencement of delivery, and subsequently a slippage of outputs. Following this slippage, SCR will continue to work with relevant external promoter to ensure that future housing output projections are accurate and achievable within committed timeframes.
 - Further to the above, housing output figures now include certain projects that have progressed through the appraisal process for the SCR Housing Intervention Fund. However, this figure will increase once all appraisals are complete and successful projects selected.
 - Additionally, although updated, housing output figures still do not yet completely capture the full potential of housing units supported/unlocked as a result of infrastructure projects. These projects will be reviewed, with figures updated when appropriate.

Jobs Outputs
 - Although the programme was able to successfully achieve and exceed its projected target for jobs created during 2018/19, due to some gaps in data provided by external promoters for Q4 metrics, it is believed that this figure could actually be higher. SCR will continue to work with promoters to ensure that future reporting comprehensively captures job outputs being delivered.

Skills Outputs
 - Following some previous issues with data collection for Skills outputs from promoters, this quarter saw a significant portion of this missing information finally reported, confirming that the

Section 151 Officer Approved

Name _____

Signature _____

Date _____

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May 2019**Mayor's Update****Purpose of Report**

To provide LEP Board Members with an update on key Mayoral activity relating to the economic agenda.

1. One year in office

I have recently reached the milestone of completing my first year in office as Mayor. As I set out in the [Yorkshire Post](#), I am proud of the progress that has been made so far, but am mindful that there is still much to do. Our combined ability to harness the region's potential by continuing to grow our economy, sparking more innovation and inspiration by connecting people, places, businesses and ideas, will be a key measure of success.

In the months and years ahead I am confident that the LEP will build on successes to date and position itself to play an ambitious role in refreshing our Strategic Economic Plan and developing our Local Industrial Strategy; leveraging additional investment from Government; and providing more transparent, accountable, efficient and effective decision making through the implementation of our new governance model.

2. Brexit

Whilst the timetable for the UK's withdrawal from the EU has changed, uncertainty remains regarding the process by which this will take place and the nature of the future trading relationship. Within this context the SCR continues to plan for the various scenarios that may arise. This includes exploring and seeking to better understand the potential opportunities and risks associated with these options.

3. Devolution

At the Mayoral Combined Authority meeting on Monday 25th March, the four constituent local authority leaders and I announced an agreed position on the delivery of devolution in South Yorkshire. This was an extremely positive development intended to unlock powers and funding until the end of this mayoral term in 2022. At that point individual local authorities should be able to pursue their own devolution ambitions, without detriment to any constituent member that may wish to remain part of the current Combined Authority.

This is proposed as a pragmatic solution that will enable the SCR to secure and benefit from the 2015 devolution deal without hindering the long-term devolution ambitions of individual local authorities. Our position, and suggested approach, has been laid out in a [letter](#) to the Secretary of State, a response to which was received on the 7th of May. This represents an important step towards the devolution of further powers and resources to communities across our region (attached at Annex A). The Secretary of State's positive reply provides the basis for further dialogue, with leaders locally and nationally, which we must now grasp to reach a consensus to access the powers and resources that our region needs to continue its economic transformation

4. Active Travel Commissioner appointment

On the 1st April I announced Dame Sarah Storey's appointment as our region's first Active Travel Commissioner. Dame Sarah is Britain's most successful female Paralympian of all time and I am excited to have such an exceptional, inspirational and passionate individual leading our active travel agenda.

Dame Sarah will play a crucial role in helping us to make sure that active travel remains an absolute priority as we make our region's transport network fit for the 21st century. By prioritising active travel, we can improve people's health, cut carbon emissions and reduce congestion. I am looking forward to working with her on this important agenda.

6. Bus Review

Clive Betts MP, the Chair of the independent Bus Review will shortly be announcing the panel of Commissioners with whom he will be undertaking this work. This announcement will include details of how the public and all stakeholder-partners can get involved in this process, sharing their views and experiences of the bus network. The review is looking at all options for improving bus services across South Yorkshire and, ultimately, will conclude by making a series of recommendations on how we can work together to tackle issues such as declining patronage, congestion and air quality so that we have bus services fit for the 21st Century.

7. Transport Conference

On the 9th May I convened a Transport Conference, which brought together key figures including Dame Sarah Storey, Chris Boardman, John Cridland, Clive Betts and a member of our Youth Combined Authority, with around 100 attendees to consider how we can deliver the region's transport vision.

Critically we discussed how we can deliver the connectivity our region needs to connect people, places and ideas, whilst also enabling people to shift from using their cars to more active and sustainable modes of transport. Such a shift is essential if we are to successfully tackle air quality, improve public health and social mobility. This means we must create communities where people can choose to live healthy and active lifestyles.

8. Shared Prosperity Fund

The Government has not yet published its Shared Prosperity Fund consultation. I will be leading a debate in Parliament on this issue on the 14th May, in which I will set out my expectations for how this fund must be designed. As the successor to the Local Growth Fund and European Structural Funds, which total in excess of half a billion pounds of investment in the area over the last 5 years, it is vital that we secure an approach that works for the Sheffield City Region.

More broadly, I will be meeting with the Transport Minister Jesse Norman soon, to discuss the process by which Government makes investment decisions on transport investments, where I will be making the case for a fairer distribution of this funding, recognising opportunity and not just demand.

9. The Music Board

The SCR Music Board, chaired by Laura Bennett, brings together a mix of individuals and organisations who promote our unique cultural offer. The Board has been established to ensure we promote our strengths nationally and internationally, creating a stronger culture of creativity and talent development and growing the creative industries' contribution to our economy. The first Board of its kind to meet outside of London, its third meeting, taking place on the 10th May, will discuss the actions needed to deliver its vision and priorities.



**Ministry of Housing,
Communities &
Local Government**

Dan Jarvis
Sheffield City Region Mayor

Cllr Sir Stephen Houghton CBE
Leader, Barnsley Council

Mayor Ros Jones CBE
Leader, Doncaster Council

Cllr Chris Read
Leader, Rotherham Council

Cllr Julie Dore
Leader, Sheffield City Council

Sheffield City Region Combined Authority,
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Sheffield
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Rt Hon James Brokenshire MP
*Secretary of State for Housing, Communities
and Local Government*

***Ministry of Housing, Communities and
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7 May 2019

Unlocking the Sheffield City Region Devolution Deal


Thank you for the letter of 25 March which you jointly sent to me about how we might together move forward to unlock the Sheffield City Region (SCR) devolution deal.

I welcome your commitment to the SCR deal, and that you all have come together and put forward what you believe to be a pragmatic solution for now implementing the deal and bringing investment to the area. That has always been a priority for us in Government. We are ready to consider a localist approach to devolution elsewhere across Yorkshire, if that is wanted locally, and I recognise the strength of Yorkshire identity.

I also recognise that your proposal for councils in the SCR being free after 2022 to join an alternative devolution group is broadly in step with the approach envisaged by my predecessor in 2017. This was that in future, subject to certain provisos, councils would be free to leave the City Region and join an alternative wider Yorkshire devolution deal.

In principle, if you and all your councils now consent, we are prepared to implement the deal with an understanding that after 2022 those councils that do not see their future in the City Region should be free to join an alternative wider Yorkshire devolution group, leaving the SCR with a commensurately reduced devolution deal, and with such provisos as for example there remains an effective integrated transport system.

All of this is subject to the statutory tests and processes being met, to Parliamentary approval of any necessary secondary legislation, and to our being able to work through and agree with you details for putting such arrangements in place. My officials are already working with your officers on these details, and I would suggest the early meeting which you have in mind with Treasury Ministers would be helpful; I will ask Jake Berry the Northern Powerhouse Minister to join any such meeting.

Yours sincerely,


RT HON JAMES BROKESHIRE MP

May 2019**Managing Director's Update****Purpose of Report**

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

1. MIPIM

Discussions have started with the Northern Powerhouse 11 LEP Chairs group to discuss how a more collaborative Northern Powerhouse-level offer can be developed. The Sheffield City Region is leading on this work. Outline agreement from the NP11 Board to develop this proposal further has been secured.

2. Growth Hub

A procurement process has been started for the Growth Hub to retain its specialist advisor support offer.

3. Global Innovation Corridor

The work to turn a Global Innovation Corridor vision into deliverables is ongoing with consultations being done to understand how we drive economic growth, attract inward investment, drive changes in productivity and embed innovation.

This has included a number of senior stakeholder interviews to shape and consult on the SCR's vision to connect people, places and skills and opportunities. The first external stakeholder workshop was held at the Digital Media Centre in Barnsley on Weds 8th May.

4. Transport Strategy Event

Partners, key stakeholders and local councils were engaged in a Transport Conference held at the New York Stadium Rotherham. The conference focused on promoting the new Transport Strategy and the progress made on the active travel agenda.

5. NP11 (Northern Powerhouse 11)

The Board of the NP11 met on 2nd May. Key items for discussion included the NP11 Business Plan, collaborating on Trade and Investment activity and MIPIM. The NP11 work is currently funded through an MHCLG grant totalling £850,000 for the financial year 2019/20.

6. SCR Energy Strategy

Work is ongoing to prepare the SCR's Energy Strategy to ensure alignment with the emerging revised SEP ambitions. The draft document will be reported to a future LEP board.

7. Planning Performance Improvement

A workshop supported by the Planning Advisory Service and attended by a range of public and private sector representatives recently took place to consider planning's role in better supporting the delivery of the SEP, including putting in place measures to ensure consistency and continual improvement in planning services across the SCR.

Record No.	JAGU to Complete
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Executive Board	Skills, Employment and Education Executive Board
Date of Meeting:	21 st February 2019
Chair	Councillor Chris Read

Chair to sign to confirm this is a true record of the resolutions made at the meeting

Confirmation that Senior Officers have endorsed the Resolution record (name and date)		
Executive Director	S151 Officer	Monitoring Officer

Records of Resolutions are public documents

Executive Board Resolution Record

Resolutions Taken - Summary

European Social Fund (ESF) Future Calls

- The Board endorses the proposed outline calls under ESF to be taken forward to the ESIF committee for approval and further development.

Skills Capital – Barnsley College

- The Board agrees the Barnsley College Digital Innovation Hub may be accepted into the Local Growth Fund programme and progresses to outline business case.

Skills Bank Update

- The Board notes the current situation in relation to Skills Bank 2 delivery and proposed governance, and endorses the approach to combine surplus funds from all elements of Skills Bank Phase 1 and the Pilot.

Health Led Employment Trial

- That the Board notes the update and recognises the successes of the Working Win trial.

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