



28 June 2019

To: Members of the Sheffield City Region Mayoral Combined Authority Appropriate Officers

NOTICE OF MEETING

You are hereby summoned to a meeting of the Sheffield City Regional Mayoral Combined Authority to be held at **11 Broad Street West, Sheffield S1 2BQ**, on: **Monday, 8 July 2019** at **10.30 am** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read "D. Smith".

DR Dave Smith
Head of Paid Service Mayoral Combined Authority

Member Distribution

James Muir (Chair)	Private Sector Member
Nigel Brewster (Vice-Chair)	Private Sector
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Co-opted Private Sector LEP Board Member
Julia Muir	Private Sector LEP Board Member
Laura Bennett	Private Sector LEP Board Member
Lucy Nickson	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Peter Kennan	Private Sector LEP Board Member
Philippa Sanderson	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Councillor Chris Read	Rotherham MBC
Mayor Dan Jarvis	SCR Mayoral Combined Authority
Councillor Garry Purdy	Derbyshire Dales DC
Councillor Julie Dore	Sheffield City Council
Councillor Martin Thacker MBE	NE Derbyshire DC
Mayor Ros Jones	Doncaster MBC
Councillor Simon Greaves	Bassetlaw DC
Councillor Stephen Fritchley	Bolsover DC
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Tricia Gilby	Chesterfield BC
Alison Kinna	Co-opted Private Sector Member
Bill Adams	TUC Representative
Professor Koen Lamberts	Co-opted Private Sector Member
Dr Dave Smith	SCR Executive Team
Dr Ruth Adams	SCR Executive Team
Andrew Frosdick	SCR Executive Team
Steve Davenport	
Eugene Walker	SCR Executive Team
Mike Thomas	SCR Executive Team
Mark Lynam	SCR Executive Team
Jenny Dibden	BEIS
Laura Ottery	Sheffield Hallam University
Justin Homer	BEIS
Sarah Want	Sheffield University
John Mothersole	Sheffield City Council
Huw Bowen	Chesterfield MBC
Sarah Fowler	Chief Executive Peak District National Park
Sharon Kemp	Rotherham MBC
Damian Allen	Doncaster MBC
Sarah Norman	Barnsley MBC
Dan Swaine	NE Derbyshire DC
Dan Swaine	Bolsover DC
Neil Taylor	Bassetlaw DC
Paul Wilson	Derbyshire Dales DC

SCR - Local Enterprise Partnership

8 July 2019 at 10.30 am

Venue: 11 Broad Street West, Sheffield S1 2BQ



Agenda

Agenda Ref No	Subject	Lead	Page
1	Welcome and Apologies		
2	Declarations of Interest <ul style="list-style-type: none">• In relation to any agenda item• In relation to any activity since the last formal meeting• In relation to any forthcoming activity		
3	Notes of Last Meeting		5 - 12
Strategic Development			
4	Strategic Economic Plan and Local Industrial Strategy	Mr Felix Kumi-Ampofo	13 - 16
5	Engagement with NP11 Chairs	Mr J Muir	17 - 20
Governance			
6	Budget Workshop Update	Mike Thomas	21 - 24
7	European Structural Funds in SCR	Helen Lazarus	25 - 30
For Information			
8	Mayoral Update		31 - 32
9	Chief Executive's Update	Dr D Smith	33 - 34
10	Any Other Business		
Date of next meeting: Monday, 9 September 2019 at 10.30 am At: 11 Broad Street West, Sheffield S1 2BQ			

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SCR - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

MONDAY, 20 MAY 2019 AT 9.30 AM

11 BROAD STREET WEST, SHEFFIELD, S1 2BQ



Present:

James Muir (Chair)	Private Sector Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Co-opted Private Sector LEP Board Member
Julia Muir	Private Sector LEP Board Member
Lucy Nickson	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Councillor Ann Syrett	Bolsover District Council
Mayor Dan Jarvis	Sheffield City Region Mayoral Combined Authority
Councillor Garry Purdy	Derbyshire Dales District Council
Mayor Ros Jones	Doncaster Metropolitan Borough Council
Councillor Tricia Gilby	Chesterfield Borough Council
Councillor Simon Greaves	Bassetlaw District Council
Bill Adams	TUC Representative
Professor Koen Lamberts	Co-opted Private Sector Member
Philippa Sanderson	Private Sector LEP Board Member

Officers in Attendance:

Dr Ruth Adams	Deputy Managing Director	Sheffield City Region Combined Authority
Colin Blackburn	Assistant Director - Housing, Infrastructure and Planning	Sheffield City Region Executive Team
Melanie Dei-Rossi	Assistant Director - Programme	Sheffield City Region Executive Team
Felix Kumi-Ampofo	Assistant Director - Programme Assurance	Sheffield City Region Executive Team
Mark Lynam	Director of Programme Commissioning	Sheffield City Region Executive Team
Mike Thomas	Senior Finance Manager	Sheffield City Region Executive Team

Justin Homer		BEIS
Krysia Wooffinden	Assistant Director - Skills, Employment and Education	Sheffield City Region Executive Team
Craig Tyler		South Yorkshire Joint Authorities Governance Unit
Huw Bowen	Chief Executive of Chesterfield Borough Council	Chesterfield Metropolitan Borough Council
Neil Taylor	Chief Executive of Bassetlaw District Council	Bassetlaw District Council
Paul Wilson	Chief Executive of Derbyshire Dales District Council	Derbyshire Dales District Council

Apologies:

Laura Bennett	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Peter Kennan	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Councillor Chris Read	Rotherham Metropolitan Borough Council
Councillor Martin Thacker	North East Derbyshire District Council
Councillor Sir Steve Houghton CBE	Barnsley Metropolitan Borough Council
Alison Kinna	Co-opted Private Sector Member

1. Welcome and Apologies

Members' apologies were noted as above.

2. Declarations of Interest

No declarations of interest were made in relation to any agenda item, any activity since the last formal meeting or any forthcoming activity

3. Notes of Last Meeting

The notes of the previous meeting were agreed to be an accurate record.

4. SCR Economic Performance

A report was received to update the LEP on the refresh of the Strategic Economic Plan and the development of the SCR's Local Industrial Strategy.

It was reported 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, whilst 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.

The accompanying report provided the Board with an update on the process to develop the refreshed SEP and the new LIS, and the timescales for their completion.

It was reported the process is currently at the 'evidence gathering' phase, as a precursor to ensuring forthcoming discussions with stakeholders are appropriately informed.

It was noted the intention is to have a draft refreshed SEP and a LIS by September.

Members considered the importance of engaging a number of additional strategic stakeholders. It was confirmed these would all be engaged as part of the consultation phase.

Consideration was given to how much work can progress with the government on LIS given wider political issues, and other factors such as the pending Comprehensive Spending Review.

Further practical examples were provided to demonstrate the differences between the SEP and the LIS, together with comments regarding how these would fit together and what audiences they would essentially be for.

Concerns were noted that some major engagement exercises are scheduled for over the Summer, traditionally a difficult time to engage the public and other stakeholders. It was agreed the consultation exercise must be robust and meaningful.

Members highlighted some technical inaccuracies in the current report. It was confirmed these would be picked up going forward.

RESOLVED, that the LEP Board notes the update provided on developing the Strategic Economic Plan and Local Industrial Strategy for SCR, and the timetable for completion.

5. **LEP Delivery Plan**

A report was received informing the Board that 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.

The report therefore set out the draft LEP Delivery Plan for 2019/20.

RESOLVED, that the Board approves the draft LEP Delivery Plan 2019/20.

6. **Transport Update**

A report and presentation were received to provide an update on the latest transport workstreams.

Information presented covered pan-Regional activities (Transport for the North, Northern Powerhouse Rail and Strategic Development Corridors (SDCs) (focussing on the Southern Pennines SDC)), the Mayor's vision for transport and the SCR Transport Strategy, the Integrated Rail Plan, the Transforming Cities Fund bid, active travel matters and Doncaster Sheffield Airport.

Further information was provided to explain how the Peak District is recognised with the numerous pan-Regional studies.

The Board discussed the importance to many of the initiatives of clean air technologies, together with the opportunity this presents to better engage the private sector in helping the Region to achieve its transport ambitions. Members agreed the importance of the SCR being at the forefront of new technology development.

It was confirmed the various studies recognise the importance of north-south connections as well as east-west. Similarly, it was confirmed the importance of the East Coast Main Line is being appropriately recognised in all rail-related studies.

It was noted the draft Transforming Cities Fund business case will be presented to the SCR MCA on 3rd June.

Regarding active travel matters, the Board considered the relationship with air quality and the importance of keeping all policies connected.

It was suggested more should be done to engage and question the larger employers in the SCR, to help build the required evidence base needed to inform policy active travel policy decisions. It was confirmed activities such as this were scheduled and would help inform the development of the draft Active Travel Plan.

Members considered cycling best practice examples from other UK cities and considered what the SCR might do to learn from these and develop its own cycling culture.

Regarding Transforming Cities, assurances were requested that too much resource won't be inadvertently skewed towards these areas at the expense of the non-TCF areas which may risk becoming areas of deprivation.

Regarding Doncaster Sheffield Airport, the Board considered the various ways the SCR might continue to keep the airport and its future potential on DFT and other government departments' radar.

Regarding the Bus Review, the Board agreed the need for a more detailed timetable of activity to ensure all stakeholders can feed into studies as appropriate.

The Board considered whether national political uncertainty might affect any initiatives.

RESOLVED The LEP Board noted the content of the report.

7. Skills Bank Update

A report was received to provide an update for the Board on the delivery on the SCR Skills Bank project.

The update provided an account of the history of the Skills Bank initiative.

It was noted a number of useful lessons were learnt during the operation of Skills Bank Phase 1, which have subsequently informed thinking for Phase 2.

It was suggested a more detailed breakdown of the deals done to date is required to better understand the effectiveness and reach of Skills Bank as a concept.

It was agreed to undertake a more dedicated discussion on the strategic skills agenda at the next LEP Board meeting and consider how the business community can be made more aware of and therefore support the SCR's skills programme.

RESOLVED, that the LEP Board notes the update provided.

8. 2018/19 Revenue Outturn

A paper was received to set out the final outturn position for the Sheffield City Region MCA/LEP Revenue Budget and Revenue Programmes for financial year 2018/19.

The Board was advised the accounts would subsequently be presented to the MCA on 3 June 2019, but are noted they are currently subject to external audit, which may result in adjustments at a later date to the figures reported in the paper.

The Board was also asked to consider a proposal to develop a Business Case Development Fund to help provide the preparatory cost funding for new major schemes, noting it is currently the responsibility of the scheme promoter to find this funding, and a somewhat challenging requirement given other financial pressures. This proposal was supported by members and subsequently it was confirmed the matter would now be discussed with the districts' Economic Development directors and Directors of Finance.

The Board noted the important role the new Thematic Boards would be taking in respect of giving detailed consideration to the financial aspects associated with their relevant schemes.

Action: Dave / Mike to consider the roles of the Thematic Boards in supporting in supporting the financial and other aspects associated with scheme progression and report ideas to the next meeting.

RESOLVED, that the LEP Board:

1. Note the 2018/19 final outturn position on the revenue budget and revenue programmes.
2. 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.

9. **LGF Programme Outturn**

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

Members were informed the 2018/19 budget hit its 100% spend target.

It was noted there is a strong scheme development pipeline in place for 2019/20.

RESOLVED, that the LEP Board notes the 2018/19 LGF outturn position and the impact on the 2019/20 LGF programme.

10 **Annual Performance Review**

A report was presented to provide the outcome of the 2018/19 LEP Annual Performance Review (previously known as the annual conversation).

It was reported that following the conclusion of the Review, it has been confirmed the Sheffield City Region LEP is compliant with the National Assurance Framework and is considered to be 'good' in all assessed areas.

The Chair led members in commending the team for achieving this result.

RESOLVED The outcome of the Annual Performance Review was to be noted.

11 **Overlapping Geographies**

A report was received to provide the Board with the first draft of a suggested Collaboration Framework, for agreement by the SCR and D2N2 LEPs. It was noted this has been developed following the proposal outlined in the 2018 LEP Review that for areas where overlapping geographies are to be removed, such a framework is put in place to manage the process of removing the overlap.

Non-Constituent district Leaders indicated they are engaged with the D2N2 LEP regarding the determination of their future LEP membership positions.

It was noted a formal resolutions process would be worked up to address any issues arising from the transition to non-overlapping arrangements.

It was noted DfT have been asked to provide clarity on how current major scheme funding streams will be addressed as part of the transition to new governance arrangements.

RESOLVED, that the LEP Board:

1. Note the draft Collaboration Framework
2. Approve the CEX to continue to negotiate this document on the LEP behalf, and bring a final document to a future board for approval.

12 **Thematic Board Membership**

A report was received proposing the membership of each thematic board (MCA and LEP Lead members).

It was noted that each Board's membership will be supplemented by additional elected Member representatives from the Constituent districts, and also sectoral experts. It was noted representation from the non-Constituent districts would be dependent on the outcome of the review of overlapping geographies.

RESOLVED, that the LEP Board ratifies the proposed membership of the thematic boards.

13. **Appraisal & Assurance Process**

A report was received to provide details of the current principles and approach to LGF scheme appraisal, to invite a review of the strengths and weaknesses of the current approach, and to make a recommendation for strengthening current arrangements whilst ensuring no compliance requirements are compromised. Regarding the requirement to appoint an independent Chair of the Appraisal Panel, Members expressed support for this position being taken by the LEP Vice Chair (with the programme portfolio).

The additional proposals to strengthen the Appraisal Panel were agreed.

RESOLVED, that the Board approves the proposed preferred options to strengthen the appraisal, assurance and decision-making processes.

14 **Revised LEP Policies**

A report was presented to provide the LEP policies, revised to ensure compliance with National Assurance Framework guidance.

It was noted that subject to ratification by the LEP Board, policies will be re-published as 'final' on the SCR website and will be scheduled for an annual review in 2020.

It was suggested that whilst the Appointments Committee would benefit from continued attention to Equalities and Diversity, the importance of equality and diversity should be evident across all LEP activities.

RESOLVED, that the LEP Board agrees the proposed changes to the LEP policies.

15 **LEP Vice Chair Position**

A report was received inviting the Board's consideration of the proposed rationale for the appointment of a second LEP Vice Chair, to support the Chair

in the areas of stakeholder engagement and management of the agreed programme and to lead on local business engagement and the management of the agreed programme.

It was noted that 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.

RESOLVED Approve the process to recruit a second vice-chair on the terms set out in the report.

16. **LGF Q4 Delta Dashboard**

A report was presented to provide 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.

It was noted the new housing completion numbers are subject to being updated prior to submission.

RESOLVED, that the LEP Board approves the formal submission of the Q4 2018/19 DELTA Dashboard to MHCLG.

17. **Mayoral Update**

Provided for information.

18. **Managing Director's Update**

Provided for information.

19. **Resolution Records**

Provided for information.

20. **Any Other Business**

It was noted that future LEP Board meetings would commence at 10.30am.

Date 8th July 2019

Update: Strategic Economic Plan and Local Industrial Strategy

Purpose of Report

This report and presentation provides LEP Board Members with an understanding of the evidence base and the emerging narrative for the Sheffield City Region (SCR) Strategic Economic Plan and Local Industrial Strategy. The report will inform a discussion of the emerging evidence base, which itself inform the next stage of development of priorities for the economic plan.

Thematic Priority

This paper links to all thematic priorities and the eventual outputs will shape the thematic priorities in the future.

Freedom of Information

This paper is not made available under the LEP publication scheme but may be disclosed under FOI.

Recommendations

That LEP Board Members:

- Discuss and consider the emerging evidence base underpinning the SEP and LIS
- Discuss and develop key messages to shape the development of the economic strategy during the next phase of its development.

1. Introduction

1.1 As previously agreed by the LEP Board, the City Region is developing a new Economic Strategy for the region.

- The Strategic Economic Plan (SEP) will be a single overarching strategy which will set out the wider socio-economic aspirations and inclusive priorities for SCR over the medium to long term (10 years for the plan and 20 years for the vision).
- Falling out of the SEP will be a Local Industrial Strategy (LIS). This will align with the National Industrial Strategy and drive long-term productivity growth. This will be agreed with Government.

1.2 As set out in the report to the LEP (20th May 2019) the work on the evidence base is reaching completion. This highlights a set of key messages which will shape the emerging priorities for the SEP and LIS. This paper provides a summary of the evidence base for discussion.

2. Proposal and justification

2.1 Government guidance sets out the importance of having a high quality, robust evidence base in place, upon which LISs can be developed. Over recent months work has been

undertaken to produce such a document for the SCR, to inform the refresh of its own strategies. This has included:

- Detailed analysis of secondary data and new innovative data sets;
- Bringing together and collating existing research;
- Engaging with local authorities, universities, the private sector and third sector for their insights; and
- Reviewing the industry and academic literature.

2.2 Given the role of the LEP the analysis has focused on socio-economic data on the economy, productivity, labour market, business base and infrastructure. This aligns with the themes set out in the national industrial strategy and adopts a broader focus around inclusive growth that builds on the City Region's strengths.

2.3 To build our understanding of these issues a small amount of additional work has been commissioned from Sheffield Hallam University's Centre for Regional Economic Social Research (CRESR), which is researching SCR's inclusion challenges. Additionally, a piece of work has commenced on the transformational potential of the Global Innovation Corridor.

2.4 The development of the 2014 SEP and the work undertaken on the LIS documents that have been published illustrate the strengths of a comprehensive and rigorous evidence base when negotiating with government. Applying lessons learnt, the LEP chair is engaging the region's universities to validate, challenge and strengthen the evidence, emerging key messages and narrative. Following feedback from the evidence base will be further developed in areas where the analysis is lighter (e.g. culture).

2.5 Given the evidence pack's length, the document will be shared with Board members outside of the formal paper pack. A presentation (Annex A) will be provided to the LEP Board setting out the emerging narrative, key messages and the proposed next steps. An additional, technical evidence document is available for LEP Board members on request.

3. Consideration of alternative approaches

3.1 Alternative approaches, including outsourcing the development of the SEP and LIS have been discounted, following discussions at previous LEP Boards meetings.

4. Implications

4.1 Financial

The SEP and the LIS will:

- Help to secure additional funding from Government e.g. a potential allocation of the Shared Prosperity Fund. (Note: the City Region's first SEP unlocked more than £370m of investment through three Growth Deals.)
- Provide a basis for; determining the City Region's funding priorities own; influencing the Comprehensive Spending Review.

The costs associated with the completion of the SEP and LIS, including specific commissioned pieces of research have been accounted for within the existing approved budget.

4.2 Legal

Production of a LIS is a requirement of the current Government.

4.3 Risk Management

A senior officer has been appointed to project manage the LIS and SEP programme, this is to ensure that activities are kept to plan, milestones are met and external risks to delivery are mitigated. A residual risk is that if the work is not completed, SCR will have a

weaker strategic direction and reduced ability to secure additional funding. The LIS timescales could also be affected by decision making delays from UK Government.

- 4.4 Equality, Diversity and Social Inclusion** ([Equality Act - Public Sector Equality Duty](#))
Equality, diversity and social inclusion are at the heart of the evidence base and will continue to be important topic areas in the development of the LIS and the SEP.

5. Communications

- 5.1** A detailed engagement plan has been developed. To date universities, businesses, charities, local authority officers and senior executives have been engaged on evidence gathering and messaging.

Given Government is co-developing the LIS with SCR parts of the evidence base have been tested with BEIS and HMCLG.

- 5.2** A range of stakeholders will be engaged further as the economic strategy moves to its next phase.

6. Appendices/Annexes

- 6.1** Annex A - SEP & LIS evidence slide pack.

REPORT AUTHOR	Jonathan Guest
POST	Senior Economic Policy Manager
Officer responsible	Felix Kumi-Ampofo
Organisation	Sheffield City Region
Email	Felix.Kumi-Ampofo@Sheffieldcityregion.org.uk
Telephone	T: 0114 220 3416

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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8th July 2019

Engagement with NP11 Chairs

Purpose of Report

This report provides an update to the LEP Board on the SCR engagement with the Northern Powerhouse 11 (NP11).

Thematic Priority

- Ensure new businesses receive the support they need to flourish.
- Facilitate and proactively support growth amongst existing firms.
- Develop the SCR skills base, labour mobility and education performance

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

This paper will be available under the SCR Publication Scheme

Recommendations

That the LEP Board note the report and the intention of the LEP Chair and the SCR Executive to engage fully with the NP11.

1. Introduction

1.1 What is the NP11?

The NP11 brings together Local Enterprise Partnerships across the North of England. The NP11 Board, comprising all eleven LEP Chairs from across the North aims to create a space to identify activity best facilitated at a pan-Northern level, where activity will add strategic value to unlocking the North's economic potential.

Driving force behind its establishment

The Northern Powerhouse 11 (NP11) was brought together in July 2018, by Jake Berry, Minister for the Northern Powerhouse, to drive economic growth in the North. At its inception, NP11 was awarded £500,000 from the Ministry of Housing Communities and Local Government (MHCLG) for spend up to the end of the 2019/20 financial year. An additional £350,000 was subsequently agreed to promote NP11's voice and visibility.

1.2 Focus of the NP11 work

The NP11 Board has agreed to use the North's Prime Capabilities as identified in the Northern Powerhouse Independent Economic Review (NPIER).

These Prime Capabilities are:

- 1) Advanced Manufacturing, with a particular focus on materials and processes.
- 2) Energy, in particular expertise around generation, storage, and low carbon technologies and processes.
- 3) Health Innovation
- 4) Digital, focusing in particular on high performance computing, cognitive computation, data analytics, simulation/modelling, and machine learning.

The four Prime Capabilities are supported through a focus on the three 'Enabling' Capabilities which operate at the level of the North of:

- 1) Financial and Professional Services.
- 2) Logistics, with major port developments in the Liverpool and Hull and Humber City Regions, plus developments at Manchester and Doncaster Sheffield Airports.
- 3) Education (primarily Higher Education).

1.3 NP11 19/20 work plan

The NP11 Board is working on a small set of strategic issues. These include:

MIPIM: building a more joined up approach to MIPIM Cannes ensuring that we leverage greater value for the whole of the North at MIPIM and that we seek to have complementary rather than competing MIPIM presences across the North.

Clean Energy: An energy working group is developing activity to promote the North as a focus for investment in clean technologies as part of a long-term programme to decarbonise the economy. NP11 is also supporting a clean growth conference hosted by the Humber LEP.

Trade and Investment: Work is underway to map and promote the North's key trade and investments strengths to identify key international inward investment strengths, including key assets and target markets.

Supply Chains: Work is underway to understand the role, presence and distribution of key supply chain companies across the geography of the 11 northern LEPs to provide high-level analysis of the of the main supply chain ecosystems in the North.

Voice and Visibility: work is underway to develop a clearly articulated vision and enhanced profile for the NP11 as well as strengthening recognition of the Northern Powerhouse, enabling it to win increased trade and investment.

2. Proposal and justification

2.1 It is proposed that the LEP Chair and SCR Executive work closely with the NP11 on the basis that:

- 1) There is **complementarity already on a number of workstreams** that the SCR are engaged in, including an analysis of our the SCR supply chains and the development of our trade and investment work

- 2) **MIPIM** – a more coordinated strategic approach to MIPIM that builds a stronger Northern story to compete alongside other national collaboration such as the Midlands Engine is beneficial to the SCR.
- 3) There is likely to be some complementarity on the workstreams being taken forward at the NP11 level to those in our Strategic Economic Plan and Local Industrial Strategy.
- 4) There are **resources at the NP11** that can be brought to bear on our own policy and programme development.
- 5) It is a useful forum to engage in wider discussions at the Northern level.
- 6) The Government are supportive of the NP11 and it is considered as an **important forum in helping drive Government policy** in the support of the North's objectives.

3. Consideration of alternative approaches

- 3.1 The LEP could choose to be a passive partner in the NP11 process. But, this would limit our ability to inform the work done at the Northern level, limit access to the resources being made available by MHCLG to co-develop work and reduce our own voice and visibility across the North and with the Government.

4. Implications

4.1 Financial

This paper has no direct financial implications.

4.2 Legal

This paper has no direct legal implications.

4.3 Risk Management

There are no risks to the approach identified.

4.4 Equality, Diversity and Social Inclusion)

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

5. Communications

- 5.1 The NP11 has a large marketing and communications budget. The SCR press and communications function will work with the NP11 Board to ensure that these resources do not duplicate local activity and provide genuine added value.

6. Appendices/Annexes

REPORT AUTHOR	Andy Gates
POST	AD Strategic Corporate Affairs
Officer responsible	Dave Smith
Organisation	SCR Executive
Email	Dave.Smith@sheffieldcityregion.org.uk
Telephone	0114 2203442

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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8th July 2019

Budget Workshop Update

Purpose of Report

This paper updates the LEP board on progress made in the Leaders budget workshop and sets out the actions to be taken.

Thematic Priority

Cross cutting priority affecting all thematic areas.

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

This paper will be available under the SCR Publication Scheme

Recommendations

LEP board are asked to note the progress made in the Leaders budget workshop and endorse the actions set out in section 2.6.

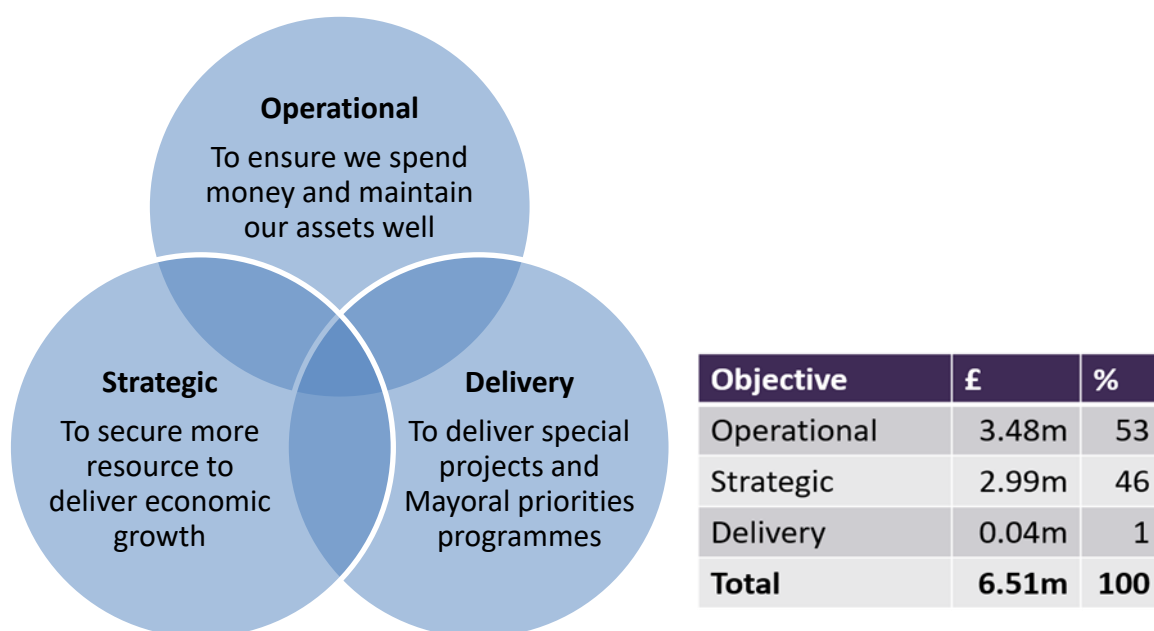
1. Introduction

- 1.1 When the 2019/20 MCA LEP revenue budget was approved at the March 2019 meeting of the MCA it was agreed that Leaders would be involved in a review of the 2019/20 budget to identify where further savings can be made and to commence early work on the determination of the 2020/21 budget.
- 1.2 The first workshop was held on 10th June which was Chaired by Mayor Dan Jarvis.

2. Proposal and justification

- 2.1 The budget workshop further reviewed the information provided in the March 2019 MCA LEP Revenue budget paper with a focus on the core operational revenue budget of £6.5m
- 2.2 The expenditure was linked to three core business objectives:
 - **Operational** – to ensure we spend money and maintain our assets well
 - **Strategic** – to secure more resource to deliver economic growth, and;
 - **Delivery-** to deliver special projects and Mayoral priority programmes.

2.3 For the approved 2019/20 budget the allocations are broken down as below:



The small net costs associated with the Delivery objective (£40k) is due to special project costs being offset by ringfenced grant allocations.

2.4 In preparing to meet the challenge of setting a balanced revenue budget for 2020/21 the MCA and LEP need to prepare to accommodate a £2m income reduction in year whilst ensuring the 3 core business objectives are still delivered. This equates to a core revenue budget cut of 30%.

Preparing for this cut is necessary to accommodate two income risks which may be realised in 2020/21, these are;

Mayoral Capacity Fund – £2m allocation for 2018 to 2020 (notionally £1m per year) with no certainty for future allocations.

Enterprise Zone Business Rates - The outcome of the LEP review to remove overlapping geographies may result in a £1m loss of EZ Business rates.

It is possible that neither of these two income risks will happen, but to not prepare for the possibility now would be too high of a risk for Statutory Officers. .

2.5 The current round of ringfenced special project funding and major funding programmes are nearing full commitment and completion. The £380m LGF programme is likely to be 100% committed by the September meeting cycle and the current focus is therefore on managing out the tail end of the programme delivery.

It is therefore necessary for the SCR Executive team to begin to refocus resources more into the strategic, securing resource business objective rather than delivery and operational.

This includes the in-year activity required to refresh the SEP and to develop the LIS and preparing a pipeline of potential projects for successor funding programmes (including TCF).

2.6 At the workshop it was concluded that:

- Work should progress to develop a plan to reduce budgets by up to £2m whilst ensuring the three business objectives continue to be achieved;
- Greater levels of integration and cost benefit with SYPTE should be considered through a whole group review, and;
- A second workshop will be convened in July to update on progress and review new steps. This provides an opportunity to include feedback from discussions at the LEP and MCA.

3. Consideration of alternative approaches

3.1 Follow the established budget development timetable and develop the budget in Q3/4. This has been discounted as waiting until the 2020/21 draft budget is prepared in the Autumn is considered to carry significant risk given the potential requirement to manage a reduction of income, as outlined in section 2.4. Not preparing for the savings on the assumption that successor funding will fill the gap is not considered a prudent financial approach.

4. Implications

4.1 Financial

An initial review of MCA/LEP forecast income and expenditure shows that there is an income risk of c.£2m. Finance officers are in the process of reviewing all lines of income and expenditure in greater detail to identify pressures, risks and savings opportunities.

4.2 Legal

There are no legal implications as a result of this paper, but the required budget reduction may have an impact on existing contracts this will be considered as part of the options analysis work.

4.3 Risk Management

Managing a budget reduction of 30% in year is a significant risk and will be included in the SCR strategic risk register.

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

None as a result of this paper

5. Communications

5.1 The Leaders workshops have been arranged to ensure that the issues are discussed and communicated ahead of presenting options for setting a draft budget for 2020/21.

6. Appendices/Annexes

6.1 N/A

REPORT AUTHOR	Melanie Dei Rossi
POST	AD Programme Management Office
Officer responsible	Dave Smith
Organisation	Sheffield City Region
Email	dave.smith@sheffieldcityregion.org.uk
Telephone	0114 220 3476

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:

8th July 2019

European Structural Funds in SCR

Purpose of Report

This paper provides a briefing on the current SCR European Structural Funds programme and seeks Members' guidance on representation on the regional committee for the remainder of the Programme.

Thematic Priority

- Ensure new businesses receive the support they need to flourish.
- Facilitate and proactively support growth amongst existing firms.
- Develop the SCR skills base, labour mobility and education performance

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

This paper will be available under the SCR Publication Scheme

Recommendations

This paper aims to provide LEP Board members with an overview of the current ESIF programme and the management arrangements led by MHCLG. We invite members to consider the options for contributing to the programme management arrangements via the Regional ESIF Committee.

1. Introduction

- 1.1 The SCR ESIF Programme (2014 – 2020), is largely split into European Regional Development Fund (ERDF) and European Social Fund (ESF) and covers Business Growth, Skills & Labour Mobility and Infrastructure. Full details of the breakdown of priorities for ERDF and ESF is included for information in appendix 1.
- 1.2 The SCR Local Authorities of Barnsley, Doncaster, Rotherham and Sheffield represent the Programme's "Transition" area and are allocated the greatest proportion of funding. The remaining East Midlands Districts are categorised as "More Developed". The allocation for the More Developed areas is split on a 50/50 basis with the D2N2 area.
- 1.3 At the onset of the programme LEPs were asked to assist in the development of the strategy for the deployment of ESIF in their local areas. National government also established local ESIF Sub-Committees and provided LEPs the ability to Chair these Committees.

1.4 At the onset the then LEP Chair assumed this role and at interim periods this has been reviewed and a continuation of the arrangement agreed. This paper provides an update on the governance arrangements and seeks to elicit views as to whether the LEP Board should have a greater role in oversight of the activity of the ESIF Committee, noting the proximity to the end of the programme.

2. Proposal and justification

2.1 The current governance arrangements nationally are for a regional sub-committee to provide advice to MHCLG on matters such as local economic need and implementation approaches, this is Chaired by former LEP Chair James Newman.

2.2 The EU terms of reference for the LEP Area ESIF Sub-Committees advise that the following partners should be represented;

- Chair (partner)
- Deputy Chair (Managing Authority)
- Local Enterprise Partnership
- Local Authority
- Business partners (including small businesses and social enterprise as appropriate to the local area)
- Voluntary & Community Sector
- Environment (with relevant expertise in e.g. sustainable development)
- Trade Union and employer representation (as appropriate)
- Equality and diversity representation
- Higher Education
- Education, skills & employment
- Sustainable Urban Development (SUD) city region groupings where appropriate to the local area
- Rural (where appropriate)
- Community Led Local Development (CLLD) Local Action Group(s) where appropriate to the local area
- Managing Authorities for each of the ESI Funds and BEIS local
- Others as needed by the LEP area ESI Funds sub-committee

2.3 The SCR ESIF sub-committee membership currently includes officers from across the constituent Local Authorities, SCR Executive Team, Higher Education, Further Education, Environment, Community Development, MHCLG and DWP. Private sector and elected member involvement has waned and attendance at the regional ESIF sub-committee has declined as the programme nears its end.

2.4 As the ESIF programme comes into its last year, final calls for bids under both ERDF and ESF programmes have been drafted by MHCLG and DWP in conjunction with the previous relevant Executive Boards via the SCR Executive. This final round of calls was published in June.

2.5 Programme performance until 2018 had been relatively strong, however in recent times uptake of both programmes across SCR has suffered through lack of available match funding. Some approved projects have been withdrawn and new applications are proving difficult to elicit from partners such as Local Authorities, Universities, Colleges and other independent providers. Underspend is therefore highly likely in this final year

2.6 If resource remains after the conclusion of the current call, MHCLG are considering options for this to be aggregated at national level and commissioned against priority areas in the programme that have relatively underperformed.

2.7 As part of a review of local membership of the ESIF Sub-Committee, and in view of there being no current LEP membership and that the Committee is predominantly officer led,

the LEP Board is asked to consider the vacant places reserved for the private sector (three positions) including the potential to nominate private sector board members to join the sub-committee

3. Consideration of alternative approaches

- 3.1 Do nothing – the programme has potentially made its final calls for schemes, it is unclear whether the national reserve pot will be established and therefore it is not clear how long the sub-committees will remain in existence. It could transpire that there is very little future business for this Sub-Committee.
- 3.2 Do less – If the Board rejects the proposal at 2.7 there is the option to consider a standing report on the programme or that the ESIF Sub-Committee Chair is invited to a future LEP meeting to discuss programme performance.
- 3.3 Do more – in addition to the above suggestion at 2.7 there is the potential to suggest that the Chair of the Sub-Committee be changed.

4. Implications

4.1 Financial

This paper has no direct financial implications.

4.2 Legal

It is not expected that the governance arrangements for the ESIF funds will continue to be the arrangements implemented for the successor Shared Prosperity Funds.

4.3 Risk Management

The governance of the ESIF Sub-Committee is low risk to the MCA as decision making is retained by MHCLG and DWP.

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

A key element of the ESIF programme was to address regional economic disparities and work around skills and employment is to enable equal access to opportunities.

5. Communications

- 5.1 The communication of ESIF programme performance by DWP and MHCLG is not consistently presented to the ESIF Sub-Committee, however consideration could be given to seeking to more widely share information where this is available.

6. Appendices/Annexes

Appendix 1: ESIF Programme Priority Areas

REPORT AUTHOR	Helen Lazarus
POST	AD Business
Officer responsible	Ruth Adams
Organisation	SCR Executive
Email	Ruth.adams@sheffieldcityregion.org.uk
Telephone	0114 2203442

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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Appendix 1

ESIF Programme Priority Areas

- 1 The SCR ESIF Programme (2014 – 2020) is sub-divided into two main pots (ERDF and ESF) and divided across priority areas, each with their own notional budget allocations.

ERDF is allocated to support the following priorities:

1a – Enhancing research and innovation infrastructure and capacities to develop research and innovation excellence, and promoting centres of competence, in particular those of European interest.

1a – Enhancing research and innovation infrastructure and capacities to develop research and innovation excellence, and promoting centres of competence, in particular those of European interest.

2b – Developing Information and Communications Technology products and services, e-commerce, and enhancing demand for Information and Communications Technology

3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.

3c - Supporting the creation and the extension of advanced capacities for products, services and development.

3d - Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes

4a - Promoting the production and distribution of energy derived from renewable resources.

4b - Promoting energy efficiency and renewable energy use in enterprises.

4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.

4e - Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures.

4f - Promoting research and innovation in, and adoption of, low-carbon technologies.

ESF is allocated to support the following priorities:

1.1 - Increasing access to employment for residents who are not in work or in low pay roles and will involve innovative approaches which add value to existing support

1.2 - Supporting young people who are Not in Education Employment or Training (NEET) or at risk of becoming NEET to develop sector specific skills to support either progression into employment, further education or training

1.4 – Support for active inclusion in skills and employment for disadvantaged community groups

2.1 - Increasing access to lifelong learning for people in work

2.2 - Increasing skills in the labour market and good employer practice. This programme will work with education establishments and employers.

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July 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. Brexit

As the uncertainty regarding who will be the next Prime Minister continues, the date by which we will leave the EU draws ever closer. In parallel, economic growth is slowing down. The evidence base for the refresh of our Economic Plan highlights that whilst the SCR economy is growing, it is not changing its relative position and its sector and skills base make it less resilient.

All of these factors mean it is vital for our businesses and communities to have certainty, so they can plan for the future. This includes the process by which we will leave the EU and the terms of the future trading relationship.

The SCR Executive is continuing to monitor business intelligence form across the region regarding potential impacts and develop its own plans for the various scenarios that may arise.

2. Active Travel

Sheffield City Region's first Active Travel Commissioner has outlined four pledges which will guide her work in the region over the next 12 months. Dame Sarah Storey announced her ambitions at the first summit of active travel commissioners from across the country. Held in Manchester, the summit was attended by all of the UK's Cycling and Walking or Active Travel Commissioners.

Dame Sarah's four pledges include: being led by communities; enabling walking and cycling rather than encouraging it; requiring infrastructure to meet or exceed requirements; and requiring infrastructure to be accessible for all.

At its meeting on the 20th June, the Transport for the North Board discussed active travel for the first time. This represents an important recognition of this agenda and that this needs to be an integrated part of our strategic approach to transport across the region.

3. Bus Review

The four Commissioners who will undertake the Bus Review, chaired by Clive Betts MP, have now been announced. These are:

- Peter Kennan – Chair of Sheffield Chamber of Commerce and Industry Transport Forum and Local Enterprise Partnership Board member;
- Kristine Beuret OBE – Director of Social Research Associates (SRA);
- Stephen Joseph – Former CEO of Campaign for Better Transport; and
- Martin Mayer – Secretary Sheffield TUC, UNITE the UNION and retired bus driver.

To support the completion of the Review and to better understand perceptions around the bus

system a short survey has been launched¹. Running until the 31st August, this has already received more than 2,000 responses and I would urge people to complete it and give their views.

4. First Bus

Following productive meetings between Unite and First South Yorkshire the immediate threat of industrial action has lifted. Discussions between the two parties are continuing - at present no further action is planned.

Separately, I have written to Giles Fearnley, MD of First Bus, seeking a meeting regarding the decision to separate First's UK Bus activities from the Group. My primary concern is that the services First operate in South Yorkshire will continue to function without disruption - both during the sale and once any new owners are in place.

While I have been given reassurance that current commitments will be maintained, my concern is any sale of the South Yorkshire business to a new owner will possibly result in changes to current service provision, fares and network coverage.

There are very clear risks arising both from the uncertainty created by the decision and the - as yet unknown - intentions of any future owner. Stephen Edwards from SYPTTE is keeping me updated.

5. M9 meeting

I recently met with my fellow metro mayors, where we welcomed Jamie Driscoll to the meeting, the newly elected Mayor for the North of the Tyne. Key items for discussion were the further devolution of powers and resources from government, with the need to make a compelling case for this through the Comprehensive Spending Review and to a new Prime Minister (and cabinet). With local government controlling only 1.6% of GDP in the UK, compared to 6% in France, 11 % in Germany, and 16% in Sweden², it is clear that there is a need for Government to do more.

6. Shared Prosperity Fund

In the absence of a government consultation being launched on the Shared Prosperity Fund, I led a debate, and spoke in another, in Parliament, where I set out my principles for how the fund should be designed. As the successor to the Local Growth Fund and Europeans Structural Funds, which resulted 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.

7. Cooperative Panel

The inaugural meeting of the Mayoral Co-operative Advisory Panel is due to take place on Monday 1 July during 'Co-op Fortnight' – a nationwide event celebrating and promoting the role of co-operative approaches and values. My intention is that the Panel will bring a 'co-operative perspective' to some of the SCR's key policy agendas and offer practical ideas and recommendations for consideration.

The Panel will engage in topics of its choosing, for example the bus review – where there is a community transport sector dimension; work being undertaken to promote financial inclusion and financial capability by the research group Demos; and not forgetting the SEP itself where a co-operative perspective may add genuine value.

The Panel, which at 6 is very small, comprises a mix of local elected figures from the Co-op movement and business sectors.

¹ <https://www.surveymonkey.co.uk/r/MCVNLH6>

² https://www.london.gov.uk/sites/default/files/devolution_-_a_capital_idea_lfc_2017.pdf

July 2019

Chief Executive'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. Working Win: Health Led Employment Trial:** The trial has now secured 3,500 participants who are both in and out of work. For the participants who were previously unemployed we have moved 439 into work.
- 2. Business engagement:** The LEP Chair, supported by the SCR executive team, has been engaged in a wide-ranging programme of business and stakeholder engagement. This includes meeting major businesses and investors with the potential for growth.
- 3. Annual General Meeting:** As part of the Government's LEP Review all partnerships are now required to hold an Annual General Meeting, open to the public, each year. Work is underway with the Chair and Vice Chair to plan the format and design of the event, likely to be held in October / November to coincide with the SEP / LIS milestones.
- 4. Spending Review / Budget preparation:** The Executive Team will be meeting with Government officials from across a number of Departments in July to initiate the development of an SCR response to the Comprehensive Spending Review. This work will be developed in line with the Strategic Economic Plan and Local Industrial Strategy work.
- 5. Thematic Board preparation:** Meetings with Co-Chairs in advance of establishing, implementing and planning work programmes for the Boards are taking place.
- 6. Transport for the North Partnership Board:** The Board met on the 20th June. Peter Kennan represented the private sector voice.
- 7. Doncaster Sheffield Airport – Partnership Board:** The Board, chaired by LEP Board Member Peter Kennan met on the 6th June. The LEP Chair also visited DSA in mid-June to discuss their growth ambitions and the role the LEP can play in supporting that growth.
- 8. LGF Programme Position:** Each quarter the LEP Board are provided with an update of the LGF programme position via the DELTA dashboard, which is the formal reporting document required by MHCLG.

To ensure compliance with this MHCLG deadline of 23rd August 2019 for the Q1 DELTA submission, the Managing Director and MCA Section 73 Officer will sign-off the Dashboard, as per

MHCLG guidance. The contents of the Q1 return will subsequently be reported in full to LEP Board at the 9th September 2019 Board Meeting.