Public Document Pack

Friday, 25 October 2019

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

NOTICE OF MEETING

You are hereby invited to a meeting of the Sheffield City Regional Local Enterprise Partnership to be held at **11 Broad Street West, Sheffield S1 2BQ**, on: **Monday, 4 November 2019** at **10.30 am** for the purpose of transacting the business set out in the agenda.

Dr Dave Smith
Chief Executive

Member Distribution

James Muir (Chair)	Private Sector Member
Nigel Brewster (Vice-Chair)	Private Sector
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Laura Bennett	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Peter Kennan	Private Sector LEP Board Member
Philippa Sanderson	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Julia Muir	Private Sector LEP Board Member
Richard Stubbs	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
Councillor Mary Dooley	Bolsover District Council
Mayor Ros Jones	Doncaster MBC
Councillor Simon Greaves	Bassetlaw DC
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Tricia Gilby	Chesterfield BC
Alison Kinna	Co-opted Private Sector Member
Bill Adams	TUC Representative

SCR - Local Enterprise Partnership

Monday, 4 November 2019 at 10.30 am

Venue: 11 Broad Street West, Sheffield S1 2BQ

Agenda

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Date of next meeting: Thursday, 16 January 2020 at 11.00 am **At:**11 Broad Street West, Sheffield S1 2BQ			

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SCR - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

MONDAY, 9 SEPTEMBER 2019 AT 10.30 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	Representative for Higher Education
Peter Kennan	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Lucy Nickson	Private Sector LEP Board Member
Philippa Sanderson	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Mayor Ros Jones	Doncaster MBC
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Tricia Gilby	Chesterfield BC
Professor Koen Lamberts	Co-opted Higher Education Representative
Councillor Mazher Iqbal (Reserve)	Sheffield City Council

Officers in Attendance:

Sarah Norman	Chief Executive	Barnsley MBC
Eugene Walker	Chief Finance Officer	Sheffield City Council
Craig Tyler	Minute Taker	South Yorkshire Joint Authorities Governance Unit
Felix Kumi-Ampofo	Assistant Director - Programme Assurance	SCR Executive Team
Melanie Dei-Rossi	Assistant Director - Programme	SCR Executive Team
Stephen Batey		SCR Mayor's Office
Jenny Holmes	Assistant Director for Strategic Transport	SCR Executive Team
Lyndsey Whitaker	Senior Economic Policy Manager	Sheffield City Region
Anita Dell	Communications Officer	Sheffield City Region

Guests in Attendance

Justin Homer	BEIS

Sarah Want	Sheffield University

Apologies:

Nigel Brewster	Private Sector
Laura Bennett	Private Sector LEP Board Member
Julia Muir	Private Sector LEP Board Member
Councillor Chris Read	Rotherham MBC
Mayor Dan Jarvis	SCR Mayoral Combined Authority
Councillor Martin Thacker MBE	NE Derbyshire DC
Councillor Simon Greaves	Bassetlaw DC
Alison Kinna	Co-opted Private Sector Member
Bill Adams	TUC Representative
Councillor Garry Purdy	Derbyshire Dales DC
John Mothersole	Sheffield City Council
Huw Bowen	Chesterfield MBC
Sharon Kemp	Rotherham MBC
Damian Allen	Doncaster MBC
Dan Swaine (NE Derbyshire emails)	NE Derbyshire DC
Dan Swaine	Bolsover DC
Neil Taylor	Bassetlaw DC

1 **Welcome and Apologies**

The Chair welcomed members and officers to the meeting and congratulated Lucy on her appointment as the Board's second Vice-Chair.

Members' apologies were noted as above.

2 **Declarations of Interest**

None noted.

3 **Notes of Last Meeting**

RESOLVED, that the notes of the meeting held on 8th July are agreed to be an accurate record.

4 **Local Growth Funding (LGF) and Programme Demand**

A report was presented to provide the Board with an overview of the current LGF programme commitments and the scale of projects in the over-programmed pipeline.

It was reported there is £32m of LGF funding left to be spent before the cessation of the programme against £71m of known demands. It was acknowledged there is therefore a requirement to address this funding gap and views were sought on how this might be best achieved.

It was noted this funding gap situation is not unique to the SCR LEP.

It was noted detailed proposals on the means via which the funding gap will be addressed would be presented to the next LEP Board meeting.

Considering the options available Members expressed particular support for the further evaluation of the deliverability of schemes in the programme, further efforts to seek additional resources from Government and the ability to carry funding over to subsequent years when required.

Members discussed how any prioritisation process might be undertaken and what factors might be of greatest pertinence including deliverability, scale of impact and ability to redirect schemes to other non-LGF funding sources.

It was confirmed the Executive are not accepting any new schemes into the programme with the exception of direct inward investment enquiries.

It was acknowledged the Gainshare Devolution Deal would be a further source of funding should this come to fruition.

RESOLVED, that the Board:

1. Notes the scale of the pipeline and options available to address the potential overprogramming position.

2. Notes the contents of the Q1 2019/20 DELTA submission.

5 **Update: Strategic Economic Plan and Local Industrial Strategy**

A report and presentation were received to provide the Board with an update on the emerging narrative and priorities for the Sheffield City Region (SCR) Strategic Economic Plan and Local Industrial Strategy.

It was reported the evidence base is largely complete and highlights a set of key messages that shape the emerging vision and priorities for the SEP and LIS.

The presentation provided a summary of the vision, priorities and ambition for further discussion.

Members were asked to comment on the proposal the SEP and LIS should be primarily focussed on people, with key visionary triggers based around ambition, transformation, prosperity, opportunity, inclusion and places.

Members considered the need to tether our visionary ambition in reality (asserting the SCR is ‘not’ going to be the world’s most prosperous city region) but recognised the importance of being genuinely ambitious.

It was agreed that the vision should be focussed on some key achievable deliverables that have the capacity to transform peoples’ lives such as raising skills sets which in turn might deliver greater prosperity and inclusion.

It was considered that some visionary attributes presented for deliberation are not necessarily compatible, with examples cited for where other regions internationally might have achieved great levels of prosperity but at the expense of the wellbeing of the local workforce.

Consideration was given to how any vision should be best communicated externally for maximum impact.

Members agreed the vision should not include any references to specific targets.

Consideration was given to whether environmental responsibility should be factored into the vision in respect of determining the way we want to grow our economy.

It was requested the Executive Team pull together a statement capturing the key points raised, to be circulated to the Board Members, to help seek assurance that there is a consensus understanding and support for both the draft vision and what this really means in terms of how it might be achieved (i.e. links to actions).

Action: Felix to co-ordinate the supporting statement for members to explain the rationale behind the proposed vision.

Consideration was given to whether the SEP and LIS should be factored around the existing thematic areas (skills, housing, infrastructure, transport and business growth) whilst also recognising the cross cutting themes of opportunity, prosperity and place, and the extent to which this approach might be used might provide a framework for the vision's objectives.

It was suggested each of these themes needs to be supported by a set of prioritised performance indicators to ensure we focus on priority deliverables whilst recognising the Strategies can't be everything to everyone.

Members considered the reality that most strategies collapse at the point of implementation, and recognised that it is the simplest strategies that tend to achieve. The degree of complexity of the current draft vision and objectives as presented were therefore challenged by the Board.

Cllr Gilby requested an update on how the strategies are being developed in conjunction with the D2N2 LEP area. The Chair noted regular meetings are held with both D2N2 and West Yorkshire LEP colleagues in the interests of ensuring consistency and compatibility in respect of overlap areas.

RESOLVED, that the Board notes progress to date on the development of the SCR SEP and LIS strategies.

6 **Transport Board Update: Future Mobility**

A report and presentation were received to provide an overview of the advances in technology, changes in demand characteristics and the emergence of new business models that are disrupting the transport sector.

The report introduces the Board to recently commissioned research that will inform the SCRs approach to the risks and opportunities presented by future mobility trends.

The presentation set out the social, environmental and economic benefits and risks of future mobility innovations.

Members were advised of what research work the SCR is engaged with and how this might be taken forward.

The Chair questioned what this undertaking means for the existing SCR Transport Strategy, and why the Strategy isn't just being annotated to address any gaps. It was noted this work is essentially associated with the intended development of the implementation plans that are being developed to take the Strategy forward and the need to appropriately recognise new technologies.

Consideration was given to how the SCR's internal connectivity issues might be addressed through technological changes and how we might benefit as a region from new economies built around new technologies.

It was suggested any implementation plans should not be based around what might be shifting or short-term government policies and ambitions, and focus on what the SCR really needs to achieve.

Clarity was sought regarding the detail of the consultant's commission. It was noted this will map out key assets, set out transport trends (and identify where the SCR might differ from other regions), and look at future trends and localised opportunities specific to the SCR (aligned to the Transport Strategy). It was noted this will be available by the end of the month.

It was requested the Board receive a summary of the consultant's report at the next meeting.

RESOLVED, that the Board:

1. Notes the technological advances, changes in demand and new business models driving 'future mobility' innovation

2. Notes the research work the SCR Executive is currently undertaking on Future Mobility trends and opportunities which will inform the principles and priorities that enable the SCR to adopt, adapt and innovate

3. Requests a summary of the consultant's report at the next meeting

4. Notes the economic opportunity presented to the SCR by emerging Future Mobility trends and recommends the prominence and focus of this theme in the Local Industrial Strategy.

7 **LEP and MCA Budget**

A report and presentation were provided to update the Board on progress

made to achieve a reduction in the 2019/20 LEP and MCA core budget (the requirements as per explained at the previous meeting).

The report provided a summary of the proposals currently under consideration ahead of discussion by the MCA.

It was requested the rationale behind the options be backed up by additional treasury management information to provide a fuller picture of the matters under consideration. It was confirmed this would be provided when presented to the MCA.

RESOLVED, that the Board:

- note the progress to date in seeking to achieve a budget reduction
- note that a further report be made to the LEP Board concerning the proposals for finding the second £1m of savings, having regard to the LEP Boards concerns over this issue

8 **Amendment to the Governance of the Executive Board**

A report was received to note the proposed amendments to the Constitution of the MCA to change the membership and quoracy provisions of the Thematic Executive Boards to reflect the position of the non-Constituent Authorities.

It was proposed that the quoracy provision for each Board be reduced from 7 to 5 Members, but that to be quorate at least one LEP representative and 2 members from the Constituent Authorities must be present.

It was noted a report confirming the SCR non-constituent members' membership of the LEP Board will be presented once resolved. The Board was reminded the non-Constituent members would continue to be members of the SCR MCA and as such have the right to continue to be members of the thematic boards. It was noted matters of complexity would be addressed going forward.

RESOLVED, that the Board note the proposed changes to the Terms of Reference to reflect the position of the non-Constituent Authorities and to ensure that meetings are quorate.

9 **The likely impacts of a no-deal Brexit on the SCR**

A report was received to outline the potential risks of a no-deal Brexit to the SCR economy. The paper sought to stimulate a discussion on the potential impacts of a no-deal scenario and consider additional work to prepare and mitigate for a no-deal Brexit.

The report set out what the SCR might do to directly support local business and where efforts might be best placed in supporting the activities of other agencies such as the Chambers of Commerce.

It was suggested there is a need to target responses once Brexit outcomes are clear.

A concern was noted that businesses need to be members of a Chamber of Commerce to get their support. It was suggested the SCR might therefore consider helping the Chambers expand their remit to cover all local businesses in some capacity.

It was noted the Local Authorities are already working closely with their respective Chambers and therefore requested the any SCR-led messages and advice be wholly consistent and duplicate that being espoused by other agencies.

RESOLVED, that the Board:

1. Notes the areas of activity detailed in this paper, against which the SCR might commence or accelerate activity.

2. Notes the respective merits and purpose of establishing an Economic Resilience Taskforce.

10 **Mayoral Update**

Provided for information.

11 **Chief Executive's Update**

Provided for information.

12 **Any Other Business**

No further matters noted.

Signed .....

Name .....

Position .....

Date .....

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Sheffield City Region
LOCAL ENTERPRISE PARTNERSHIP

4th November 2019

LEP Geography Implications

Purpose of Report

This paper sets out the process required to formalise the withdrawal of the District Councils with effect from the 1st April 2020 and the implications on LEP Board membership. This report also presents a revised draft of the Collaboration Framework with D2N2 LEP for consideration and agreement.

Thematic Priority

Cross cutting – governance arrangements

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

This paper is not exempt from FOI requests and will be published in line with the Combined Authority Publication Scheme.

Recommendations

1. LEP Board members are asked to note the:

   - Process required to formalise the withdrawal of the District Councils with effect from the 1st April 2020
   - Impact on the current balance of membership
   - Implications for the Thematic Boards

2. LEP Board members are asked to approve the draft Collaboration Framework with D2N2 LEP.

1. Introduction

1.1 The LEP Review 2018 required all LEPs to remove any overlapping geographies by the 1st April 2020.

1.2 From 1 April 2020, the revised SCR LEP geography will consist of the four districts of South Yorkshire (Barnsley, Doncaster, Sheffield and Rotherham).

1.3 LEPs have been advised to establish a Collaboration Framework with neighbouring LEPs to manage activities and communications in the former overlap areas.

2. Proposal and justification

2.1 The LEP Board received a report on 20th May 2019 which confirmed that four of the five districts (Bassetlaw, Bolsover, NE Derbyshire and Derbyshire Dales) in the overlap area had written to confirm that they would be revoking their membership of the SCR LEP to comply with the LEP Review recommendation. SCR subsequently received written confirmation that Chesterfield would also revoke their membership of the SCR LEP.

2.2 The withdrawal of the five districts results in the following changes to the size and composition of the LEP Board:

- **Removal of geographical overlaps** - with the D2N2 and Leeds City Region LEP areas
- **Reduction from 25 private and public sector Board members to 20** - the LEP Review recommended a maximum number of 20 private and public sector seats
- **A ratio of 75% private sector members to 25% public sector** - the LEP Review specified that at least two thirds of members should be from the private sector
- **A ratio of 38.1% of female LEP Board members to 61.9% of males** - the LEP Review stipulated that LEP Boards should ensure that by 31st March 2020, one third of their members should be women

From 1st April 2020 SCR LEP will comply with all of the requirements made in the LEP Review on Board size and composition.

2.3 In September, the LEP and Mayoral Combined Authority (MCA) Boards agreed to change the membership and quoracy of the Thematic Boards, to reflect the position of the five district authorities. These changes mean that Bassetlaw and Chesterfield will remain as members with voting rights on the respective Housing and Skills and Employment Boards but non-constituent authorities will only have a right to attend and participate in discussions at other Thematic Board meetings.

2.4 The draft Collaboration Framework (Appendix 1) was discussed and agreed by the D2N2 LEP Board on the 24th September 2019. It outlines:

- The arrangements for project appraisal and approval up to the 31st March 2020, after which the revised LEP geography takes effect
- The management and monitoring of contracted projects during the transition period (up to the 31st March 2021 - the end of the current LGF programme)
- The sharing of data and information from now and into the post-transition period to aid cross-border partnership working

2.5 Agreement is now sought from the SCR LEP Board to the draft Collaboration Framework.

3. Consideration of alternative approaches

3.1 **Do nothing** – SCR LEP was not awarded funding to deliver the LEP Review recommendations due to non-compliance with the LEP Review requirements. Continued non-compliance would result in the withholding of future funding. It is also considered prudent to put a Collaboration Framework in place with D2N2 LEP to manage the delivery of existing contracts, to confirm data sharing and project appraisal arrangements and to deliver shared and consistent messaging to partners and potential funding applicants.

4. Implications

4.1 Financial

There will be a reduction in financial resource of circa £1.02 million as a result of the withdrawal of the district authorities from the SCR LEP. The above proposal will result in

SCR LEP complying with the LEP Review requirements, thereby avoiding financial penalties from non-compliance.

4.2 Legal

The SCR LEP can continue to use the MCA as its legal personality, acting as the accountable body for all its funding.

4.3 Risk Management

Risks associated with implementing the LEP Review recommendations, including the financial impact of a reduced LEP geography, have been incorporated into the group SCR MCA / LEP risk register.

4.4 Equality, Diversity and Social Inclusion

There are no implications associated with this report. The gender ratio of the LEP Board will be continually monitored to ensure that SCR LEP complies with the recommended requirement.

5. Communications

5.1 A communication plan will be developed jointly with D2N2 LEP to ensure that consistent messages are given to businesses, partners and potential project applicants / scheme promoters on accessing LEP funding and support from the 1st April 2020.

6. Appendices/Annexes

6.1 Appendix 1 - SCR and D2N2 Local Enterprise Partnership's Collaboration Framework (Draft)

Report Author	**Lyndsey Whitaker**
Post	**Senior Economic Policy Manager**
Officer responsible	Dr Dave Smith
Organisation	Sheffield City Region
Email	dave.smith@sheffieldcityregion.org.uk
Telephone	**0114 220 3434**

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 - SCR and D2N2 Local Enterprise Partnership's Collaboration Framework

Introduction

Following the Government's review of Local Enterprise Partnerships (LEPs) and the removal of overlapping geographies, this joint statement outlines the intended collaboration between the Sheffield City Region and D2N2 LEPs across the shared functional economic area.

The purpose of the collaboration is 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 1 Principles and Objectives

Principles underpinning the collaboration framework

1. Collaborate on shared interests, endeavours and common issues or economic priorities.
2. Collaborate across LEP boundaries where interests are aligned when developing strategies and interventions to maximise their impact across the different objectives of the SCR and D2N2 LEPs.
3. Make more efficient use of public resources and secure a better outcome.
4. The D2N2 LEP Board, and the SCR LEP Board and Mayoral Combined Authority Board, have primacy over decision-making within their respective geographical area.
5. Appropriate and transparent oversight to monitor the agreed objectives is established with the areas affected.

Proposed Objectives

1. Smooth transition for the five districts currently part of the overlap (namely, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire) to solely operating within a D2N2 framework ensuring no detriment to businesses or residents effected during the transitional period.
2. No detriment to either of the current LEP areas following the transition.

The Transitional Phase (2019-2021) has been defined to be the period pre transition, through the exit of the Districts from the SCR LEP and to the conclusion of the LGF spend programme (noting that output and outcome monitoring could exceed this period).

The Collaboration Phase (Post-transitional phase) (2021 onwards) has been defined to look at areas of mutual interest over a longer time horizon.

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Section 2 - Transitional Phase 2019-2021

1. Strategic Collaboration

The following areas have been identified as areas where strategic collaboration between the two LEP Boards and their Officers and the Districts in the formerly overlapping geographies is essential. This list is indicative and should be flexible to meet new emerging priorities of mutual benefit and challenges.

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.

In light of the HS2 Review announced (20.08.19) sharing local inputs and considering any joint responses and messaging on the potential wider benefits and local and cumulative impact / mitigation.

Local Industrial Strategies

Work collaboratively to share the evidence base to shape shared outcomes where relevant and ensure alignment across both industrial strategies.

BREXIT Implications

Sharing work and intelligence on any opportunities, risks and challenges that may face businesses in key supply chains or specific cohorts in the labour market to enable sharing and collaboration on planning.

Rural Economy

Share information and planned schemes / proposals for developing rural areas and enhancing natural capital assets across both LEP areas, specifically the Peak District National Park.

2. Operational Transition

LGF schemes

Annex A includes schemes in transition or with on-going reporting obligations. Each LEP will continue to support schemes under contract until the conclusion of the LGF programme and its monitoring of outcomes. Information will be shared with D2N2 on the progression of the overlap schemes in the aforenamed five districts.

Growth Hub

SCR propose to conclude detailed support for companies within the overlap area during 2019/20. Where this is not possible, and SCR Growth Hub is part way through a business assist activity, this business will be supported until concluded and thereafter as outcomes are reported. A full list of these transitional businesses will be compiled and shared closer to year end.

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In 2020/21, all new business enquiries for Growth Hub support in the former overlapping geography will be signposted to the D2N2 Growth Hub. A joint statement will be agreed and issued by the two LEPs to provide clarity to businesses on when products and services will be available from each Growth Hub.

ESIF

Both LEPs already work closely together at an operational level in terms of the delivery of ESIF across the former overlapping districts.

Each LEP will continue to support funded schemes under contract until the conclusion of the ESIF programme and its monitoring and evaluation of outcomes. This will include co-financed projects that are managed by the Opt-in Organisations. Information will be shared by both LEPs on the approval and delivery of any schemes in the overlap area. A full list of approved ESIF projects will be compiled and shared closer to year end.

All new applications for ESIF support in the former overlap area will continue to be processed by each LEP until the end of the ESIF programme funding period.

Where funding is yet to be commissioned through a Call, and which will include delivery in the overlap areas, both LEPs will commit to 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 for companies within the overlapping geography whilst they remain an active member of the SCR LEP.

Post transition, in 2020/21 all new business enquiries for skills support in the overlap geography will be signposted to D2N2 Growth Hub for signposting to D2N2 skills and training provision. If a business has a footprint in SCR and also in one of the Districts support will continue for the duration of the Skills Bank service (to be reviewed at the end of 2021). Any deal in progress for any company in the Skills Bank programme will be delivered to conclusion.

3. Resourcing

Enterprise Zone: Markham Vale – Government have confirmed that future arrangements for Enterprise Zone remain a matter for the billing authority eg Chesterfield Borough Council. The Council decision re transference of business rates to SCR LEP (17.12.14) was made on the undertaking that ***this arrangement will be reviewed in the future if there is a change in Government policy or a change to the Council's membership of the Sheffield City Region Combined Authority. Business rates are the decision of Chesterfield Borough Council.***

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. This will include 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 area at a granular level.

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All the local authorities and partners within the overlap districts will be able to use this model, irrespective of the redrawn boundaries. Should the SCR transport modelling identify any issues which affect the non-constituent members of the Sheffield City Region MCA, these will be communicated in a timely and agreed manner.

4. Communication and Information Sharing

Areas to include:

Evidence base supporting the D2N2 and 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 that are delivering within the overlap area to ensure strategic alignment and co-ordination across both ESIF programmes.

Section 3 – Collaboration Phase (Post -Transitional Phase) 2021 onwards

1. Strategic Collaboration

Both LEPs will continue to collaborate on shared areas of interest incuding, but not exclusively:

- Digital Infrastructure
- Housing
- Transport
- HS2
- Spatial Planning
- Rural Economy
- Flood Alleviation
- Energy Strategy
- Major inward investment projects

Both Growth Hubs will also continue to work collaboratively and share intelligence to maximise the benefits for businesses of all sizes.

2. Joint Ventures

This is an option to consider, especially for shared priorities and themes identified in the respective SEP or LIS documents. Joint Ventures could be considered between the two LEPs but also between a single LEP and a district for example where it could be demonstrated that this was the most suitable delivery option to achieve the desired outcome.

Communication and information sharing

Both LEPs will share information on outcomes and outputs from legacy programmes within the overlap area and outcomes and outputs from respective SEP and LIS delivery

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Section 4 - Collaboration Approach

The SCR and D2N2 LEPs have previously undertaken joint work and we are committed to working collaboratively to further develop the shared functional economic area. To this end, we are proposing to establish the following:

- **Written Communications** – sharing of reports, documents and data on projects and initiatives delivered in the overlap areas to inform future project development and delivery (as and when required).
- **Joint LEP Chair Meetings** – quarterly meetings to manage the implementation of the Collaboration Framework and ensure ongoing strategic alignment between D2N2 and SCR.
- **Joint Chief Executive Meetings** – quarterly meetings to ensure a smooth transition to new arrangements, to share intelligence for strategic planning and to co-ordinate responses to Government and economic shocks across the shared functional economic area.

Where joint projects and initiatives are developed and delivered across the shared functional economic area, Joint Boards will be established consisting of representatives from both LEPs and the relevant districts. These Joint Boards will provide a steer and focus and serve as an advisory group to aid decision-making.

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Annex A - Operational programmes Transitional arrangements [to be updated closer to the year end]

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 Remaining to Claim	Outputs	Status of the Project
Chesterfield Centre for Higher Level Skills	University of Derby	Chesterfield	£3.48m	£0	45 Jobs 1,483 Learners	Construction Complete Monitoring of outputs
Harworth Access Road	Nottinghamshire County Council	Harworth, Bassetlaw	£1.1m	£0	6,650 Jobs 885 Homes	Construction Complete Monitoring of outputs
Seymour Link Road	Derbyshire County Council	Markham Vale, North East Derbyshire	£2.52m	£0	1,235 Jobs	Construction Complete Monitoring of outputs
A57/A60 Worksop	Nottinghamshire County Council	Worksop, Bassetlaw	£1.83m	£0	1,753 Jobs 6,000 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	Delivery
HS2 Strategic Sites	Chesterfield Borough Council	Chesterfield	£2.4m	£2.4m	300 Jobs	Awaiting Final Business Case

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SCR LGF Programme

Project Name	Project Applicant	Location	SCR LGF Contribution	LGF Remaining to Claim	Outputs	Status of the Project
Worksop Phase 2	Bassetlaw District Council	Bassetlaw	£1,225,734	£0	1,359 Jobs 93,000m2 Commercial Floorspace	Construction Complete Monitoring of outputs
Worksop Phase 2 b	Bassetlaw District Council	Bassetlaw	£1,150,560	£0	915 Jobs	Delivery
Bassetlaw Employment Sites – Retford	Bassetlaw District Council	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	Bassetlaw District Council	Bassetlaw	£500,000	£0	420 Jobs 40,703m2 Commercial Floorspace	Construction Complete Monitoring of outputs
Harworth and Bircotes Step Change Programme Road Improvement	Bassetlaw District Council	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	Bassetlaw District Council	Bassetlaw	£135,000	£0	8 Jobs	Construction Complete Monitoring of outputs

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Project Name	Project Applicant	Location	SCR LGF Contribution	LGF Remaining to Claim	Outputs	Status of the Project
National Fluid Power Centre Integrated Systems	RNN Group	Bassetlaw	£132,500	£0	900 Learners	Construction Complete Monitoring of outputs
Northern Gateway	Chesterfield Borough Council	Chesterfield	£5,830,000	£0	510 Jobs 2,600m2 Commercial Floorspace 4,500m2 Indirect Commercial Floorspace	Delivery
Seymour Link Road	Chesterfield Borough Council	Chesterfield	£3,780,000	£0	350 Jobs 3km New Road	Construction Complete Monitoring of outputs
Peak Resort	Chesterfield Borough Council	Chesterfield	£2,849,993	£0	406 Jobs 35,000m2 Commercial Floorspace	Construction Complete Monitoring of outputs
Chesterfield Waterside	Chesterfield Borough Council	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

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Project Name	Project Applicant	Location	SCR LGF Contribution	LGF Remaining to Claim	Outputs	Status of the Project
Skills Bank Provider Capacity Fund	Chesterfield College	Chesterfield	£26,000	£26,000	No of Staff Trainied – 21 No of new Skills/knowledge /qualifications acquired – 6 No of new training courses – 4 No of additional products added to portfolio - 4	Delivery
OPE – Harworth Masterplan	Bassetlaw District Council	Harworth and Bircotes	£20,000.00	£20,000.00	Jobs Created – 50 Local Government – Land released for Housing (Housing Units) – 26 Local Government Capital receipts - £550,000 Local Government – Land released for Housing (ha) – 5.95	Contract Issued

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Project Name	Project Applicant	Location	SCR LGF Contribution	LGF Remaining to Claim	Outputs	Status of the Project
					Local Government – Reduced Running Costs - £60,500 p/a	
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	Private Co.	Chesterfield	£25,000	£0	11 Jobs	Contract Issued

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Project Name	Project Applicant	Location	SCR LGF Contribution	LGF Remaining to Claim	Outputs	Status of the Project
GRANT SCHEMES						

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Sheffield City Region
LOCAL ENTERPRISE PARTNERSHIP

4th November 2019

Update: Strategic Economic Plan (and Local Industrial Strategy)

Purpose of Report

This report and annex provide LEP Board members with an update following the discussion at the last LEP Board which provided a steer on the vision and objectives for the emerging Strategic Economic Plan. Members will be provided with an update on the vision, strategic ambitions, underpinning principles and emerging broad policy areas. The annex provides an early view of the draft and informs a discussion on the broad priorities for the economic plan.

Thematic Priority

Cross Cutting - Policy

Freedom of Information

This paper will be available under the SCR Publication Scheme.

Recommendations

The Board is asked to:

- Note the revised vision and strategic ambitions agreed by the LEP (9th September 2019)
- Discuss the emerging broad policies, and provide their input for the development of these in the draft SEP.
- Delegate the sign-off of the draft SEP for consultation to the Mayor, LEP Chair and SCR Chief Executive. This will ensure the consultation can commence in advance of the January 2020 meeting.

1. Introduction

1.1 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). Progress on the Local Industrial Strategy (LIS) is awaiting Government clarity before progressing.

1.2 The indicative milestones presented to the LEP in May, included the following milestones for the LEP Board

- discussion on the evidence and emerging areas (8th July)
- the vision and objectives in (9th September)
- Outcomes and broad policy areas (4th November)

This paper presents the revised and strategic ambitions as well as the proposed broad priority areas.

2. Proposal and justification

2.1 Over recent months work has been undertaken to develop the strategy document. The work to date will be presented to get further feedback and stimulate discussion on the future policy direction and priority areas for SCR and where the LEP/MCA can add most value and impact.

2.2 Board Members are invited to note the revised vision, and strategic objectives, the broad priority areas, and provide their input for the development of these in the draft SEP.

2.3 An early draft economic strategy is attached to this paper to facilitate discussion. Members will receive a presentation at the Board which will be based on a more advanced draft, following LEP SEP workshop on 28th October and engagement that takes place during that week.

2.4 The emerging vision is focused on our "People" (all who live, work or visit SCR) and as such has been agreed as:

A growing, inclusive, & sustainable economy playing an ever-increasing role in future UK prosperity.

2.5 Innovation and creativity underpin the strategy and will drive how SCR designs policy and what is delivered. Innovation is a process that delivers added value and change. The ability to develop, commercialise and adopt new ideas is a priority for all high-performing organizations and places. Intense global competition and technological development have made innovation a source of competitive advantage. It is a primary reason economic growth may occur in one area and not another.

The new SEP is our opportunity to lead the UK's fourth industrial revolution. This brings opportunities in healthcare, materials and composites, energy, mobility and digital and creative technology. SCR has significant strengths in these areas, and we should look to exploit this.

2.6 The strategic objectives in the SEP are framed around "Inclusion", "Growth" and "Sustainability":

- **Inclusion** reflects the realisation that economic growth is not beneficial unless all people have a fair opportunity to contribute and benefit from it.
- **Growth** reflects the need to drive up prosperity by lifting productivity to improve the wellbeing of our people and businesses.
- **Sustainability** (or rather environmental sustainability) reflects the urgent need to address concerning climatic and environmental challenges and create sustainable and attractive places for our people and businesses to thrive.

The work to date has been built on a systemic approach and as such, the broad priority areas link across to the vision and thus the strategic ambitions seamlessly.

The broad priority areas are:

1. Business growth
2. Skills and employability
3. Sustainable transport
4. Sustainable infrastructure
5. Culture and place

2.7 A set of principles and broad intervention areas are proposed as ways in which the LEP and partners can make act to drive economic prosperity. The priority areas reflect a need for focused intervention but also to take account of the broadening agenda for LEPs.

3. Consideration of alternative approaches

3.1 The development of the SEP has been based on the input of the LEP board and other partners we have engaged with to date. the Board may however decide to develop the SEP in a different way, by for example considering even broader priority areas or fewer.

4. Implications

4.1 Financial

The SEP will:

- Help to secure additional funding from Government e.g. a potential allocation of the Shared Prosperity Fund. 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 to influence future Comprehensive Spending Reviews.

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

There are no legal implications to this paper.

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 managed in accordance with the milestone plan, 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 is currently affected by decision making delays from UK Government.

4.4 Equality, Diversity and Social Inclusion

Inclusive growth is central to the agenda and the strategy considers all aspects of society to understand where opportunities are not available or where particular barriers are preventing residents from accessing opportunities. Further consideration of inclusion will occur through review from Sheffield Hallam's Centre for Regional Economic and Social Research.

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.

BEIS and HMCLG are being regularly engaged.

All propositions developed are subject to agreement by the LEP / MCA to adopt the new policy. The SCR Corporate Communications plan will reflect agreed LEP, Mayoral and MCA priorities.

5.2 All stakeholders will be engaged further as the economic strategy moves to its next phase.

6. Appendices/Annexes

6.1 Appendix 1 – SEP Draft

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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: Strategic Economic Plan Evidence Base – 2019 (Summary Evidence Pack) and other relevant documents available on the website: https://sheffieldcityregion.org.uk/explore/resources/

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The Strategic Economic Plan 2020 - 2040

WORKING DRAFT – NOT FOR CIRCULATION

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The Evidence

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Evidence: Successes to build on

Performance against SEP Headline Indicators 2015-2025

PRODUCTIVITY

- ***Increase GVA by 10% - £3.1 bn***
  - Since the target was set, annual GVA growth has been almost double the target rate. The target increase in GVA was reached in 2018 – 6 years ahead of schedule.
- ***Grow the private sector and generate 6,000 new start-ups***
  - The target around the size of the business base and enterprise level has been exceeded – by 2018, 5,760 starts ups had been achieved almost hitting the target 7 years early.

PEOPLE

- ***Create 70,000 net additional jobs, with 30,000 in highly skilled occupations***
  - Progress towards the job creation target (44,000 additional jobs) is ahead of schedule and on course to be exceeded.

PLACE

- ***Build an additional 70,000 houses***
  - Housing completion rate has increased every year since 2012, however, it has not met the SEP ambition of 7,000-10,000 houses a year for any year in this period. The five-year average is 5,300, and 6,600 were built in 2017/18.

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SCR Strengths

PRODUCTIVITY

- Manufacturing is a bigger proportion of the economy than UK average (12.1% of employment base) and growing faster than UK average
- Business start-up rate higher than SEP goal and a higher proportion of high growth businesses in SCR compared to other areas. Business survival is comparable with other areas
- Global reputation for High Precision Engineering and high quality design - world-leading manufacturing and engineering companies: Rolls-Royce, Tata Steel, Siemens VAI, McLaren
- High growth sectors (e.g. Professional Services, Scientific & Technical Activities) becoming more embedded with 1,500 more firms created in the Professional, Scientific and Technical sub-sectors between 2011-2017
- Certain high productivity sectors (e.g. digital) with growth in productivity of 150% between 1997 and 2015.
- Several academic research and R&D strengths; many of which align with our economic base and many more which indirectly link

PEOPLE

- World class assets in skills delivery – universities, HMRC plus Industry-leading examples of Technical Education delivery (e.g. University Technical Colleges); and private sector engagement with universities driving innovation
- Forecasts suggest that the manufacturing employment base will contract, although recent experience has shown that this may have halted
- Universities attract a large number of students to the area, although the city-region has several pockets of very low HE participation.
- Universities have individual strengths and produce huge numbers of STEM graduates

PLACE

- Geographically well-connected (locally, nationally and internationally) with recent local upgrades
- Doncaster Sheffield Airport has seen strong growth and is a growing international connectivity asset for businesses and people in SCR.
- Active travel is increasing but tends to be leisure focused not commuting
- Housing is generally affordable: stability in the ratio of lower quartile prices to earnings
- Quality of natural capital with Peak District National Park and other assets providing access to high quality green space.

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Challenges

LEADERSHIP

- Complexity demands increasing value adding and co-ordinating leadership

PRODUCTIVITY

- Lowest City Regional productivity in England with productivity closer to Sicily and parts of Poland than other European post-industrial areas.
- Drivers of the GVA gap are varied, highlighting that addressing the productivity challenge requires a variety of interventions
- SCR is characterised by a small and micro business economy, a lack of large businesses, few original equipment manufacturers and not as many head-quartered businesses as other areas. As such, the economy has a value chain focused upon lower productivity and activities
- Low rates of business R&D spend - businesses need to double their R&D investment to meet national levels of R&D spending
- Low levels of goods and service exporting in SCR. Several existing key markets are important (e.g. EU and USA) plus growing markets (e.g. China).

PEOPLE

- Lower skilled jobs 1/3 of all SCR employment - 26% nationally, highly skilled occupations under-represented. 1/3 of SCR workforce is employed in 4 sectors associated with in-work poverty/low wages; wholesale/retail, accommodation/food, administrative/ support services, and residential care
- According to ONS, 47% of SCR jobs are at risk of automation over the next two decades. The sectors and occupations at the highest risk are the same sectors that have created the most jobs in SCR. The industrial shift in the economy is expected to mean that 90% of jobs will require some level of digital proficiency, yet 23% of adults in SCR lack basic digital skills (Barnsley and Doncaster amongst the worst digital exclusion rates in the country)
- Higher proportion than England average of people with no qualifications, lower proportion of people with higher skills than England average
- Low levels of attainment across compulsory, further and higher education

PLACE

- Varied spatial prosperity – Sheffield's economy and employment have grown but at a slower rate than other core cities, Doncaster and Rotherham have economic and employment growth often above regional average, Barnsley - lower levels of economic output despite employment growth.

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- Hotspots of deprivation, with poor health outcomes and high unemployment - key population groups disengaged from labour market especially ethnic minorities and female workers
- Road and rail congestion has the potential to constrain economic growth
- Housing quality issues and polarisation in the housing market impact on quality of place
- Emissions continue to rise and poor air quality has become a public health issue.

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Future opportunities and threats

Opportunities	Threats
Productivity	
– Scope for diversification into emerging industries (e.g. Digital) – Growing sectors that need support to become more locally embedded e.g. Construction, Transport, Professional Services, and Health) – Build on academic excellence and links between academia and industry – Opportunities for trade relationships with new international markets (Brexit) – Potential for Integrated Logistics Hub – Circular economy potential e.g. Forgemasters	– Potential for SCR's lower-value manufacturing industry to experience employment decline (automation of jobs) – Potential for changes in trade relationships with existing markets
People	
– Large number of graduates in STEM subjects with short-medium term retention – World class training/research facilities – Encourage business practices that drive social value	– Labour market skills supply not aligned with demand for Industry 4.0 growth – potential for employment to be replaced by automation – Continued low skills economy sustains low wages and in-work poverty
Place	
– Potential to build a higher standard of living for middle earners due to relatively affordability of housing – Climate change and potential energy industry opportunities from transforming to a low carbon economy – Future for transport provision is likely to be radically different with the advent of new technologies and transition to a low carbon economy – need to be capitalising upon this.	– Potential for low quality environments with high levels of deprivation to become entrenched – Climate change and potential for more frequent extreme weather events – Ageing society

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Lessons from SEP 2015-2025

Absolute GVA has increased since the first SEP, but the UK gap remains the same – others are moving faster, innovating more and being more visionary in their ambitions and activities. We are increasingly dropping behind our peer group and need to change our focus to catch up and leapfrog over others to lead the 4th Industrial Revolution.

What have we got right?

- Productivity has improved but the increase has not been enough to bridge the productivity gap between SCR and the UK.
- SCR is an area of enormous economic potential and has been pivotal in the UK and world's economic and social development through its industrial might (e.g. steel and coal), cultural and sporting breakthrough (e.g. the birth of organised football) and cultural and technological innovations which are prevalent to this day (e.g. the technology in your car or train). The City Region needs to continue re-inventing itself, building on its history of innovation and exploration to lead the 4th Industrial Revolution.
- Quality of place is an increasing contributor to investment – SCR's strength of place combined with its locational economic advantages (access to skilled workers, supply chain networks and supporting institutions) can be packaged into a compelling proposition.

Where do we need to improve?

- Our strengths/weaknesses and opportunities/threats often mirror each other – strong business and civic leadership is needed to make the difference that ensures the best prosperity trajectory for the SCR.
- Productivity has improved but many of our residents are trapped in a vicious circle of low skills – low wages – low aspirations that needs to be broken to improve the prosperity of individuals, communities and the whole of SCR. SCR needs 'wealth' growth not just 'productivity' growth i.e. more jobs and more highly skilled jobs.
- Previously public investment has been spread too thinly and investment decisions did not align with the needs of people and our communities. This SEP will focus more on the interests of people through inclusive economic growth, will seek to intervene efficiently focusing on those areas we can most make a difference and enable long-term and systemic interventions to be developed and implemented.
- Our fragmented civic leadership needs to be more outward facing addressing challenges and opportunities collaboratively – collective strengths need to be harnessed to embrace and lead the 4th Industrial Revolution.

- With our internal challenges, as well as far-reaching external, macro issues such as digitisation, ageing society, climate change and Brexit, there is a need for a new approach – business as usual will not achieve the changes required.

Since the Strategic Economic Plan was published in 2014, we have made good progress towards the delivery of our headline targets to deliver more and better jobs, more businesses, more GVA and more housing. However, the progress only tells a partial story as we are nearly half way through the plan period and the quality of economic growth observed requires challenging.

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Vision

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Vision

Building on our innovation heritage, to create a growing, inclusive and sustainable economy playing an ever-increasing role in future UK prosperity and lead the UK's 4th Industrial Revolution.

The vision:

- Builds on SCR's industrial heritage and track record of capitalising upon opportunities
- Highlights the importance of inclusive growth as the SEP is focused on people and improving the prosperity of all across the SCR
- Promotes the need for sustainable growth in all aspects – growth that can be sustained, acknowledges the importance of quality places, minimises the use of non-renewable sources, focuses on the circular economy, moves towards zero carbon targets and builds resilience to climate change.

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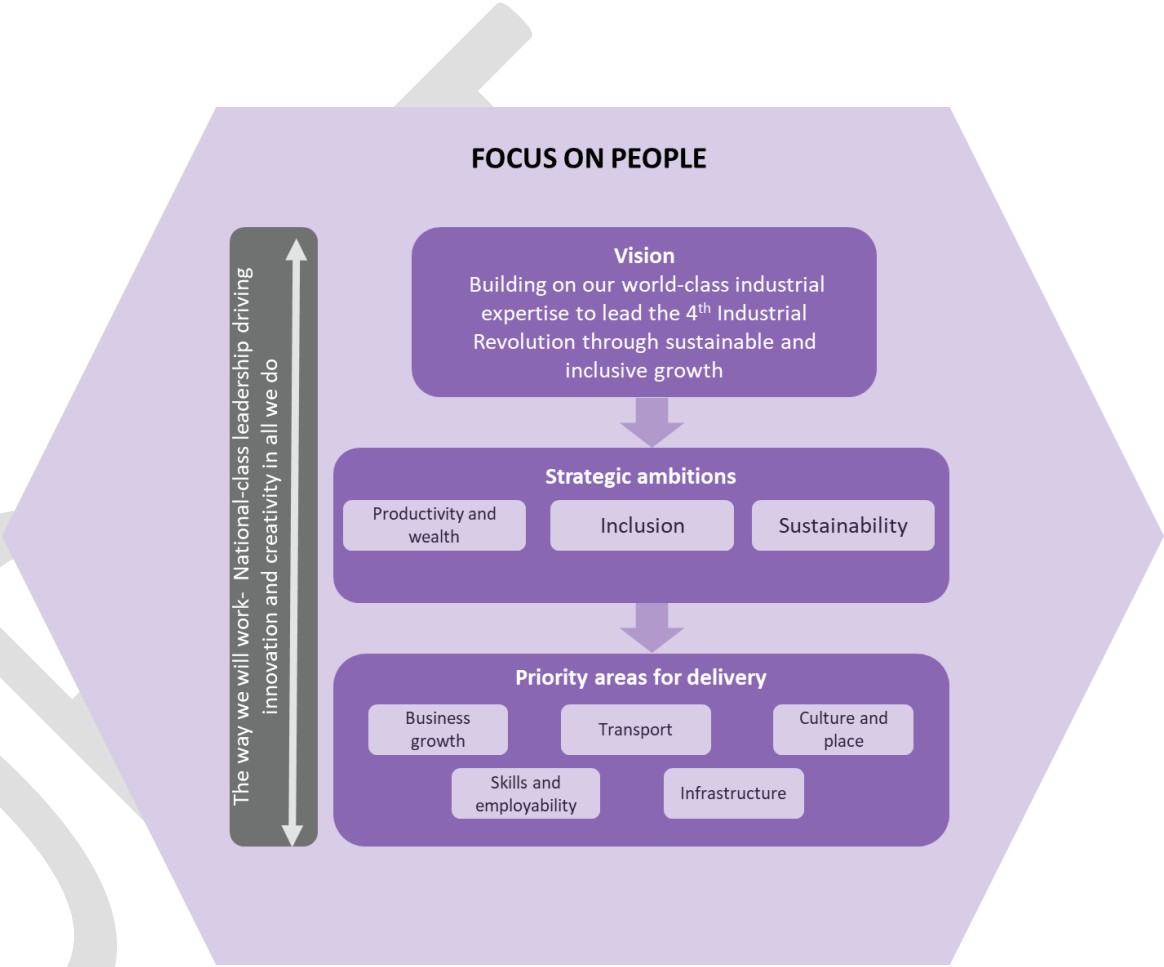
Framework

- Our overall framework for the SEP is shown here. This highlights the **strategic ambitions** that support the **vision** and the **priority areas** through which action will be implemented. These are further detailed in the following sections.

- The SEP will be delivered with a focus on **people** and through a way of working that is characterised by **strong and outward looking** civic and business **leadership** that drives **innovation and creativity**.



Strategic Ambitions: 2040

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Strategic Ambitions

This SEP outlines how to grow our economy inclusively, spreading opportunity and promoting prosperity are at the heart of this Plan. This plan outlines a route map for enabling individuals to realise their ambitions, businesses to prosper and communities to thrive.

GROWTH

- GVA and productivity growth will have increased to exceed the UK average, with SCR's strengths achieving global recognition providing improved prosperity for people.
- Target outcomes: absolute and relative growth in GVA overall and per worker.

INCLUSION

- All SCR's people will have a fair opportunity to benefit from economic growth, and high quality education, training, jobs and public services
- Target outcomes: qualification levels, economic activity, connectivity

SUSTAINABILITY

- SCR will be recognised and celebrated for its high quality, low carbon environment; distinctive quality places; and resilience to current and future environmental threats.
- Target outcomes: net zero carbon emissions by 2040, change transport modal share, improved connectivity between neighbourhoods and economic opportunities, increased access to quality green and blue environments, increased housing affordability and quality, improved health outcomes, increased engagement in culture and sport.

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Delivery – our ways of working

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Focus on People

We will focus on people as our main drivers of economic success adopting an approach that is about every person reaching their potential and that offers benefits wider than economic growth: addressing disparity, inclusion, progression and new work approaches

- People start businesses, make decisions, research, up-skill, innovate, care and create opportunities. Everything we do needs to respond to and benefit the people of SCR; they are the priority for this economic strategy.
- Whilst our 2015-2025 SEP has achieved most of its goals, the narrow focus on productivity and economic output has meant that some of our communities have been left behind. Developing a strategy that drives improvements in all of our communities, as well as addressing external challenges like Brexit, climate change, digitisation and the ageing society, requires a shift in emphasis to break the cycle of low aspirations and underperformance
- Our understanding of development has evolved from one centred around economic growth as its main goal and means, to one focused on the individuals not only as mere recipients of the benefits of the advances of economic growth, but as the fundamental means to achieving it and benefitting from it.
- Shifting our focus means that people will be able to access more opportunities, be more prosperous, and enjoy the places they live, work and play in and interact with.

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Innovation

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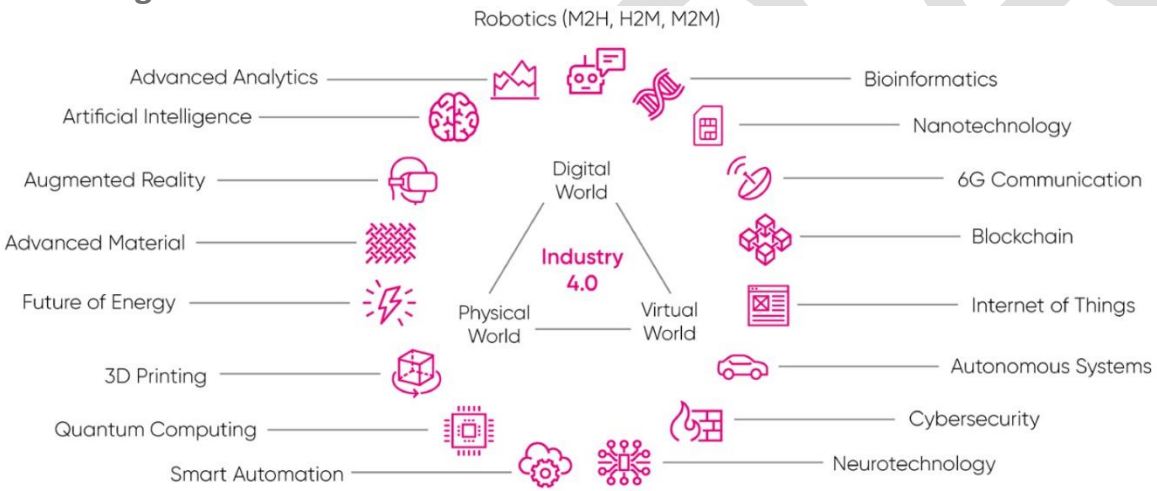
Innovation, creativity and leadership

We will achieve our economic ambitions through strong civic and business leadership to transform the city region into a world class supercluster of innovation and creativity that can lead the 4th Industrial Revolution.

Innovation

SCR will lead the UK's fourth industrial revolution and unlock economic prosperity. This requires a shared pervading ethos: all stakeholders working together to identify and exploit opportunities to innovate across SCR's economy, places and communities. To forge an innovative future, we need disciplined approaches: using, refining and continuously improving best practice for driving forward innovation, so innovation becomes our 'first nature'.

Technologies for the Fourth Industrial Revolution



Source: University of Sheffield (2019)

TBC - This section under development

Innovation Philosophy: What does innovation look like in SCR?

- Investment in machinery/ equipment
- Create the conditions for innovation
- Have a go–getting enterprise mindset
- Be better than the competition
- University Innovation
- Role of Inward Investment Inward

Innovation Catalysts: Creativity

- Daring to be different: effective creative relationships generating new and novel opportunities via knowledge 'fusion' and cross-agency/sector/place collaboration, creating a broad and powerful culture
- Active cross-overs: increased creativity will create pervasive benefits both for innovation by business and social enterprises/non-profit activities contributing to a powerful local ecosystem
- Looking outwards and working collaboratively to learn from others and extend our reach with cross-sector and discipline ideation, innovation and execution, we will facilitate the transformation of our economy to lead the 4th Industrial Revolution.

Principles of Innovation: Leadership

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- Collaborative and outward looking, our civic and business leaders will lead by example demonstrating how our collective strengths can be harnessed to achieve our overall vision and objectives.
- Our leaders will pioneer new approaches, leading the 4th Industrial Revolution and fostering excellent relationships across sectors within and outside the SCR creating an accessible and 'can do culture.

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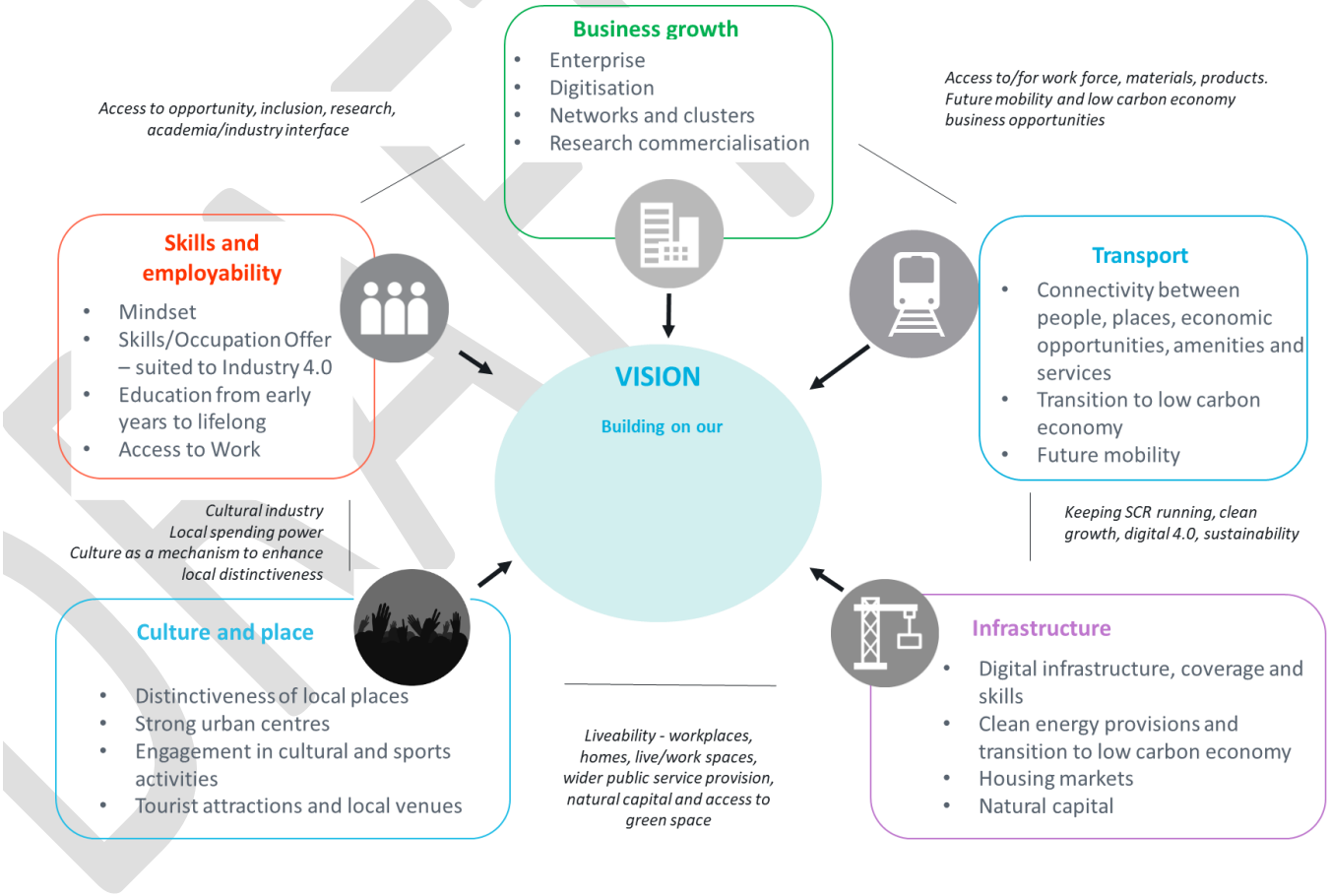
Ecosystem approach

- Our delivery framework focuses on five aspects that **interact and are interdependent**.
- All key functions need to be in place to create the **right enabling conditions** to achieve growth, inclusion and sustainability.
- This creates the highest likelihood of success with **each function helping the others**
- **SCR and LEP cooperation** is required to ensure overall ecosystem functionality – trouble shooting issues together



Strategic fit

Priority areas for delivery	Strategic ambitions		
	Growth	Inclusion	Sustainability
Business Growth	Contributes to GVA growth and overall economic growth – increased business start-ups, survival, GVA per worker and overall	Flourishing artisan, cultural base in communities driven by greater creative entrepreneurship through small businesses and social enterprises	Thriving low carbon and circular economy building on SCR's industrial and innovation legacy
Skills and employability	Increased skills at higher levels and greater participation in high productivity industries improving productivity overall and enabling SCR to compete internationally around STEM and technical education	Increased economic activity levels in all communities to ensure people meet their full potential and increased household income through greater participation in the labour market	Increased labour market participation in low carbon and circular economy
Sustainable Transport	World class transport connectivity within the SCR and to the rest of the UK and internationally accelerating economic growth	Improve connectivity across SCR ensuring that everyone can access education, employment, health and other services and amenities using reliable and sustainable transport	Deliver a zero emissions public transport network and eliminate the need for AQMAs.
Sustainable Infrastructure	Enhanced digital infrastructure, capacity and coverage; and local carbon economy increase opportunities for direct business growth whilst place aspects support conditions for growth	Address digital exclusion to improve employment prospects, low carbon transition will help address fuel poverty, increasing quantum and improving quality of housing and access to greenspace will improve standard of living and improve health and wellbeing outcomes	Transition to low carbon economy through energy interventions, resilience to climate change, sustainable design for new development
Culture and place	Culture and sports industry growth, enhanced 'liveability' will attract high skilled workers	Focus on increasing engagement in sport and culture and celebrating the distinctiveness of places	Links to natural assets and focus on active travel and outdoor recreation

The enabling behaviours

Achieving change requires the right globally oriented mind-sets and actions

- Look outwards, not inwards; how we present ourselves to the rest of the world must reflect what we have to offer
- Switch from a narrative of comparative regional disadvantage to one of pro-active excellence and confidence
- Position the SCR as a global innovation cluster in a web of national and international supply/value chains
- Use leadership and convening powers, combined with this outward-facing strategy
- Transition from zero-sum to positive-sum mindsets in the SCR – will unblock growth potential and reinforce confidence
- Develop a pragmatic and well-informed risk-taking capability for research translation and innovation
- Foster effective learning-by-doing in investment risk management in commercialisation and innovation
    - apply disciplined business expertise for calculated risk-taking
    - share knowledge and insights across the SCR for mutual benefit in both business and the universities via an open/collaborative innovation in local supply chain segments
    - aim to position SCR innovation as a distinctive exemplar of prudent and effective investments in innovation.

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Spatial Interdependencies

Barnsley:

Barnsley is undergoing a radical transformation which will reinforce its position as a key urban centre within the City Region. The £180m Glassworks scheme delivers a new retail, leisure and community offer in heart of the Town. This is further complemented with the diverse cultural offer available within Barnsley underpinned by the strategic development of additional sites including the Barnsley Digital Campus complex.

Barnsley has also adopted its Local Plan and an ambitious wider growth strategy which supports the delivery of 20,000 new homes and will act as a catalyst to stimulate the delivery of 220 hectares of employment land by 2033 bringing forward more and better jobs into the regional economy.

Doncaster:

Doncaster's engineering and manufacturing heritage combines with technology and an expanding technical education offer to meet the changing needs of business and society. Significant investment in creative and digital jobs shows an economy diversifying into UK growth industries, whilst health innovation supports society's every-day needs. An international airport and iPort transform long-standing connectivity assets into a global, multi-modal transport system. Achieving sustainable and inclusive growth is central to Doncaster's economic strategy.

Sheffield:

Sheffield is the core city at the heart of the SCR and is a creative, inventive and energetic city. The UK's fourth largest city, it is home to two Universities with over 60,000 students and as the only major city in the UK with a national park within its boundary it has earned the reputation as 'The Outdoor City'. It is SCR's hub for knowledge intensive businesses, leisure, higher education and culture with internationally recognised, leading edge talents in manufacturing, engineering and design.

Rotherham:

With a population of 270,000 and a thriving economy closely integrated to the Sheffield City Region, Rotherham is a place to live and do business. Rotherham is 70% rural with an abundance of country parks, woodlands and waterways and the main town centre at its heart which is home to a number of independent businesses. The borough boasts significant visitor destinations including Magna, Grade I Listed Wentworth Woodhouse and Gulliver's Valley.

The world renowned Advanced Manufacturing Park boasts numerous cutting-edge companies who have chosen to locate in Rotherham, surrounded by a high density of innovative manufacturing companies in the local supply chain.

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Priority Areas for Delivery

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Priorities Areas for Delivery

Priority areas through which the identified challenges and opportunities will be addressed to achieve the overall vision:

1. **Business Growth**

Driving innovation and creativity to create the enabling conditions which will grow productivity, R&D investment, scale-ups, trade and exports to grow the economy and improve the well-being of people.

2. **Skills and Employability**

Transforming the skills base at all levels, increasing employment particularly skilled, well-paid employment to deliver prosperity

3. **Sustainable Transport and Mobility**

Well-connected places and people supporting inclusive and sustainable growth, transforming to a low carbon economy and improving quality of place.

4. **Sustainable Infrastructure**

Resilient and reliable infrastructure enable digital inclusion, transformation to a low carbon economy and a balanced housing market supported by outstanding natural capital that is enhanced and capitalised upon to build locational advantage

5. **Culture and Place**

Quality places that retain their local distinctiveness and celebrate cultural assets and services improving the 'liveability' of all of SCR's neighbourhoods and contributing to greater engagement and civic pride.

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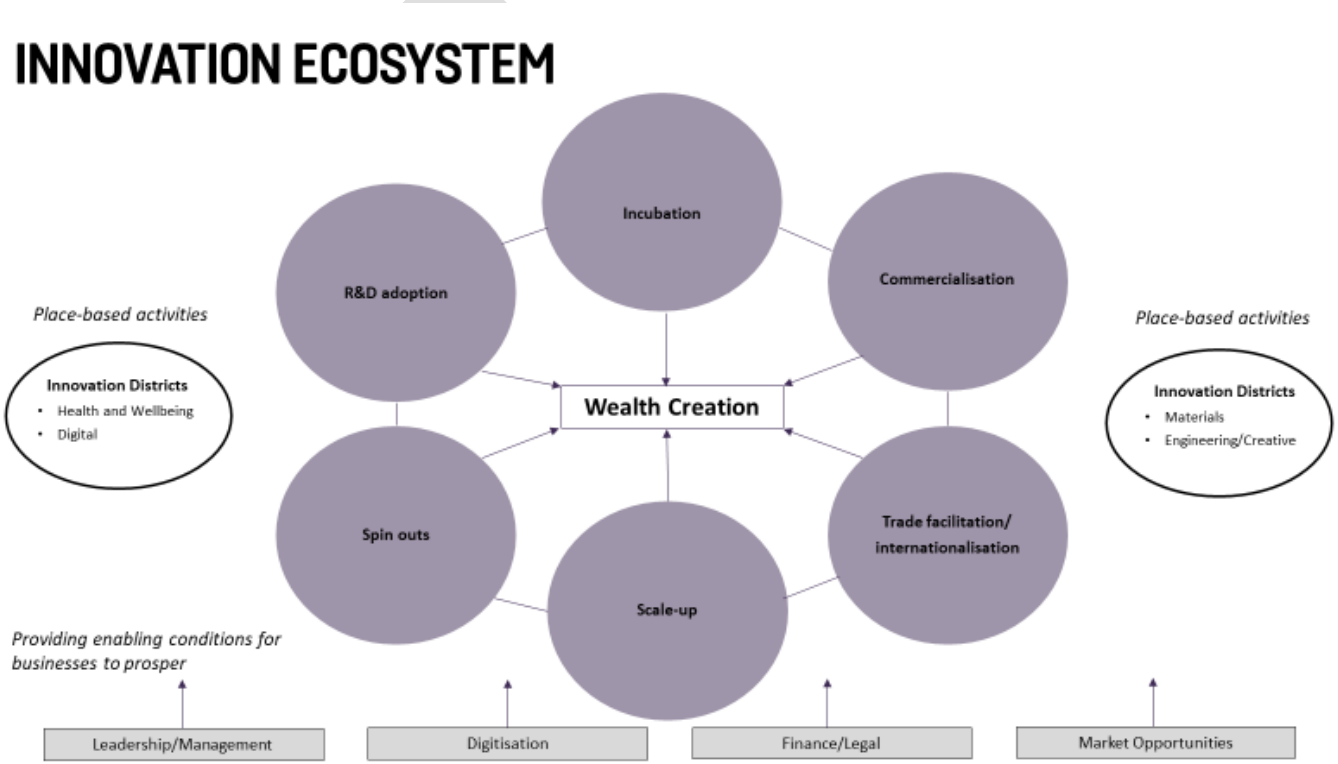
Business Growth

Sheffield City Region will adopt a nationally-prominent position in supporting Business Growth. This position will:

- Be a 'role model' for creative approaches to catalysing enterprise development
- Understand the different strategies needed to form new firms, and how these are then scaled
- Have 'ecosystem thinking' at its core, and understand the role that 'enabling conditions' play in sustaining enterprise systems
- Be enabled by innovation and creativity as a cross-cutting emphases
- Build on collective efforts to boost the profile and importance of SCR's supply chain
- Include high-tech and traditional industries, and recognise the role and importance of social enterprises/non-profits as part of SCR's enterprise ecosystem
- Stimulate a vibrant and creative business culture, which is multi-faceted and diverse



Plan of action

- Focus on four key change-drivers for an uplift in GVA and productivity:
    - Boosting R&D spending
    - Strengthening innovation partnerships, translation and scaling
    - Strengthening the business ecosystem as a whole
    - Boost company start-up and survival rates

- Catch-up and then forge ahead on GVA and productivity via
    - Fostering Open Innovation in SCR supply chain segments
    - Strengthening business-academic collaborations – where possible with this supply chain focus
    - Promoting the GIC as a globally prominent focus for SCR innovation-driven Business Growth
    - Strengthening entrepreneurship and social enterprise development in non-profit and 'trad-tech' activities

- **In combination** these initiatives will boost growth by strengthening the business ecosystem *as a whole* – balancing cutting-edge innovation and emerging industries and supply chains against the traditional industries that make for a cohesive and effective ecosystem

- ***What makes the SCR SEP plan for Business Growth unique is that it mixes 'new tech' with 'trad tech' – providing a pathway for Growth and Inclusion by catering for diverse skills, experience and aptitudes***

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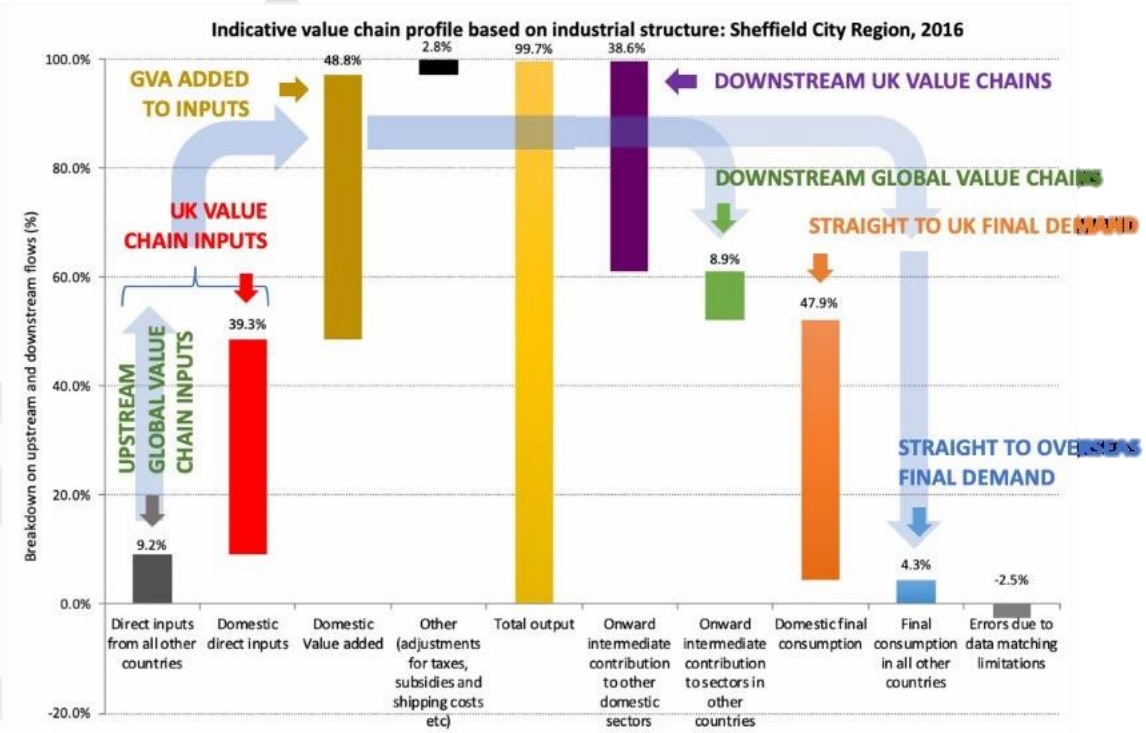
Key challenges for Business Growth

- Low proportion of Knowledge Intensive Businesses
- Business growth dominated by low productivity and low pay sectors/ occupations
- Existing research and innovation assets to leverage more effectively (e.g. universities) – build on current success in this space
- SCR has low levels of exports direct to final demand overseas and low participation in Global Value Chains – too reliant on the UK economy
- *Hence the importance of the GIC in catalysing innovation-driven export performance*
    - *Boosting export based GVA and jobs via stronger Global Value Chain participation*
    - *Providing a strategic focus for Open Innovation focused on key supply chains*



Business Growth Objectives

Objectives (by 2030 and 2040)	Boost R&D spending	Strengthen innovation partnerships, translation and scaling	Strengthen the business ecosystem as a whole	Boost company start-up and survival rates	Boost GVA and productivity growth
Objective 1: GVA and productivity growth will have increased to exceed the UK average, with SCR's strengths achieving global recognition - *providing improved prosperity for people*			✔		✔
Objective 2: Support Objective 1 by driving an uplift in business R&D investment via a focus on Open Innovation in SCR supply chain segments – *foster and collectively exploit knowledge spill-overs*	✔	✔	✔	✔	✔
Objective 3: Support Objective 1 by strengthening business-academic innovation collaborations within the SCR - *a particular emphasis on contributing to Open Innovation for key SCR supply chain segments*	✔	✔	✔	✔	✔
Objective 4: Support Objective 1 by creating and promoting the GIC as a globally prominent focus for SCR innovation-driven Business Growth - *an outward-looking hub of high-tech enabled supply chains in engineering, health, digitisation, and advanced manufacturing capability*	✔	✔	✔	✔	✔
Objective 5: Support Objective 1 by strengthening entrepreneurship and social enterprise development in non-profit and 'trad-tech' activities - leading to more inclusive growth across communities and the labour market			✔	✔	✔

Target Outcomes for Business Growth

Objectives	Target Outcomes by 2030	Target Outcomes by 2040
Objective 1: GVA and productivity growth will have increased to exceed the UK average, with SCR's strengths achieving global recognition - *providing improved prosperity for people*	Increased SCR GVA gap with the UK to under £3bn Productivity to match UK on a per worker basis	Increased SCR GVA to £70bn (by 2050) Productivity to exceed UK {BY X?} on a per worker basis
Objective 2: Support Objective 1 by driving an uplift in business R&D investment via a focus on Open Innovation in SCR supply chain segments – *foster and collectively exploit knowledge spill-overs*	Increased business spending on R&D to £150m (or 40% of all SCR R&D)	Increased business spending on R&D to £210m (or 50% of all SCR R&D)
Objective 3: Support Objective 1 by strengthening business-academic innovation collaborations within the SCR with - *a particular emphasis on contributing to Open Innovation for key SCR supply chain segments*	Increased business spending on R&D to £150m (or 40% of all SCR R&D)	Increased business spending on R&D to £210m (or 50% of all SCR R&D)
Objective 4: Support Objective 1 by creating and promoting the GIC as a globally prominent focus for SCR innovation-driven Business Growth - *an outward-looking hub of high-tech enabled supply chains in engineering, health, digitisation, and advanced manufacturing capability*	Increase of X? in value of goods (currently £7.3bn) and services (currently £2.6bn) exports	Doubled value of goods (currently £7.3bn) and services (currently £2.6bn) exports
Objective 5: Support Objective 1 by strengthening entrepreneurship and social enterprise development in non-profit and 'trad-tech' activities - leading to more inclusive growth across communities and the labour market	Uplift in general company start-up rate of X? and 5 year survival rate of X?	Uplift in general company start-up rate of X? and 5 year survival rate of X?

Interventions

Targeted interventions which exploit and extend our business ecosystem properties:

- Pragmatic focus on building our enterprise ecosystems and on the enabling conditions for growth
- Catalysing a distinctive 'innovation crucible' for business: driving the scale, scope, and culture to deliver transformation
- Supported by building critical mass in innovation capability in key areas
- Using convening power to form open-innovation consortia directed at SCR's key supply chains
- SCR businesses, universities and training providers working together for collective benefits
- Encouraging start-ups by promoting and celebrating successes - show what can be achieved by SCR's entrepreneurs
- In so doing, creating more opportunities for:
    - Our people to engage with, and benefit from, work (Inclusion)
    - Develop and apply imaginative solutions for sustainability and reduced harm to our environment (Sustainability)
    - Whilst thriving economically (Growth)

All of the above brought together through our **Global Innovation Cluster (GIC)**

- Builds brand recognition by highlighting our strengths/potentials
- Signals our globally focused ambitions
- An ambitious public-private partnership for the future
- Encourages collective strategic approaches to boosting supply chain performance

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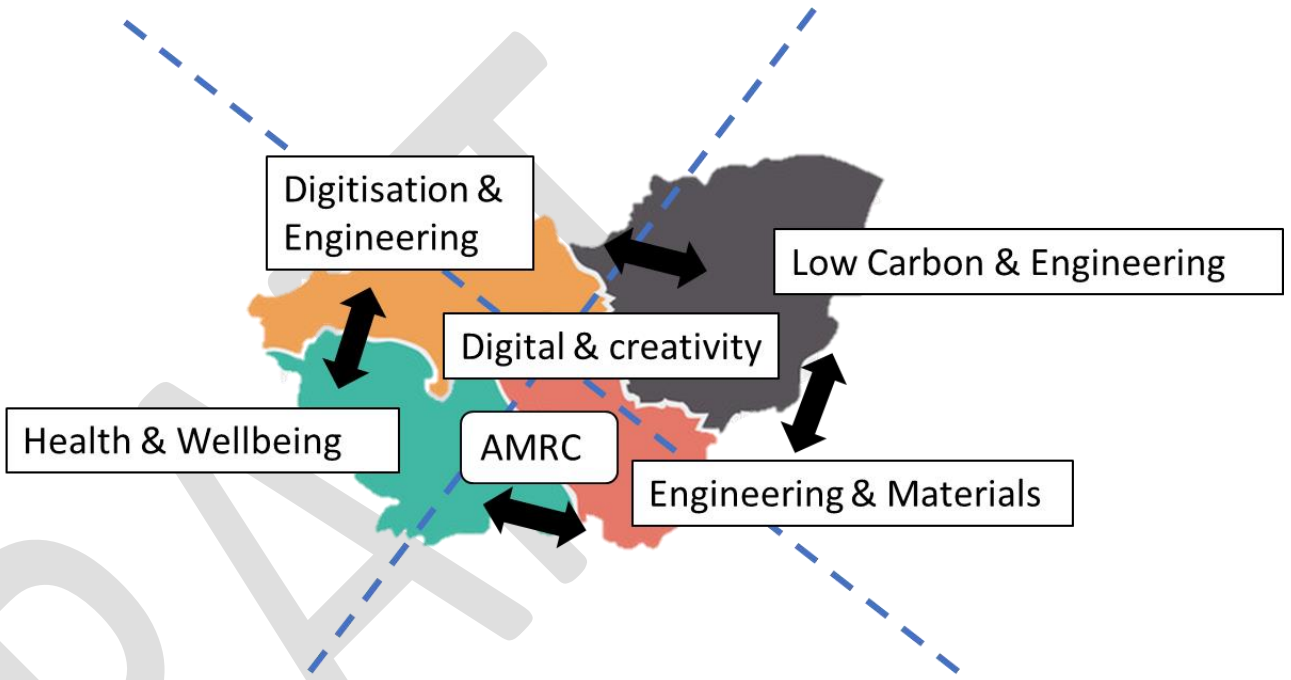
The Heart of the GIC offer

Provides the focus and critical mass for success

Expressing:

- What we know: our distinctive capabilities and competencies (technological/business process/managerial)
- Who we know: the business and professional networks we operate in - supply chains and national and global research collaborations
- Who knows us: our prominence and credibility in these networks - what we are famous for.
- Amplify growth by working with the assets we have, and the supply chains and relationships we rely on
- Support and troubleshoot in response to current and potential 'looming' problems highlighted by the business community
- Encourage and facilitate ensuring that the right strategic crossovers between the GIC mission and the SEP and other long-term plans are developed and delivered
- In short, bringing a coherent and cohesive outward-facing brand to SCR innovation

This SEP is key to GIC's success, and the GIC lifts the odds of SEP success - so this strategic alignment matters



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GIC-Enabled Actions

The GIC will work outside of the political sphere to ensure autonomy, creating an environment where innovation can flourish via a business-driven ethos

It will make a difference thought leadership and convening power ('Strategic Value-added') – coordinating, leveraging and amplifying our 'enabling conditions'

It will stimulate concrete business growth-driven actions e.g.

Facilitated Open Innovation Consortia applied to existing and emerging supply chains (collective R&D with IP and know-how shared along supply chains)

Rejuvenated traditional supply chains (from scrap collection and processing to the new Circular Economy) – plays to SCR strengths and their 're-industrialisation'

Addressing emerging skills needs in current and emerging supply chains via HEI/FE 'future skills' partnerships – jointly setting objectives and delivering them

Boosting start-up and survival rates, and scaling activity, by active mentoring (partnering established entrepreneurs with novices)

Initiatives, knowledge-flows and assets to de-risk SCR innovation (incubation facilities, competitive market intelligence, financial viability assessment, research spin-out facilitation)

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Skills and Employability

Plan of Action

We will work to widen and unlock talent pools for our businesses and create opportunities for our people.

1. **Be better prepared for work**: Lower attainment can lead to lower pay and lack of progression opportunities. A better qualified population overall provides economic opportunities for individuals and businesses.
2. **Sustaining and progressing in work (a lifelong learning mindset)**:
   - More than half of people in poverty in the UK live in a family where at least one person is in paid work (JRF 2018). Barriers to progression include insecurity, underemployment, poor qualifications, inappropriate attitude, ineffective recruitment and HR policies etc.
   - Workers in several industries (e.g. accommodation and food services, agriculture, forestry and fishing and retail) are more likely to be in poverty. Supporting individual progression and highlighting opportunities in well paid sectors is highly important.
   - Mid-career adults will need to retrain or update their skills "as skills will become irrelevant at age 45, 40, 35" (McKinsey, 2017). This provides opportunities for sectors which face skills shortages (e.g. engineering).
3. **New pathways and removing barriers for those disconnected from work**: Not having the skills, attitude or information to get a job can lead to unemployment. Unemployment can drive poverty and the long-term effects of poverty culminate in lower health outcomes (e.g. significantly lower life expectancy).

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Skills & Employability Objectives

Objectives	Preparing for work	Sustaining and professing in work	Disconnected from work
Objective 1: Drive skills investment by businesses and raise pay for workers across the labour market.	✔	✔	✔
Objective 2: Unlock diverse, skilled talent pools across all transition areas thereby ensuring businesses drive prosperity and create opportunities for all people by focusing upon: • Core employability skills • Engagement with business base to make informed subject and pathway choices • School standards and teaching quality • STEAM and Higher Level Qualifications take up • Skilled graduate retention • Delivering a world class technical education system	✔	✔	
Objective 3: Drive progression in the labour market to lift the share of higher level qualifications, transferable skills and retraining opportunities.		✔	
Objective 4: Foster an enterprising and entrepreneurial economy through can employer engagement network and pipeline which joins education and business together.	✔	✔	✔
Objective 5: Develop an employability system with DWP and other partners which provides opportunities for people distant from the labour market.	✔		✔

Target Outcomes for Skills & Employment

Objectives	Target Outcomes
Objective 1: Drive skills investment by businesses and raise pay for workers across the labour market.	• Average wages match UK levels • Employment growth in higher level occupations
Objective 2: Unlock diverse, skilled talent pools across all transition areas thereby ensuring businesses drive prosperity and create opportunities for all people by focusing upon: – Core employability skills – School standards and teaching quality – STEAM and higher level qualifications take up – Skilled graduate retention	• GCSE Maths and English pass rates match national level • Share of higher level skills matches UK levels • Number of institutions rated good/outstanding increases • Improved higher level apprenticeship take up, level 4 and 5 take-up increases and degree apprenticeships • Number of STEM entrants at FE and HE rises • Wage gaps between female and male workers reduces
Objective 3: Drive progression in the labour market to lift the share of higher level qualifications, transferable skills and retraining opportunities.	• Share of no, Level 1 and level 2 qualifications in labour market reduces • Transferable and retraining data explored to find metric
Objective 4: Foster an enterprising and entrepreneurial economy through can employer engagement network and pipeline which joins education and business together.	• Start-up rate increases in line with national average • All institutions have business engagement plan
Objective 5: Engaging partners to develop an employability system which provides opportunities for people distant from the labour market.	• Level of unemployed reduces (particularly female) to national average

Interventions:

Objective 1: Drive skills investment by businesses and raise pay for workers across the labour market.

- Alignment of HR strategies with core principles and Economic Strategy.
- Work with the Mayor on an employer charter to support skills progression
- Business seeking funds or support to sign up to charter and develop workforce
- Utilise progressive procurement & social value to drive skills investment
- Develop and broker deals with businesses and educational providers

Objective 2: Unlock diverse, skilled talent pools across all transition areas thereby ensuring businesses drive prosperity and create opportunities.

Compulsory Education:

- Investment in campaigns which align (e.g. South Yorkshire Futures)
- Programme (and alignment) of extracurricular activity
- Educational institution "family" support programme
- Exploration of teaching bursary and retainment strategy if high quality teaching
- Alignment and connecting up careers advice
- Investment package (including suggestions like full time careers lead, extra-curricular activities, sport, ASC, Maths & English)
- Rationalise support business sponsorship programmes.

Further Education:

- Redirect devolved funds, look at weighted learner funding for FE and explore how this can also be complemented with capital investment and other investments.
- Advance STEAM and Level 4+ skills and qualifications
- Capital Investment in exiting (or new) institutions which tie into delivery change
- Investment in industry level teaching capabilities.

Higher Education:

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- Encouraging entrepreneurial activity at universities, working with universities around research diffusion and commercialisation.
- Progression and retainment case-studies
- Engaging HE students in conversation around their future in SCR.

Objective 3: Drive progression in the labour market through a focus upon higher level qualifications, transferable skills and retraining opportunities.

- Intermediate labour market support
- AEB and in work progression offer
- Subsidised part—time training offer in STEAM
- Exploration of flexibility for Advanced Learner Loans, Apprenticeship Levy & Training Levy for priority occupations and areas.

Objective 4: Foster an enterprising and entrepreneurial economy through can employer engagement network and pipeline which joins education and business together.

- Work closely with business support activities to:
- Create a business network of biggest companies and making formalized skills linkages with institutions.
- Develop large scale employer engagement pipeline with partners and businesses to invest in schooling and shaping careers advice and business interaction.

Objective 5: Engaging partners to develop employability system which provides opportunities for people distant from the labour market

- Focus upon fostering female employability and addressing community deprivation in certain groups.
- Explore the development of job hubs (integrating work, health and skills support)
- Access to adult high quality vocational training
- Start to work with NHS and other public work and health budgets to align skills, work, health and careers support
- Exploration of flexibility for Advanced Learner Loans, Apprenticeship Levy & Training Levy for priority occupations and areas.
- Explore re-training scheme pilots and other pilots to enhance employability systems

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Transport and Mobility

Key challenges for Transport & Connectivity

- SCR is in general well connected by transport linkages but has major transport constraints which are holding back economic development in the city region. By 2026 there will be up to half a million extra journeys on our road and rail network every day. Without action to tackle congestion travel times will get worse. there is an identified need to improve road and highways infrastructure in order to 'unlock' existing strategic or key opportunity sites across SCR.
    - **Road:** Our motorway and major road network is under great strain. Since 1993, the level of motor vehicle traffic has increased and although it plateaued between 2007 and 2013, has risen in recent years. SCR has a higher car mode share (71%) and a lower public transport (12%) and cycle mode share (2%) than other LEP areas in the North, particularly Greater Manchester and Leeds City Region. Many journeys are currently made by car, and reliance on cars for short trips is high.
    - **Rail:** Poor rail connections within the city region, including the regularity and quality of rail journeys need improving to support modal shift and enhance economic activity. Improvements need to be made with connectivity to other regions, particularly Greater Manchester and Leeds City Region, limit opportunities for residents, businesses and freight operators.
    - **Air:** Doncaster Sheffield Airport is a growing economic asset and its international connectivity and employment potential requires better connectivity. Residents and businesses are not well connected by all modes to Doncaster Sheffield Airport or other international airports.
    - **Public Transport:** In the last ten years the number of people using buses has fallen by 18% and yet a quarter of all households do not have access to a car. Several communities rely on buses for transport for work and leisure. There are challenges for the Supertram light rail system, which has been a vital part of the transport network in our City Region since it opened in 1994. Work is ongoing to determine the future of the network as further investment is needed over the next ten years to bring the network up to standard and secure its ongoing operation
    - **Active Travel:** The potential for active travel is huge in Sheffield City Region but is restricted by suitable infrastructure and cultural trends (e.g. dominance of cars). It appears that cycling has increased but our communities are not as healthy as they could be, and we do not have the infrastructure to enable greater take up of cycling and walking. Furthermore, poor air quality blights parts of the region with 28 designated Air Quality Management Areas (AQMAs).
- Technology is changing the way people access travel information and how they use the public transport system. In the last 10 years, the rise in on-demand travel, growth in mobile technologies and understanding of people and transport movements has increased exponentially. Looking to the future, the growth of autonomous vehicles, digital transport and assistive technologies could radically change how people travel to work, education and leisure.

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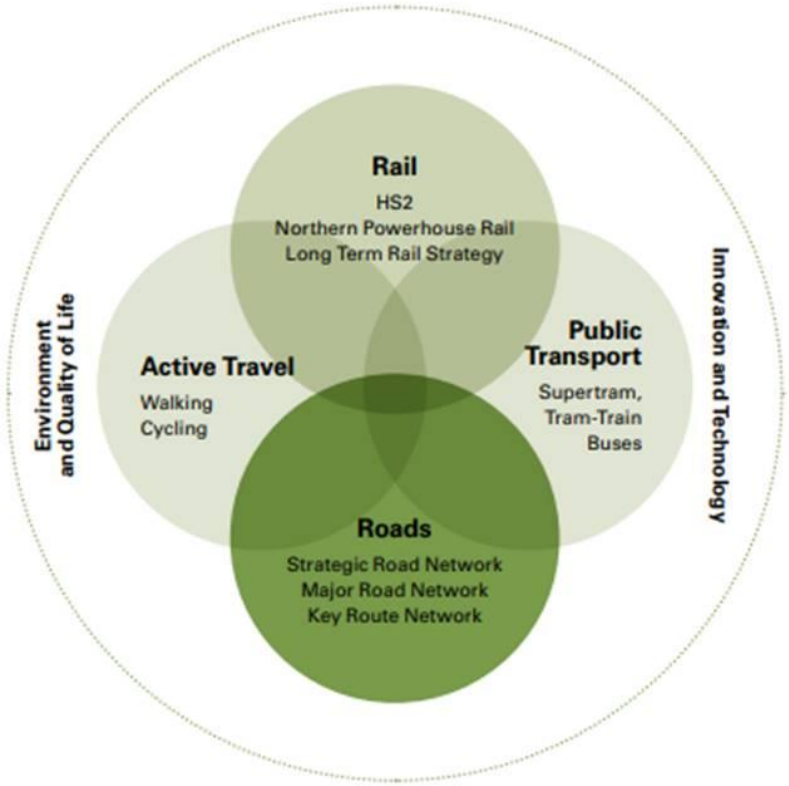
Plan of Action

Aim: We will build a transport system that works for everyone, connecting people to the places they want to go within the Sheffield City Region as well as nationally and internationally. Out transport system will be safe, reliable, clean, green and affordable. It will be one of the best in the United Kingdom and Europe.



Objectives:

- Residents and businesses connected to economic opportunity
- A cleaner and greener Sheffield City Region
- Safe, reliable and accessible transport network

Success Criteria:

- Contribute towards increasing GVA in SCR through increasing the number of economically active people living within 30 minutes of key employment locations and universities by public transport.
- Better frequency of rail service between Sheffield and Manchester/Leeds - at least four fast trains per hour, with a target 30-minute journey time to/from both and a local rail network that meets the agreed minimum standards.
- Increase productivity through reducing delays on our transport network.
- Increase trips by 18% bus, 100% rail, 47% tram, 21% walking and 350% cycling and manage the increase in private car/van/goods trips to 8%.
- 95% public opinion that our local transport choices feel safe.
- Reduction in reported casualties of 4% per year.
- Eliminate AQMAs in our City Region and comply with legal thresholds to achieve compliance in the shortest possible time.
- Reduce tailpipe carbon emissions in line with targets for the UK and have a zero carbon public transport network by 2040

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Transport and Mobility Objectives:

The SEP specifically identifies strong links between transport & connectivity and the three pillars of the SEP:

Sustainability: Transport emissions contribute to poor air quality and make up almost 40% of all emissions. The reduction in emissions and improvements in natural capital which can be unlocked through modal shift to active travel, improved public transport connections and efficient sustainable public transport system.

Growth: Transport connectivity is a key underpinning factor in economic growth. However, it is not the only factor for unlocking productivity growth and prosperity. As a result, viewing transport within a wider economic ecosystem and linking transport connectivity to community aspirations, employment land growth and town and city centre vitality can unlock sustainable economic growth.

Inclusion: Communities need an effective transport network to access education and employment opportunities. Certain transport types are also more important for deprived communities (e.g. buses) and there are concerns that the reliance on cars makes our communities vulnerable to economic shocks.

Principles of Delivery

To deliver the transport strategy, the SEP's focus upon people and seeking sustainability, prosperity and inclusion help to shape some principles of delivery:

- Promoting economic growth, inclusion and sustainability through coordinated investment in the transport network.
- Benefits for all transport users, strengthening the ability to develop, maintain and collaboratively manage an integrated network that is safer, reliable and meets the needs of all users.
- Link together and allocate space for public transport and active travel through more efficient operation of the existing network.
- Provide better scope for aligning and integrating investment programmes whilst maximising new funding opportunities.
- Provide a more consistent approach transport standards to improve the experience for all transport users.
- Facilitate the ability to align policy decisions to meet the varied needs of the different users Enhance the ability for the SCR to engage with regional bodies on strategic transport issues.
- Offer economies of scale through the ability to procure over a larger geography and provide the ability to realise efficiencies and ensure that growth, inclusion and sustainability are integral to decision making.

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Interventions:

The SEP looks to enhance the sustainability, inclusion and economic growth based on the SCR Transport Strategy's intervention areas. Through this SEP we will intervene in the following areas:

- Improve the existing transport network to enhance access to jobs, markets, skills and supply chains adopting technology solutions to support this.
- Enhance productivity by making our transport system faster, more reliable and more resilient, considering the role of new technologies to achieve this.
- Invest in integrated packages of infrastructure to unlock future economic growth and support Local Plans, including new housing provision.
- Improve air quality across our City Region to meet legal thresholds, supporting improved health and activity for all, especially in designated AQMAs and CAZs.
- Lead the way towards a low carbon transport network, including a zero-carbon public transport network.
- Work in tandem with the planning and development community to create attractive places.
- Ensure people feel safe when they travel and invest in our streets to make them more attractive places.
- Enhance our multi-modal transport system which encourages sustainable travel choices and is embedded in the assessment of transport requirements for new development, particularly for active travel.
- Ensure our transport network offers sustainable and inclusive access for all to local services, employment opportunities and our green and recreational spaces.

The Strategic Economic Plan will foster an inclusive, LEP-wide approach with all key stakeholders and will also seek to enhance decision making around transport to link in further activities and actions. For example, seeking outcomes and impact from social value and addressing climate change (e.g. biodiversity offsetting). The SEP will also seek to align assessment criteria which will drive behaviors around transport investment and seek to ensure that wider impacts are considered.

The Strategic Economic Plan will also support the Mayor's Bus Review outcomes and how to address transport poverty (e.g.. reliance on cars and associated costs) in SCR.

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The Strategic Economic Plan will also promote future mobility technologies and align these with interventions which will drive change. For example, exploring the potential for alternative fuels, establishing SCR as a test-bed for new areas (e.g. demand-responsive transport and autonomous buses) and utilizing data to understand and help design efficient and cost-effective interventions.

Outcomes

- Increase the number of economically active people living within 30 minutes of key employment locations and universities by public transport.
- Improve the frequency of rail service between Sheffield and Manchester/Leeds - at least four fast trains per hour, with a target 30-minute journey time to/from both and a local rail network that meets the agreed minimum standards.
- Reduce delays on the transport network.
- Increase trips by 18% bus, 100% rail, 47% tram, 21% walking and 350% cycling and manage the increase in private car/van/goods trips to 8%.
- 95% public opinion that our local transport choices feel safe.
- Reduction in reported casualties of 4% per year.
- Eliminate Air Quality Management Areas in our City Region and comply with legal thresholds to achieve compliance in the shortest possible time.
- Reduce tailpipe carbon emissions in line with targets for the UK and have a net zero carbon public transport network by 2040.

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Infrastructure

Infrastructure challenges

- Resilient Infrastructure
  - Climate change is likely to bring the potential for more frequent extreme weather events, with flood risk already a challenge in many areas.
  - Circular economy successful in some areas, e.g. glass and steel, but yet to gain traction across all areas of industry.
- Low Carbon Infrastructure
  - Far fewer people are employed in the low carbon sector in SCR than other parts of the North of England.
  - Natural Gas (a fossil fuel) is currently used to produce almost 80% of the electricity generated in our City Region.
  - Over 25% of houses in SCR have poor energy ratings and 81,000 households are in fuel poverty.
  - Poor air quality blights parts of our City Region; manufacturing is the largest source of carbon emissions.
- Digital Infrastructure
  - Levels of digital exclusion exceed the UK averages with Barnsley and Doncaster amongst the worst in the country.
  - Connectivity challenges in some rural areas could affect businesses being able to capitalise upon advantages of digitisation.
  - High-level specialism in digital manufacturing focused around AMRC this is limited in scale, reach and capacity.
  - Few business leaders in SCR have the awareness, understanding and time to investigate how to adapt to meet the Industry 4.0 challenge.
- Natural Capital
  - SCR encompasses a rich diversity of ecological and natural assets as well as providing a distinct setting for its villages, towns and the city of Sheffield.
  - However, there are growing challenges for and pressures on the environment, and the 'assets' could be better used to achieve multiple aims.
- Built environment
  - Whilst house building has increased every year for the past seven years, it has not met the SEP ambition of 7,000-10,000 houses a year
  - Housing and house rental remains expensive in some areas and there is wide variety of housing cost and quality in SCR.

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- There is the potential for affordable rents in the private rental sector to become an issue as the sector grows.
- Fuel poverty is a significant challenge and keeping houses and workplaces cool in the summer is an increasing problem that is only likely to get worse.
- A recent land and property that SCR has a good supply of land but a lack of 'ready to go' properties for growth and there are viability gaps to overcome to make sites more attractive.

- Key Challenges
  - Resilient and reliable infrastructure is an essential prerequisite for sustainable and inclusive economic growth.
  - We need to make rapid and far-reaching changes to achieve the infrastructure required to achieve our vision and objectives. We will focus on:
  - Enabling the transition to a circular and low carbon economy that is resilient to current and future climate risks through a focus on Clean Energy, energy efficiency and adaptation
  - Providing the digital infrastructure for business and homes that is integral to the 4th Industrial Revolution and business growth; this will be supported by skills enhancement leading to greater productivity in all businesses and growth of the digital sector.
  - Better capitalising upon our national-class natural assets that should be better promoted with regards their contribution to our image, quality of life, environmental benefits and health and wellbeing outcomes.
  - Ensuring our built environment is sustainable, well-designed, well-connected and affordable in places that celebrate their local distinctiveness.

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Plan of action

Resilient and reliable infrastructures which enable digital inclusion, the transformation to a low carbon economy and liveable places that contribute to and enhance our locational advantage. This will be achieved through:

Resilient Infrastructure: Accelerate progress toward a circular economy, building on work in the glass and steel industries and increase resilience to current and future climate risks focusing on reducing flood risk and taking account of the potential for overheating and water scarcity.

Low Carbon Infrastructure: Delivery of a clean, efficient and resilient energy system that drives our transition to a low carbon economy by implementing the SCR energy strategy with a focus on mines and hydrogen energy, and domestic and industrial energy efficiency

Digital infrastructure: Grow the digital sector, enhance digital infrastructure, coverage and skills and improve the profile of the digital sector through investment in infrastructure, a skills development, development and growth of the existing tech cluster and network and knowledge development.

Natural Capital aim: Enhance and promote our natural assets through an ecosystems services investment programme linked to becoming identified as an Urban National Park and build biodiversity and natural capital into decision-making supporting environmental net gain in all that we do.

Built environment: Improve the 'liveability' of our neighbourhoods and the quality and sustainability of new development through promoting modern methods of construction, consistent SCR requirements for energy efficiency and sustainability, coordinated planning for housing and employment land and implementing the SCR Housing Review.

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Infrastructure Objectives

Objectives	Resilient infrastructure	Digital inclusion	Low carbon and circular economy	Liveable places
Objective 1: By 2040, SCR will have transformed to a circular economy with increased resilience to current and future climate risks	✔		✔	✔
Objective 2: By 2040, SCR will be recognised as the 'The Green Heart of Great Britain' with a clean, efficient and resilient energy system, which supports a healthier environment for people to live, work and visit, and which drives our transition to a low carbon economy moving us towards our goal of achieving net zero carbon			✔	✔
Objective 3: By 2040, SCR will be well connected with a thriving digital sector and digital technology, innovation and skills driving economic growth and better outcomes for all.		✔		✔
Objective 4: By 2040, SCR will provide a high quality, energy efficient and accessible built environment improving the 'liveability' of our neighbourhoods and ensuring access to suitable housing and employment premises for all.	✔	✔	✔	✔
Objective 5: By 2040, our natural capital will be enhanced through investments and environmentally positive decision making.			✔	✔

Target outcomes

Objectives	Target Outcomes
Objective 1: By 2040, SCR will have transformed to a low circular economy with increased resilience to current and future climate risks	Reduced flood risk for X properties Local plans take account of and build in adaptation to future increased temperatures and potential for drought and water scarcity
Objective 2: By 2040, SCR will be recognised as the 'The Green Heart of Great Britain' with a clean, efficient and resilient energy system, which supports a healthier environment for people to live, work and visit, and which drives our transition to a low carbon economy moving us towards our goal of achieving net zero carbon emissions	Reduce emissions to net zero Increase generation from renewable energy sources Energy sector employs an additional X people Lower estimated fuel poverty rate An increasing proportion of homes are EPC C or above.
Objective 3: By 2040, SCR will be well connected with a thriving digital sector and digital technology, innovation and skills driving economic growth and better outcomes for all.	22,000 employed in the digital sector Reduce the digital exclusion risk score to between 4 and 7 for all local authority areas in the SCR Higher proportion of SCR covered by full fibre & 5G broadband. Increase no, people receiving digital related training by 12,000 pa
Objective 4: By 2040, SCR will provide a high quality, energy efficient and accessible built environment improving the 'liveability' of our neighbourhoods and ensuring access to suitable housing and employment premises for all.	Additional x houses built per year and x affordable houses X additional sites, premises Cost of renting privately (increasingly associated with low-income households) is not increasing faster than inflation. Lower house price to earnings ratio.
Objective 5: By 2040, our natural capital will be enhanced through investments and environmentally positive decision making.	All residents within XXXm of green space, X natural flood management schemes managing flood risk to X properties, planting Xm trees Increase in value of ecosystem services

Intervention Areas

Objective 1: By 2040, SCR will have transformed to a circular economy with increased resilience to current and future climate risks

- Enhance the circular economy through business support, particularly for SMEs, building on the examples provided by Forgemasters and others
- Improve current and future resilience to climate risks through catchment-based approaches to manage flood risk that promote natural flood management (that in turn helps to mitigate and adapt to a changing climate) and take greater account of the potential for overheating and water scarcity in all infrastructure and place development.

Objective 2: By 2040, SCR will be recognised as the 'The Green Heart of Great Britain' with a clean, efficient and resilient energy system, which supports a healthier environment for people to live, work and visit, and which drives our transition to a low carbon economy moving us towards our goal of achieving net zero carbon emissions

- Deliver the SCR Energy Strategy, particularly key projects around mine water (use energy from mines to heat/cool homes and businesses) and hydrogen (generate, store and distribute hydrogen to bus depots, the iPort and business parks)
- Deliver a strategic programme to improve the energy and resource efficiency of business premises and poor housing stock

Objective 3: By 2040, SCR will be well connected with a thriving digital sector and digital technology, innovation and skills driving economic growth and better outcomes for all

- Digital Infrastructure investment - rollout of Full Fibre to the Premise (FFTP), Full Fibre to the Home (FFTH) and delivery of 5G mobile network
- Skills Advancement – range of initiatives to deliver digital life-long learning and development of skills for future jobs including piloting the Digital Skills Partnership, graduate/industry linkages, new digital Institute of Technology, increasing teaching capacity, refocusing Adult Skills Budget
- Innovation-based business investment - grow a nationally significant tech cluster by building on SCR's rapidly growing existing cluster
- Network and knowledge development - expand digital business networks, bringing large firms and SMEs together to tackle specific R&D problems, university and AMRC leading on innovation and commercialization, and embed a more pervasive culture of knowledge exchange and collaboration

Objective 4: By 2040, SCR will provide a high quality, energy efficient and accessible built environment improving the 'liveability' of our neighbourhoods and ensuring access to suitable housing and employment premises for all

- Modern methods of construction – implement a programme to drive forward modern methods of construction focusing on the sustainability of materials, offsite manufacturing and an enhanced skills base across SCR's construction sector

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- Planning – building on the SCR Statement of common ground, develop coordinated and consistent principles for developments across SCR for employment and housing land delivery delivered through cross-authority land assembly and master plans.
- Low carbon homes – planning principles for low carbon homes to be enhanced across SCR to ensure new build is net zero carbon and implement retrofit programmes for existing properties addressing fuel poverty and carbon minimisation
- Social housing and inclusion – review along these lines

Objective 5: By 2040, our natural capital will be enhanced through investments and environmentally positive decision-making

- Ecosystems services investment programme linked to an urban national park
- Biodiversity and natural capital built into all decision-making achieving environmental net gain including through offsetting and compensatory habitats

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Culture and Place

Culture and place challenges

SCR has some of the highest economic inactivity and unemployment rates across all LEP areas – overall it is the 7th most deprived. Improving the vitality of 'place' will complement the investment in 'people' as a key strand of our strategy.

Barnsley, Doncaster and Rotherham town centres have been struggling to cope with retail restructuring, competition from out of town attractions and the impact of wider environmental degradation.

There are clear spatial differences across SCR in terms of life expectancy, employment, income, population growth and house prices

There will be rapid growth in older households and stagnant growth in working-age. SCR must be a good place to grow older.

Lower visitor numbers and spend than other comparable city regions, low participation in culture, low proportion of employment in cultural sectors compared to national levels (Barnsley, Doncaster, Rotherham classed as 'least engaged').

Too few significant assets and programming, limited collaboration on culture and sport across the SCR and many residents do not engage or benefit.

"Cosy consensus". There is a sense amongst some stakeholders that all is well and that the scale of our offer is appropriate to the nature of our small creative makers (of which there are many).

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Plan of action

The focus of the offer will be to address the spatial inequalities that exist in SCR through a transformational programme, to enhance the distinctiveness of local places, foster a more distinctive creative culture boost the visitor economy and improve community engagement and civic pride.

1. Culture and sport focused place based transformational programme
    - Town centres require improvement that both enhances their 'liveability' and celebrates their local distinctiveness. Using culture and sport as the focus will help achieve both goals.
    - Foster a distinctive SCR creative culture that helps to boost entrepreneurship (both profit and non-profit/social enterprise) through 'broad spectrum' cultural transformation and attracts and retains talent
2. Events programme to boost our visitor economy
    - SCR 'punches' below its weight culturally with a smaller visitor economy than other comparable city regions. Developing and delivering a nationally significant events programme will increase the profile of SCR and increase its visitor numbers and spend.
3. Focal point for sports and activity
    - Build on SCR's natural assets and outdoor opportunities to become known as the country's centre for sport and activity with a continuous events programme and major uplift in participation from all sections of the community across all neighbourhoods.

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Culture and Place Objectives

Objectives	Address spatial inequality	Enhance distinctiveness of local places	Increase visitor profile and visitor economy	Increase engagement in arts and sports
Objective 1: To enhance the quality of local environments and their 'liveability' through a focus on culture and sport	✔	✔	✔	✔
Objective 2: To increase the profile of SCR as a visitor attraction and increase the size and value of SCR's visitor economy		✔	✔	✔
Objective 3: To position SCR as the country's centre for sport and activity with an associated increase in participation by residents and visitors	✔		✔	✔

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Interventions

Art and culture focused place based transformational programme

- With an overarching quality and sustainable design focus being promoted at SCR level (see Infrastructure section), this intervention will be more focused at the town and village level placing creative communities, arts and culture, active travel, the community and the environment at their centre. Key activities are likely to include:
  - Appointment of a Cultural Commissioner to identify priority cultural investments supported by the Mayoral Capacity Fund
  - Local funding mechanism, such as the Mayor's Fund, to enable local communities to influence local action related to culture and place-distinctiveness.
  - Business support for SMEs in the creative and cultural industries

Events programme to boost our visitor economy

- Developing and delivering a nationally significant events programme will increase the profile of SCR and increase its visitor numbers and spend. Sheffield will be a key focus as a magnet city as part of a City Region of Culture. Suggested visitor economy programme of events includes:
- International Business Events Action Plan; World Heritage Site plan; internationally significant institute of the arts; double the size and scale of our conference, exhibition and arts spaces; promotion of the SCR events offer

Focal point for sports and activity

- Build on SCR's natural assets and outdoor opportunities to become known as the country's centre for sport and activity through:
- A continuous events programme and major uplift in participation from all sections of the community across all neighbourhoods.
- SCR will be a home for major Sports events, building on the Rugby League World Cup, Invictus Games, Tour de Yorkshire, Premier League Football, world class cycling events such as the Tour de Yorkshire, the British Bouldering Championships and 10km, half and full marathons

A strategic and targeted programme is required to improve the green and blue infrastructure across SCR (see Infrastructure section) exploiting local ecosystem services for the benefit of local communities and businesses and maximising leisure and recreational opportunities wherever possible.

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How our Priorities Area interrelate

	Business Growth	Skills and Employability	Transport and Mobility	Infrastructure	Culture and place
Business Growth		Industry 4.0 will require highly skilled employees and a growing economy will require more employees at all levels.	Business growth related to transport assets such as Doncaster Sheffield Airport will lead to growth in transport sector and new business model will require enhanced connectivity.	Business growth in the digital economy and increasing digitisation across all sectors.	Business growth will revitalise town centres enhancing prosperity and spending power as well as rejuvenating employment sites and premises
Skills And Employability	Improving skills levels is crucial for SCR to lead the 4th Industrial Revolution. Digital, AI, big data and supporting soft skills will be fostered through education, upskilling and re-training initiatives.		Improved skills enable growth in transport sector particularly future mobility and the use of alternative technologies to support the transition to a low carbon economy e.g. electric vehicles	Improved skills enable growth in digital and energy sectors including alternative technologies to support transition to a low carbon economy	Increased skills and employment opportunities will reduce deprivation levels with greater local spending power sustaining town centres and supporting growth of cultural industry
Transport	Transport connectivity provides access to skills and markets and transition to low carbon economy will create business opportunities	Connectivity provides opportunities to access skills and employment and growth in this area provides skills and employment opportunities		Improved connectivity facilitates more balanced housing markets	Improved East-West connectivity will address current congestion levels that are affecting the prosperity of some town centres
Infrastructure	Digitisation is key to business growth in the 4th Industrial Revolution. Quality housing attracts highly skilled workers, potential for growth in energy and natural capital sectors	Digital literacy and skills key to 4th Industrial Revolution working and new generation employment	Low carbon energy developments facilitate new transport opportunities, green infrastructure contributes to active travel, resilient infrastructure supports transport development, new housing requires new/less congested transport		Improved digital communication, clean air and balanced housing markets contribute to quality of place and enhanced local culture across SCR's towns and cities.
Culture And Place	Quality places provide business advantage and attract high skilled workers, resilient business premises support growth	Growth in this area provides skills and employment opportunities, resilient education institutions and employment premises sustain skills and employment growth	Enhancing quality of local places contributes to greater liveability, with more active and sustainable travel	Enhancing quality of places will support well-connected residential and commercial development	

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Financial Implications

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Metrics

As stated in the progress to date, economic growth has been observed but SCR has not closed the gap on the national average or seen inclusive growth fostered. As a result, numerical objectives need to be smarter and about quality. However, the available data does not always identify quality or identify causality. However, the following indicators and metrics are supportive in understanding the progress towards the aim and vision:

TBC – will include headline figures

Theme	Indicator / aim	Data source
Overall	GVA Growth	ONS
	Productivity Growth	ONS
	Employment growth (delete employment add earnings and CO2)	ONS
Connectivity and Infrastructure	Public transport usage	Annual cordon counts
	Car usage is falling	DfT car miles data
	Active travel mode share	Census
	5g and FF Broadband coverage	DCMS & Ofcom
Skills & empl	Proportion of employees on low earnings	Annual Population Survey

Proportion of employees in managerial professional occupations	Annual Population Survey
Proportion of working-age population at NVQ3 and above	DfE admin data
'Attainment 8' scores	DfE admin data
Proportion of workless households	Annual Population Survey
Out-of-work benefits claimant rate	DWP Longitudinal Study
Indicator / aim	Data source
Domestic energy efficiency: proportion of EPC C rated homes	MHCLG domestic EPC register
Air quality: no. designated Air Quality Management Areas (AQMAs)	Defra
Participation in cultural activity	Active Lives Survey
CO2 emissions	(tbc)
Neighbourhood deprivation	Index of Multiple Deprivation
Fuel poverty rate	BEIS sub-regional fuel poverty statistics
Index of private rental costs	VOA admin data
House price to earnings ratio	ONS combined data

Statutory homelessness	Local Authority admin data
Labour productivity	ONS
GVA growth per capita	ONS National Accounts
Business birth and survival	HMRC admin data
Highly Skilled People in Labour Market (& Graduate retention)	Annual Population Survey (& DLHE survey)
R&D investment	BERD Survey (tbc)

TBC – specific figures linked to outcomes.

SCR LEP will continue to work with partners to develop the evaluation project and learn from the findings and recommendations. It will promote evaluation through its work and continue to ensure evaluation is embedded across all its work.

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Financial Implications

TBC covering cost of interventions and savings interventions will make to the public purse.

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4th November 2019

Local Growth Fund (LGF) Scheme Acceptance

Purpose of Report

This paper requests the LEP Board accept a project onto the LGF Programme in order to develop a Full Business Case for further consideration.

Thematic Priority

Attract investment from other parts of the UK and overseas and improve our brand.

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

The paper will be available under the SCR Publication Scheme

Recommendations

LEP Board are asked to

1. Approve 'Project Chorus' onto the LGF Programme

1. Introduction

1.1 Board Members were advised in the LGF update paper presented at the 9th September Board that Statutory Officers had temporarily closed the open call for new schemes until a decision has been reached on the process for resolving the over-programming. This report advised Members that the LEP Board may wish to reserve the right to accept schemes in the case of an exceptional inward investment application.

1.2 This paper requests acceptance onto the LGF Programme of an inward investment scheme with a total value of £8m. If approved the project will progress through the Business Planning process and be presented for a decision for grant funding at the Mayoral Combined Authority. This has been positively endorsed by the Business Growth Board at 23rd October.

2. Proposal and justification

2.1 Project Chorus

Project Chorus is a company who are initially seeking to establish a research and development facility to develop the next generation of antennae for satellite control systems. This will create c358 mostly high value jobs.

The second phase will establish a manufacturing facility in the city region, creating a wide range of additional jobs.

The project significantly complements the expertise at the AMRC and is a globally significant development which will deliver opportunities in the supply chain for local businesses.

The total value of the R&D phase is £18m with a LGF grant requested of £8m.

If approved by the LEP and the MCA the company has identified temporary premises and could commence operations in the city region as early as January 2020.

This investment has been assessed at the strategic case and represents good value for money this will be enhanced when the manufacturing facility is delivered.

The recommendation is that this meets the criteria of an exceptional inward investment and should be accepted into the pipeline.

3. Consideration of alternative approaches

3.1 Defer the scheme until additional funding is secured – this has been discounted as the scheme would be lost to SCR. The phasing of the scheme and responding to the time sensitivity of the scheme offers the best opportunity to secure the investment in the city region.

3.2 Defer the scheme until the manufacturing phase has gone through the business planning process – This has been discounted as the imperative is to operationalise the first phase quickly. A safeguard has been considered and discussed with the Project which if approved by the MCA would tie a proportion of the grant in phase 1 to the manufacturing facility locating in the city region.

4. Implications

4.1 Financial

The scheme is seeking an LGF contribution of £8m.

4.2 Legal

The Project Chorus scheme may look to deliver their activity under the R&D elements of the General Block Exemption State Aid Regulation. Legal implications of both schemes will be considered as the business cases develop, and any conditions will be presented to the MCA as part of the approvals paper process.

4.3 Risk Management

A risk of the second phase manufacturing project not locating in SCR can be partially managed by linking an element of the grant in the first phase to the development of the second phase.

4.4 Equality, Diversity and Social Inclusion

The principles of equality, diversity and social inclusion are built into the application process of individual projects and continue to be considered and addressed by all applications.

5. Communications

5.1 This scheme is currently covered by an NDA agreement and so communications are being closely managed at this stage.

6. Appendices/Annexes

6.1 None

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Sheffield City Region
LOCAL ENTERPRISE PARTNERSHIP

4th November 2019

Local Growth Fund (LGF) and Programme Demand

Purpose of Report

This paper provides the LEP Board with an update on the review of the current LGF programme commitments and the scale of projects in the over-programmed pipeline

Thematic Priority

Cross cutting - financial

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

The paper will be available under the SCR Publication Scheme

Recommendations

LEP Board are asked to

1. Consider the review of the LGF programme and current pipeline position following the self-assessment,
2. Agree the steps to be undertaken, including:
   - Utilisation of the £8m Growing Places Fund to increase the available headroom for the pipeline
   - Identify and seek further scheme withdrawal for schemes that cannot meet the conditions of the funding approval
   - Undertake a prioritisation of the pipeline

1. Introduction

1.1 LGF is a 6 year, £360m funding programme secured through three rounds of Local Growth Fund bids. 2019/20 is the fifth and penultimate year of funding. Some investment made in the early years of the programme have now repaid loan funding back to the programme which has increased the total value of available programme funding to £378m.

1.2 The programme position to date is:

- £239m has been spent (defrayed)
- £51m is committed to projects currently in contract
- £24.8m has been approved for projects which are in the process of satisfying contract conditions

This totals £314.8m

1.3 The LGF total of £378m includes a ringfenced amount of £40.1m for a major transport project which is retained for separate approval by the DfT, this funding cannot be utilised for other projects. Taking this and the £314.8m commitment this gives a total of £354.9m

1.4 The level of funding remaining available for LGF projects across all thematic areas (the programme headroom) is now £23.1m.

1.5 Board Members are asked to note a further £22.5m is scheduled, subject to appraisal, for approval at the November MCA. If approved, this would give a total spend or committed position of £377.4m thus reducing the available headroom to £0.6m.

1.6 The LEP Board in September considered a range of options to address the over programming position and agreed to 3 actions.

1. Scheme promoters to self-evaluate the deliverability of schemes within the funded window (to March 2021) and nominate schemes to defer or remove from the programme
2. SCR to seek opportunities to find additional resource (e.g. consider decommitting uncontracted elements from the programme, legacy Growing Places Funding, housing fund allocations etc) and
3. Undertake a LEP prioritisation process following the actions 1 and 2 if there remains an over programmed position

1.7 In response to action 1 scheme promoters were asked to complete and return self-evaluations for:

- projects in the pipeline but not yet approved
- projects approved but not yet in contract and
- projects in delivery but likely to underclaim

An initial deadline of 4th October was set for return of the completed self-evaluations to align with the Q2 LGF project returns, this was extended to accommodate outstanding returns and updated requests for self-evaluations. The outcome of actions 1 and 2 are included within this paper, however 11 of the self-evaluations are pending receipt and on that basis the figures reported are subject to slight variance. Further updates will be provided to Members during the meeting.

2. Proposal and justification

2.1 Early review of the self-evaluations indicates:

- 2 projects in the pipeline at a combined value of £3.088m have voluntarily deferred to a future funding programme and 1 project has reduced its ask by £150k, however 2 projects have increased their request by £335k
- 1 Project approved but not in contract has requested to be returned to the pipeline - £663,800
- 2 Projects in delivery have reported possible reductions in costs of £1.5m.

The impact of these changes, if realised will result in up to £5.18m being made available to pipeline projects.

2.2 When the 2019/20 budget was approved by the MCA in March 2019 the pipeline of projects indicated that there was potential over-programming of up to £24.4m.

The current status of the self-evaluation indicates the current combined value of projects in the pipeline (including the retained major) is £120.4m excluding the retained major and therefore the potential over-programming has now increased to £61.1m.

2.3 A risk rating has been applied to the self-evaluations received to date based on the reported spend and deliverability, in particular:

- whether the annual spend profile is at risk
- whether all the LGF can be defrayed by Mar-21
- whether works are ready to commence
- whether the completion of LGF relevant works by Mar-21 may be affected

A prioritisation list has been complied based on the applied risk ratings. These have been risk adjusted where developments have occurred post submission of the self-evaluation.

3. Consideration of alternative approaches

3.1 There is also the option to consider schemes with funding approval where there is a strong likelihood that the conditions associated with the funding approval cannot be met. One scheme of c£4m in value is already demonstrating it is unable to meet the conditions of the grant award and there is potentially a further scheme that is indicating it is no longer viable without an increased grant. If these funding approvals were formally withdrawn at the MCA this would free up additional funding for the pipeline.

3.2 The LEP has an additional £8m of repaid legacy Growing Places Funding, which if allocated to this programme would increase the available headroom to support further pipeline schemes.

3.3 The development of a prioritised list was discounted, pending undertaking the self-assessment. As the self-assessment exercise is largely complete and shows that whilst some funding has been released following the withdrawal or reduction in costs of some schemes this has been counterbalanced by additional costs being identified in other schemes and dormant schemes advising they will be bringing forward a business case.

4. Implications

4.1 Financial

This paper explores the financial implications of the LGF programme in the approach to the final year of delivery.

£40.5m of the remaining pipeline is funded via the DfT retained majors programme which is ringfenced for this project only, hence this is not included in the calculation of remaining programme headroom of £23.1m. (or £0.6m subject to the decision of the MCA regarding scheme approvals).

All funding needs to be fully spent (defrayed) by 31st March 2021.

The £5.1m corporate commitment which covers the costs associated with carrying out the accountable body functions for the LGF programme is a mandatory requirement and equates to 1.3% of the total programme

4.2 Legal

None as a result of this paper, however legal implications will need to be considered for any de-commitment scenarios.

4.3 Risk Management

This paper presents the risk of over-programming of the Local Growth Funding.

4.4 Equality, Diversity and Social Inclusion

None

5. Communications

5.1 Statutory Officers have temporarily closed the open call for new schemes until a decision has been reached on the process for resolving the over-programming. LEP Board may wish to reserve the right to accept schemes in the case of an exceptional inward investment application

6. Appendices/Annexes

6.1 None

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Sheffield City Region
LOCAL ENTERPRISE PARTNERSHIP

4th November 2019

LEP and MCA Budget

Purpose of Report

This paper updates LEP Board members on the progress made in identifying savings options to achieve a reduction in the 2019/20 LEP and MCA core budget.

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

LEP Board members are asked to:

1. Consider and note the progress to date in seeking to achieve a significant budget reduction in 2020/21.

1. Introduction

1.1 In July members received a paper setting out the need to prepare for a £2m budget reduction in the 2020/21 core LEP and MCA budget whilst also ensuring the key objectives of the LEP and MCA in its Strategic, Operational and Delivery work can continue to be achieved.

1.2 Members received a further update at the following meeting in September, setting out a plan which has been developed that can achieve the first £1m of the £2m target. This will address the immediate pressure on future budgets due to the loss of business rates resulting from the changes to the LEP geography.

1.3 Initial indication was that there would also be the loss of £1m of Mayoral Capacity Fund (MCF) in 2020/21. However, the MCA has been informed that this has been extended for a further year in 2020/21. Nonetheless, further actions have been identified to reduce costs and deliver a balanced financial position over the medium term to March 2025.

2. Proposal and justification

2.1 As previously reported in September, a plan has been developed that can achieve the first £1m of the £2m target in 2020/21, through a combination of cost reduction, income maximisation and potential use of reserves to smooth the impact over the early years.

2.2 A budget review and active establishment management has started to identify some potential core staffing savings and reduction in direct operational costs. This initial work will be crystallised as the detailed budget is developed.

2.3 Additional income has been identified. One increase relates to the LEP asset at the Advanced Manufacturing Park (the Technology Centre) achieving a higher than profiled return, that will continue into future years and also an increase in treasury investment income. As requested by members at the meeting in September, treasury management receipts have been thoroughly reviewed. Additional income is predicted on an on-going basis with a slight spike in 2020/21 to reflect the end of the LGF programme and phasing of project funding.

2.4 Initial indications are that a budget that delivers the LEP and MCA priorities will be delivered for 2020/21 but may need some use of reserves to achieve this. This will form part of a wider 5-year Financial Strategy that will be considered by the MCA Board. The use of reserves will be part of the detailed 2020/21 budget report which will be approved by the MCA by March 2020 as the reserve strategy and Section 73 Officer recommendations are key elements of that report.

2.5 Liaison will continue with LEP and MCA Members and Local Authority Officers in the run up to proposing a draft budget in January 2020 before seeking approval in March.

3. Consideration of alternative approaches

3.1 Seeking to achieve a budget reduction of 15% in a single year is challenging and might impact on the ability to deliver the core objectives. Therefore, use of balances is a reasonable approach to smooth transition.

3.2 Doing nothing and not preparing for the savings to start to address the funding gap is not considered a prudent financial approach.

4. Implications

4.1 Financial

The financial implications are the purpose of this report.

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

The emerging staffing reductions not being achieved is a risk to the proposed budget approach. However, positive, in-year management action has mitigated this risk and that of potential redundancies.

4.4 Equality, Diversity and Social Inclusion

None as a result of this paper.

5. Communications

5.1 This budget review process is being undertaken 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 None.

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Sheffield City Region
LOCAL ENTERPRISE PARTNERSHIP

4th November 2019

Future Mobility

Purpose of Report

This report considers the business growth opportunities for the Sheffield City Region arising from technology and innovation in the transport sector.

Freedom of Information

This paper is not exempt from FOI requests and will be published in line with the Combined Authority Publication Scheme.

Recommendations

Board members are asked to:

- Consider the findings of recent research into Future Mobility services in the Sheffield City Region and how to support the business growth potential for SCR companies operating in future mobility markets.

1. Introduction

1.1 The SCR Transport Strategy published in early 2019 included technology and innovation as a cross cutting theme. In July 2019 the SCR Executive commissioned Arup to undertake a review of Future Mobility Services across the Sheffield City Region, to consider the opportunities offered by future mobility trends and to identify unique transport technology assets in the city region that could support the delivery of the SCR Transport Strategy.

1.2 The UK's Industrial Strategy identifies the potential for the UK to lead the world in innovation in how people, goods and services move. The Government published the Future Mobility: Urban Strategy report in 2019 which sets out the principles the government will adopt to usher in an era of transformation in the transport sector. The Review of Future Mobility Services across the SCR report identifies opportunities to engage the business community to support improvements in transport services and business growth.

2. Proposal and justification

2.1 The SCR Transport Strategy will be delivered through a series of Implementation Plans concerning Rail, Roads, Active Travel and Mass Transit. Two cross cutting themes are identified in the Strategy – Technology and Innovation and Environment and Quality of Life. These will also be the subject of implementation or action plans.

2.2 In 2019 the Government published Future Mobility: Urban Strategy which sets out its approach to the development of new technologies as well as nine principles that will be adopted to secure benefits and reduce risks.

2.3 As part of the Budget 2018, £90m of funding was announced as part of the Transforming Cities Fund to create Future Mobility Zones. In May 2019 the SCR Executive submitted an Expression of Interest and unfortunately this was unsuccessful, however the bidding process highlighted the need for further work to develop our approach to technology and innovation in the transport sector.

2.4 The SCR Executive commissioned Arup to provide an overview of the drivers of change and key future mobility trends, a mapping of the work currently underway in the SCR and recommendations to support the development of a work programme relating to transport technology and innovation in line with the Government's Principles. An Executive Summary of the research and recommendations is provided at Appendix 1.

2.5 The research has identified innovative mobility solutions that have already been delivered in SCR including tram-train, clean bus technology, electric bus feasibility, integrated TravelMasters and ebike trials. It also identified key companies operating in this sector such as CPH2, the Floow, ITM power and 3squared. The report also identifies our research and development assets such as Sheffield Robotics and Lab4Living.

2.6 A workshop with industry specialists provided further information on the most significant disruptions and the timeframes in which these are likely to occur as well as suggestions where Sheffield City Region and partners might focus attention.

2.7 The draft Report recommends five key moves for the SCR and 45 specific actions. The five key moves are:

1. Publicise the great work already underway in the future mobility space in the SCR
2. Create a transport data platform for the SCR
3. Identify and realise opportunities to test future mobility technologies
4. Foster an ecosystem of mobility technology companies
5. Review changes to the governance and regulation of SCR's transport system to deliver future mobility solutions.

2.8 The Report recommends a number of actions that could be pursued immediately, these are:

- Work with experts from the digital community to engage with the issues from their perspective
- Teach people digital skills, by identifying target groups and designing and implementing a programme to achieve this
- Progress further work on zero emission buses to deliver on this ambition.
- Align the SCR roads Implementation Plan with RIS2 and encourage data sharing
- Trial demand-responsive transport

2.9 Recommendations relating specifically to business opportunities are:

- Work with experts from the digital community to engage with the issues from their perspective
- Ensure the SCR MCA understands what industry standard specifications are for new technological/data developments and ensure they are applied in the design of physical and digital infrastructure undertaken by SCR
- Develop the future mobility capability of the City Region's technology and logistics sectors by trialling autonomous goods vehicles and truck platooning on the City Region's motorways and major road network
- Develop the future mobility capability of the City Region's technology and logistics sectors by trialling drones and delivery robots
- Establish a data platform to encourage development of new mobility services and solutions

2.10 The Report notes that the successful adoption of future mobility technologies and services in SCR is reliant not only on technological advancement, but also on the governance and regulatory regime within which they operate. Innovation can be encouraged through a more outcome-based approach to procurement of goods and services. It is recommended that the SCR MCA is clear on its role in regulation and shaping the market to secure the outcomes it wants for example safety, integration and carbon emission reductions. The opening-up of data also provides opportunities for the development of new services and solutions.

2.11 There are business growth opportunities for companies in the Sheffield City Region arising from UK transport investment. Where the UK is at the forefront in utilising new technology UK companies can benefit from the market opportunity to grow to develop innovation products and services. The 'home city' market can support companies to grow through collaborative strategic projects that support IP development and innovation.

2.12 LEP and Business Growth Board members will want to consider how to support companies operating in future mobility markets when developing business growth support for example through partnerships, investment and internationalisation support.

2.13 The Sheffield City Region is home to significant innovation assets that could support businesses from SCR and more widely to develop future mobility products and services. This could be delivered through a specific structured business support programmes such as accelerator or incubator programmes.

2.14 The Report will form the basis of the development of an implementation plan that underpins the delivery of the Transport Strategy. The outcomes of the research work will also be used to strengthen any applications to future rounds of Government funding. Recommendations will be presented to the Transport Board in October 2019 and LEP Board in November.

2.15 The Board is invited to note the fives key moves, recommendations and business growth opportunities of new transport technologies and innovation.

3. Consideration of alternative approaches

3.1 This report focuses on how SCR might deliver business growth benefits from wider trends in transport technology and innovation. Cities and city regions are adopting a wide range of approaches to supporting future mobility from setting out to deliberately pilot new technologies, to using procurement to create open data platforms, to creating wider 'smart city' strategies and co-creating solutions to transport challenges with local residents and tech communities.

4. Implications

4.1 Financial

There are no financial implications arising from this report.

4.2 Legal

There are no legal implications arising from this report.

4.3 Risk Management

This work is developmental and therefore a risk assessment has not been conducted at this stage.

4.4 Equality, Diversity and Social Inclusion

The research specifically reviewed how SCR might ensure that the benefits of innovation in mobility would be available to all parts of the city region and all segments of society.

5. Communications

5.1 No communications are planned at this stage.

6. Appendices/Annexes

6.1 Appendix 1 – Executive Summary of Review of Future Mobility Services Across the SCR

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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: Future Mobility: Urban Strategy (2019) DfT

Sheffield City Region Combined Authority

Review of Future Mobility Services Across the SCR

Executive Summary

270742-00 | Issue | 11 October 2019

ARUP

Executive Summary

Future mobility is a broad and rapidly evolving area. Technology is constantly advancing, and this is driving an unprecedented pace of change that will impact our cities, environment and way of life. This report considers these changes by analysing global transport trends and emerging technologies (grouped into key themes), interpreting the principles set out in the DfT's Future Mobility: Urban Strategy (2019) report and benchmarking where the SCR is now in relation to these principles, and providing a set of recommendations and actions which the SCR should seek to implement to help propel the City Region to the forefront of future mobility. A summary of the report findings is presented below.

Key Themes

- **Data and Digital Lifestyles -** The ubiquity of the Internet and smart phones have changed the way we go about our lives and will continue to do so. This has led to the rise of on-demand mobility services including, for example, Uber, Lyft, Deliveroo and Ofo which, in turn, has resulted in a trend towards people increasingly viewing mobility as a service rather than an asset to be owned.

- **Integrated Ticketing and MaaS -** a high quality and seamless integrated ticketing system which enables seamless travel across different modes and simple payments is increasingly what customers expect. London and TfL have been successful in this regard, underpinned by the fact that they control three modes of travel. With the onset of new disruptive technologies (bike share, ride share, demand-responsive transport) controlled by private operators, the challenge is now how these new mobility models can be integrated into a more holistic offering. There are significant challenges to the implementation of MaaS as it requires data sharing and transparency between the users, public and private operators. Transport Authorities have an important role to play in setting open data policies and frameworks and creating the right ecosystem and conditions to attract business and users to use and share data.

- **Active Travel and Micromobility –** Trends indicate that there will be an increase in sustainable transport usage over time, with an increasing number of people opting to travel via public transport and active modes. A number of factors are driving this change, including environmental concerns, and an increased awareness of health issues and the benefits that cycling and walking can bring in addressing these problems. E-bike sales are increasing year on year, offering particular advantages in areas with hilly terrain and for those with limited mobility. E-scooters are the latest entrants to the micromobility sector, gaining massive popularity in many European and American cities because of inexpensive costs, however their use remains illegal in the UK to date.

- **The Future of the Bus –** Trends show that bus passenger numbers are decreasing. It is likely that many factors are accounting for this change – reductions in Government subsidy have resulted in a reduced network, and smart phones have been a game-changer in terms of on-demand mobility and travel choice. These trends have altered people's expectations regarding travel meaning, over time, traditional bus services are becoming less attractive. However, ride-hailing services do not address wider issues, such as congestion and air quality, and while these issues remain, a public transport system involving the bus will always be needed, but perhaps in a different form such as demand-responsive transit.

- **Mass Transit -** Despite rapid technological developments in mobility and changing consumer behaviours, the role of mass transit in future mobility is unlikely to diminish. In urban areas where population density is high, moving large numbers of people will be vital to success. Furthermore, mass transit is key to addressing wider issues such as congestion, air quality, carbon and parking, particularly in mitigating against the risks of increased vehicle trips posed by autonomous vehicles and new mobility models.

- **Low Emission Vehicles -** Reducing carbon emissions from transport is a key part of the UK's strategy to reduce overall CO_2 emissions. Finding ways to reduce the car mode share, and to encourage use of low and ultra-low emission vehicles, is important. Trends suggest that electric vehicle uptake is set to increase

significantly over the coming years, whilst taxi fleets are increasingly decarbonising and electric buses are starting to gather pace. The use of hydrogen as an energy vector has also been increasingly viewed as a credible option for decarbonisation, and cities including London, Liverpool, Belfast, Brighton, Aberdeen and Birmingham currently have hydrogen bus projects underway or in the planning phase.

- **Connected & Autonomous Vehicles -** CAVs refers to a wide range of vehicle types including cars, public transport, autonomous trucks, and autonomous aerial ridesharing vehicles (air taxis). Whilst still in their infancy, CAVs are due to increase significantly, with forecasts suggesting that all vehicles produced in the UK by 2027 will have at least Level 3 technologies (where drivers do not have to monitor the driving but must always be in a position to resume control), and that there will be a 25% market penetration of fully autonomous vehicles by 2030. Autonomy is also beginning to emerge in public transport, with trials of autonomous buses taking place in cities including Manchester, Edinburgh to Fife, and Singapore. In logistics, Volvo have developed and trialled the Volvo Vera - a fully autonomous truck without a passenger cabin.

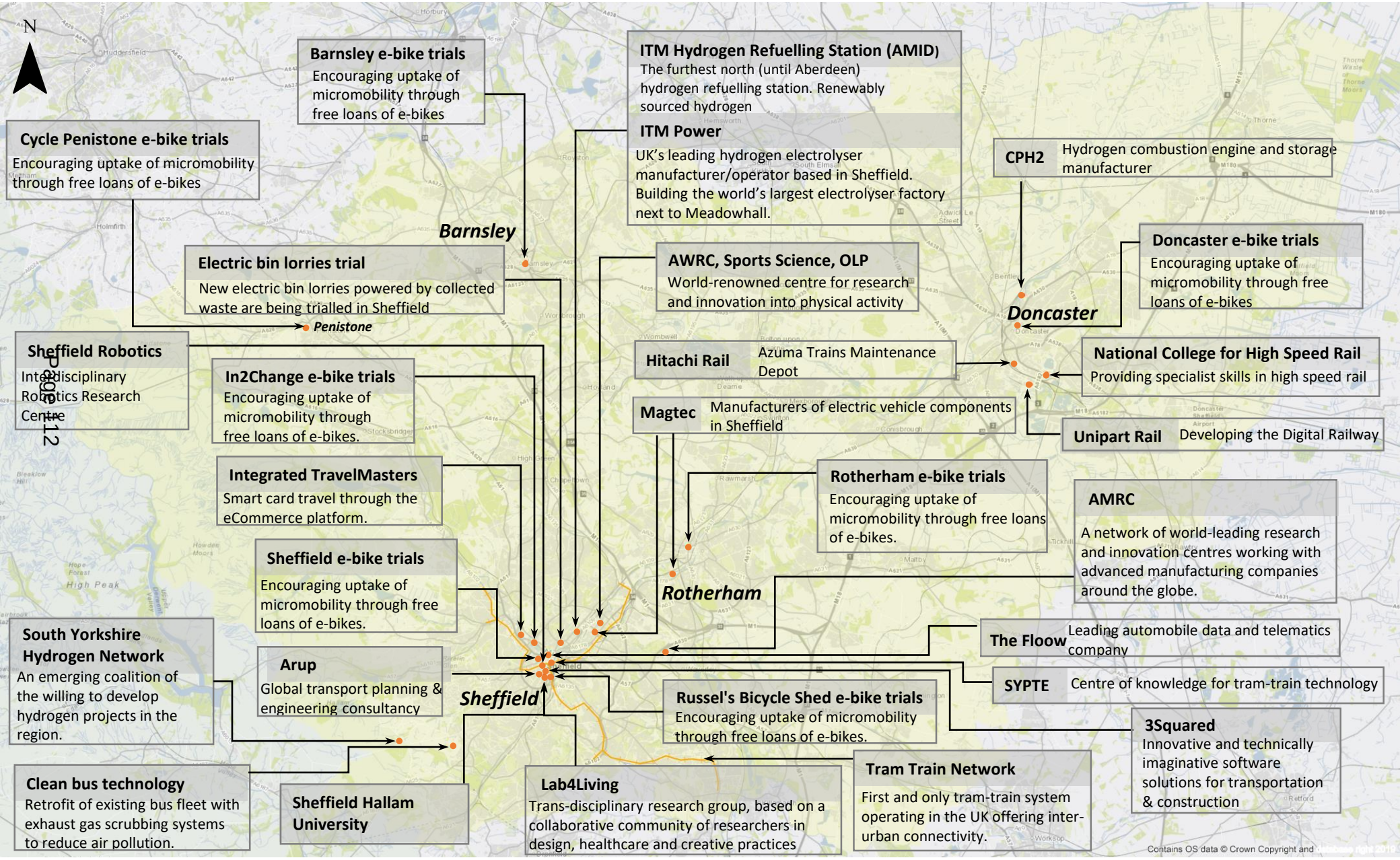
  'Air Taxis' are also starting to gather pace, with Uber developing its aerial ridesharing capabilities through Uber Air which, by 2023, plans to give riders in Los Angeles, Dallas and Melbourne the option of an affordable shared flight in an electric vertical take-off and landing (e-VTOL). Whilst the aircraft will be manned at first, it is anticipated that these will transition to become fully autonomous over time as technologies develop.

- **Logistics –** new technologies are emerging in logistics as companies look to automate processes, increase efficiencies and reduce costs. The use of drones for deliveries is one example which could have a transformative impact on logistics operations, however, legislative changes, coupled with technological advances, will be required to permit this. Robots are also being developed to deliver goods such as groceries to customers. Another example is truck platooning, which is the linking of two or more trucks in convoy using connectivity technology and automated driving support systems.

Sheffield City Region Context

A review of the SCR Transport Strategy has been undertaken to understand existing transport priorities and travel demands within the region. A spatial portrait of existing SCR Future Mobility assets and capabilities has also been developed in collaboration with stakeholders within the region, to understand where the City Region is currently with regards to future mobility technologies and capabilities. In undertaking this future mobility review, we have engaged with the Local Enterprise Partnership to help identify the existing assets and capabilities within the SCR and to shape the recommendations set out in this report in the context of the emerging Strategic Economic Plan (SEP) and Local Industrial Strategy (LIS). Having undertaken this review, it is apparent that there is already lots going on in SCR, both in terms of physical assets and intellectual effort, which can be built upon.

Existing Assets & Capabilities in the SCR



Governance

Successful adoption of future mobility technologies and services in SCR is reliant not only on technological advancement, but also on the governance and regulatory regime within which they operate. A progressive and adaptable approach to governance and regulation is required to readily accommodate rapid and at times disruptive change.

An outcome-based approach

Unlocking competition and commercial opportunities for innovators to test and expand new services and delivery approaches is a key role for the City Region. The City Region, with its partners, should examine how their approach to procurement can evolve to focus on outcomes and not be too prescriptive by specifying how this is achieved. An important step is the trialling of an outcomes-oriented approach to procurement. This new approach can provide space for the market to dictate the most effective means of achieving the Combined Authority's desired outcomes.

SCR can further this approach of shaping the market by examining different business models. This means that the Combined Authority needs to consider opportunities to charge more for the mobility solutions that do not support their outcomes, and to subsidise the ones that do. This is not just about the frequency or service or number of vehicles, it goes beyond this to include the social and environmental outcomes which the City Region is aspiring to achieve.

Key to making this shift is the Combined Authority's role in regulation. The review of how existing services are performing against changing customer expectations will help to inform if and how the governance and delivery of public services might change to deliver an overall solution and transport mobility, social mobility and environmental improvements at the same time.

In the public interest

There is an important role for the City Region to mitigate against any risks of new mobility models. It must take this responsibility pro-actively and boldly, specifying up-front what the Combined Authority and the Local Authorities want from service providers and ensuring these parameters are operated within. This is reflected in the Government's Urban Mobility Strategy principles, for example the emphasis on safety and integration. This balance of risk and reward can be difficult to judge, which is why piloting of new mobility solutions is a key tool. These pilots should not only be about whether the solutions work for the users, but also to understand what wider impacts it might have.

Unlocking Data

The opening up of data has significant potential for the development of new services and solutions. This needs to be set against the importance of data security and privacy, but the City Region has the opportunity to explore how data can be made more open. Working with the Open Data Institute and local digital companies should be a key step in exploring the potential, learning from others and helping to ensure the opportunities are developed to comply with GDPR. The un-locking of data can also support better city planning, not just from a mobility perspective, but also to look at the whole system of planning to support better and more predictable outcomes.

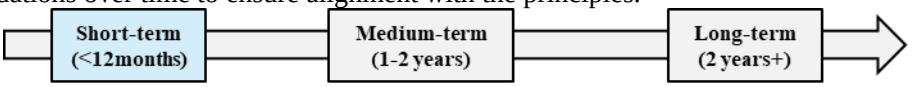
Focus Areas & Recommendations

The global future mobility trends research and SCR assets and capabilities spatial portrait has been used to assess and benchmark where the SCR is now in relation to the DfT's Future Mobility: Urban Strategy principles, which has formed the basis for the recommendations set out in this report. In addition to the recommendations, we have also identified five key moves that we think SCR could take now, to drive change and propel the City Region to the forefront of future mobility. These are summarised below:

Key Moves

1. Publicise the great work already underway in the future mobility space in Sheffield City Region.
2. Create a transport data platform for Sheffield City Region.
3. Identify and realise opportunities to test future mobility technologies.
4. Foster a network of mobility technology companies and service providers.
5. Review changes to the governance and regulation of SCR's transport system to deliver future mobility solutions.

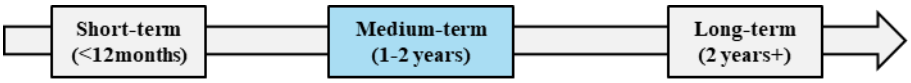
The full list of recommendations and indicative timescales is provided below. SCR should consider and progress these recommendations over time to ensure alignment with the principles.



1. **Work with experts from the digital community, for example .shf and Sheffield Digital, to engage with the issues from their perspective.***
2. Ensure the SCRCA and partners understand what industry standard specifications are for new technological/data developments and ensure they are applied in the design of physical and digital infrastructure undertaken.*
3. **Teach people digital skills, by identifying target groups and designing and implementing a programme to achieve this.**
4. Ensure designers understand cultural aspects so that our transport network is inclusive for all.*
5. Ensure all new cycle routes are designed so that they are inclusive for all, for example by ensuring they are wide enough for tricycles.*
6. Provide bicycle hubs with safe and secure cycle parking and provision for e-bikes throughout the region, which are linked in to the wider cycling and public transport network.*
7. Investigate and formulate a view on the use of e-scooters in the region.
8. Explore provision of more feeder services to public transport hubs to create a more integrated system.*
9. Improve integration of active travel modes with public transport, for example by creating cycle routes and providing safe and secure cycle parking which are well-integrated with tram and bus stops.*
10. Explore options for alternative rolling stock and infrastructure combinations to reduce renewal and maintenance activities (e.g. catenary free systems, battery and hydrogen powered trams, etc.).
11. Explore options for autonomous running of the tram network in the future.
12. **Progress further work on zero emission buses to deliver on this ambition. This should include reconfiguring the network to achieve this, if necessary. The existing network should also be reconfigured to accommodate measures including 24 hour bus lanes and bus priority***
13. **Explore and trial the use of hydrogen as an alternative fuel for freight at key regional hubs in Doncaster and Barnsley, and identify opportunities for trialling hydrogen for public transport and bin lorries.**
14. Set higher standards for vehicle engine cleanliness through bus partnerships, with Euro VI diesel as the minimum expected across South Yorkshire, until the fleet is eventually replaced by electric buses.
15. Ensure alignment between energy strategy and transport projects.
16. **Align the SCR roads Implementation Plan with RIS2 and encourage data sharing between Highways England and local authority's systems to better integrate data relating to traffic flows, congestion and collisions and provide integrated journey and routing information.***

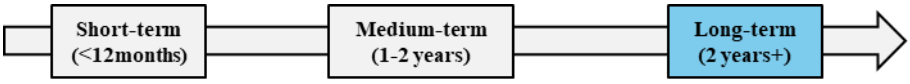
17. Investigate the use of intelligent 'flex kerbs', which enable dynamic uses throughout the day to prioritise space based on demand.
18. Investigate mobility pricing, with charges for vehicles based on occupancy*
19. Develop the future mobility capability of the City Region's technology and logistics sectors by trialling drones and delivery robots.*
20. **Trial demand-responsive transport. Possible locations include rural areas of Barnsley, an urban area, and the AMID.***
21. Consider the outcomes of the Bus Review in the context of future mobility and creation of a more open and competitive marketplace, balanced against the need to provide an integrated and efficient public transport network.
22. Host a workshop with attendees from different parts of corporate services and the private sector to understand how best to procure new mobility which can still demonstrate value for money for the public purse.
23. Identify opportunities for trialling the TfN Integrated and Smart Travel Programme in SCR.
24. Work with transport operators to make the Integrated and Smart Travel Programme happen as soon as possible.
25. Undertake an open data survey, measuring levels of integration and identifying challenges/opportunities. Involve the Open Data Institute in this process.
26. Investigate how data from the future concession of the tram can be shared.*

** To be progressed in the short-term and continue through the medium-to-long term*



27. Make public transport cheaper for those who cannot afford it (structured tariff based on means to pay).
28. Encourage greater uptake of e-bikes, for example through CycleBoost and provision for e-bike charging stations at key pubic transport interchanges and cycle hubs.*
29. Be proactive in trialling new technologies in public transport, such as autonomous buses.*
30. Simplify the existing ticketing and payment offer through the TfN Integrated and Smart Travel Programme. It is important that ticketing reflects current lifestyle trends, for example, prepaid tickets which can be used as and when required, to the meet the needs of people who work from home or do not work fixed hours.
31. Develop a strategy for adoption of zero emissions fuels by the City Region's logistics businesses.
32. Develop the future mobility capability of the City Region's technology and logistics sectors by trialling autonomous goods vehicles and truck platooning on the City Region's motorways and major road network.*
33. Structure regulation and procurement processes to gain access to data generated through contracts let by the City Region and through services using the assets owned and maintained by the City Region.
34. Establish a data platform to encourage development of new mobility services and solutions.

** To be progressed over the medium-to-long term*



35. Ensure that a mix of payment methods are maintained for all transport modes throughout the city region, and do not transition to a fully cashless system until society is ready for this change to ensure the transport system is inclusive to all members of society. Contactless is only suitable for those who have cash cards, and some people will want / need to use cash. As part of this explore the introduction of a 'Mobility Credits' scheme to support those who prefer to pay by cash through a 'top-up' system.
36. Rationalise buses and trams on arterial routes, aligned with the renewal of the Supertram concession in 2024.
37. Move to a more outcomes focused procurement process to encourage innovation and broaden the marketplace.

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Sheffield City Region
LOCAL ENTERPRISE PARTNERSHIP

November 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. Devolution

The Prime Minister has committed to a Devolution White Paper in the Queen's Speech. This will build upon the levelling up agenda. The Queen's Speech also included a commitment to refreshing the Northern Powerhouse strategy, work on which the LEP Chair and officers are engaged in.

The Government is very keen to support us on unlocking the South Yorkshire deal and I hope that they will soon be able to provide the necessary assurances to unlock the Sheffield City Region Deal as well as a devolution model that works for Yorkshire more widely.

I am also working closely with the M9 (Metro Mayors from across the country) to make the case for a bolder and more ambitious devolution policy that will benefit local areas.

2. Transport

I have twice met with the Minister for Rail, Chris Heaton-Harris, to express my concerns about the lack of progress on major transport improvements for the Sheffield City Region and seek assurances that schemes such as the Hope Valley Line upgrade will be delivered on time.

It is not good enough that the residents in the Sheffield City Region continue to receive poor transport services and I was disappointed to learn that Pacers will continue to operate in the region well into 2020.

The Government's commitment to rail reform in the Queen's Speech is welcomed, and I will continue to lobby both the Prime Minister and the Transport Secretary for essential transport improvements in the region whilst also developing final proposals for the regions Transforming Cities Fund.

3. Working Win: The Health-led Employment Trial

You will be aware that the referral window for Working Win: The Health-led Employment Trial closed at the end of last month. The trial has been an asset to the Sheffield City Region, as one of only two pilot areas in the country.

There were more than 5,000 referrals into the trial, and almost 3,000 individuals will now receive time-limited individualised employment support. At present, 960 people have either returned or remained in employment as a result of being on the trial.

I look forward to the seeing the outcome of the formal evaluation in 2021.

4. Arts and Culture

It is the anniversary of the Music Board this month, and it continues to work at pace with local authority and industry partners to deliver its key priorities. We hosted the PRSF Talent Development Conference in September and will be launching a report with UK Music next month.

Thank you to LEP Board Member Laura Bennett for Chairing these meetings and corralling the support and respect of partners.

5. UK2070 Commission

You may be aware of the UK2070 Commission by Lord Kerslake. Their reports very much align with our ambitions to devolve power from Whitehall and unlock growth in our city regions.

Their second report, Moving Up the Gears, has now been published and has detailed a vision for the UK and city regions post Brexit including delivering unparalleled connectivity, strengthening local economies and levelling the access to funding, and lobbying for a step-change in devolution.

A group have agreed to look into how we can deliver these recommendations for the benefit of local areas in light of the Prime Minister's recent commitments to levelling up.

6. Climate Change and Sustainability

We must respond with an ambitious and far reaching programme of change to ensure that we tackle climate change and move to a zero-carbon city region. It is absolutely critical that we get this right. To do so the work must be led by evidence and must also be focused on the opportunity that our city region strengths can bring to tackling the city region and national challenges. I believe that we have a unique set of capabilities within the region that mean we can lead the way on the climate change agenda.

I am absolutely delighted to be working with the universities on an initial scoping of this work and look forward to sharing more information in future discussions.

Sheffield City Region
LOCAL ENTERPRISE PARTNERSHIP

November 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. Successor Funds to the Local Growth Fund

Along with other Mayoral Combined Authorities and Combined Authorities we are heavily engaged with officials in the Treasury and MHCLG on shaping the Government's approach to tackling the cliff-edge risk to LGF successor funds. Whilst there is no official position, it is likely that HMT will support the avoidance of a cliff-edge of funds by putting in place a successor fund to LGF whilst delaying a decision on how to allocate EU successor funds. Their original plan was to wrap both LGF successor funds and EU successor funds into one Shared Prosperity Fund.

2. MIPIM 2020

The SCR is leading work across the NP11 LEPs to develop a northern programme of engagement at MIPIM. It is proposed that the SCR refocus their approach to MIPIM to take advantage of the wider NP11 presence. Work continues to refine the SCRs investment portfolio and make sure that they are logged and promoted via the online SCR Investment Portfolio https://portfolio.sheffieldcityregion.org.uk/#home.

3. LEP Network

The SCR pays an annual subscription to be a member of the LEP Network. The Network represents all 38 LEPs and to date has played a convening and coordinating role.

The Network is looking to expand its remit to become the voice of LEPs with key stakeholders, to take a more direct role in issues of governance and performance and to move from a consensus model of governance. The SCR opposes these moves and will be seeking changes to the proposed new operating model to ensure that the LEP and the MCA retain full accountability for all policy, engagement, financial and governance matters.

4. Advanced Manufacturing Innovation District

Following a series of positive discussions with BEIS on our ambitions for the AMID I am delighted that Keith Hodgkinson, the Government's lead on Advanced Manufacturing has agreed to join the AMID Board.

5. Advanced Wellbeing Research Centre and Olympic Legacy Park

Through the SEP development process we are heavily engaged with the AWRC and OLP in the co-creation of a plan that could put advanced wellbeing, sport science and citizen health at the heart of our approach to innovation and economic growth.

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