

Wednesday, 9 October 2019

To: Members of the Sheffield City Region Overview and Scrutiny Committee and
Appropriate Officers

NOTICE OF MEETING

You are hereby summoned to a meeting of the Sheffield City Regional Overview and Scrutiny Committee to be held at **Sheffield City Region, 11 Broad Street West, Sheffield, S1 2BQ**, on: **Thursday, 17 October 2019 at 1.00 pm** for the purpose of transacting the business set out in the agenda.



Dr Dave Smith
Chief Executive

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Member Distribution

Councillor Chris Furness (Chair)	Derbyshire Dales DC
Councillor Allan Jones (Vice-Chair)	Doncaster MBC
Councillor Penny Baker	Sheffield City Council
Councillor Dawn Dale	Sheffield City Council
Councillor Jeff Ennis	Barnsley MBC
Councillor Peter Innes	Chesterfield BC
Councillor Shaffaq Mohammed	Sheffield City Council
Councillor Ken Richardson	Barnsley MBC
Councillor Peter Rippon	Sheffield City Council
Councillor John Shephard	Bassetlaw DC
Councillor Brian Steele	Rotherham MBC
Councillor Austen White	Doncaster MBC
Councillor Jen Wilson	Bolsover DC
Dr Dave Smith	SCR Executive Team
Dr Ruth Adams	SCR Executive Team
Steve Davenport	SCR Executive Team
Christine Marriott	SCR Executive Team
Helen Lazarus	SCR Executive Team
Mike Thomas	SCR Executive Team
Gillian Richards	
Mark Lynam	SCR Executive Team
Fiona Boden	Sheffield City Region Executive Team
Stephen Batey	SCR Mayor's Office

SCR - Overview and Scrutiny Committee

Thursday, 17 October 2019 at 1.00 pm

Venue: Sheffield City Region, 11 Broad Street West, Sheffield,
S1 2BQ

Agenda

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1.	Appointment of Chair and Vice Chair		
2.	Welcome and Apologies		
3.	Voting Rights for Non-Constituent Members		
4.	Urgent Items/Announcements		
5.	Items to be Considered in the Absence of Public and Press		
6.	Declarations of Interest by any Members		
7.	Reports from and Questions by Members		
8.	Questions from Members of the Public		
9.	Minutes of the Previous Meeting Held on 18 July 2019	Chair	5 - 14
10.	Matters Arising		
11.	SCR MCA/LEP Revenue Budget Review	Mike Thomas	15 - 20
12.	SCR Bus Review/Transport	Mr Mark Lynam	21 - 28
13.	Scrutiny Work Programme 2019/20 <ul style="list-style-type: none">• Referrals since last formal meeting• Review of current work plan 2019/20• Forward Plan of Key Decisions	Christine Marriott	
14.	Post Meeting - Informal Meeting Review <p>Members of the Overview and Scrutiny Committee are invited to a post meeting informal review of the effectiveness of the meeting and identify areas of good practice and areas for improvement.</p>		

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SCR - OVERVIEW AND SCRUTINY COMMITTEE**MINUTES OF THE MEETING HELD ON:****THURSDAY, 18 JULY 2019 AT 1.00 PM****GROUND FLOOR, 11 BROAD STREET WEST, SHEFFIELD,
S1 2BQ****Present:**

Councillor Chris Furness (Chair)	Derbyshire Dales DC
Councillor Dawn Dale	Sheffield City Council
Councillor Jeff Ennis	Barnsley MBC
Councillor Ken Richardson	Barnsley MBC
Councillor John Shephard	Bassetlaw DC
Councillor Brian Steele	Rotherham MBC
Councillor Martin Greenhalgh (Reserve)	Doncaster MBC
Councillor Colin Ross (Reserve)	Sheffield City Council
Mayor Dan Jarvis	SCR Mayoral Combined Authority
Dr Dave Smith	SCR Executive Team
Steve Davenport	SCR Executive Team
Christine Marriott	SCR Executive Team
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Mazher Iqbal	Sheffield City Council
Mayor Ros Jones	Doncaster MBC
Councillor Chris Read	Rotherham MBC

Officers in Attendance:

Stephen Batey	SCR Mayor's Office
Craig Tyler	South Yorkshire Joint Authorities Governance Unit

Apologies:

Councillor Jen Wilson	Bolsover DC
Councillor Duncan Anderson	Doncaster MBC
Councillor Ian Auckland	Sheffield City Council
Councillor Julie Grocutt	Sheffield City Council
Councillor Adam Hurst	Sheffield City Council
Dr Ruth Adams	SCR Executive Team

1 Opening Remarks

The meeting was opened by Steve Davenport, Principal Solicitor to the South Yorkshire Passenger Transport Executive and SCR Monitoring Officer designate.

It was confirmed the meeting was not quorate. However, in recognition that no substantive decisions were due to taken, it was agreed to proceed with transacting

the intended business.

2 Appointment of Chair and Vice Chair

Nominations were sought for the positions of Chair of the Committee.

Cllr Furness was nominated and seconded by Cllrs Ennis and Steele and accepted the nomination.

It was agreed to defer the appointment of the Vice Chair to the next meeting.

RESOLVED, that the Committee:

1. Appoint Cllr Chris Furness as Chair for the meeting today.
2. Defer appointment of Chair for the 2019/20 municipal year until the next quorate meeting.
3. Defer the decision to appoint a Vice Chair to the next meeting.

3 Welcome and Apologies

The Chair welcomed Members and attendees to the meeting.

Members' apologies were noted as above.

It was agreed to address agenda item 11 ahead of agenda items 3 to 10.

The Chair thanks the outgoing Monitoring Officer, Andrew Frosdick, for his past support and service to the Committee.

4 Voting Rights for Non-Constituent Members

It was confirmed voting right conferral was not required as there were no formal decisions to be taken on today's agenda.

5 Urgent Items/Announcements

None.

6 Items to be Considered in the Absence of Public and Press

None.

7 Declarations of Interest by any Members

None.

8 Reports from and Questions by Members

The Chair noted the last meeting of the SCR Audit and Standards Committee were informed of SCR's Annual Performance Review which had received a rating of

'good' by government. Noting that performance falls under the remit of the Overview and Scrutiny Committee it was requested that a copy of the report be provided to the OSC Members for information.

Action: Dr Dave Smith to arrange for the circulation of the SCR's Annual Performance Review to the OSC Members.

9 **Questions from Members of the Public**

None.

10 **Minutes of the Previous Meeting Held on**

RESOLVED, that the minutes of the meeting of the SCR Overview and Scrutiny Committee held on 11th April are agreed to be an accurate record of the meeting.

11 **Matters Arising**

None.

12 **Devolution**

The Chair welcomed the SY Leaders and Cllr Iqbal on behalf of Cllr Dore to the meeting to provide an update on their respective districts position with the signing of the SCR Devolution Deal.

Cllr Houghton informed the meeting that his i.e. Barnsley's position is to see the creation of a One Yorkshire deal and he is happy to support an interim SCR deal if there is agreement this is a step towards the Yorkshire deal.

Mayor Jones noted this was also Doncaster's position, as supported by 85% of the town's residents in the recent referendum on the matter.

Cllr Read suggested his immediate priority was to conclude the signing of the current SCR deal ahead of considering the potential for future, wider deals

Cllr Iqbal commented on recent correspondence with Ministers and suggested matters may be moving in the right direction.

Cllr Ennis commented on his time serving as the Deputy Regional Minister for the Yorkshire and Humber during the time of the Regional Development Agencies and suggested that if the region "is going to punch above its weight and benefit from potential economies of scale, it needs to do so as part of a greater Yorkshire area".

Cllr Ross observed that the SCR deal 'is on the table' whilst the One Yorkshire deal isn't and questioned whether, by not working together, the Leaders are letting the public down in not accessing the £30m per year which is currently not being claimed. Cllr Houghton challenged this point and cited examples where the districts' Leaders do continue to work together outside of the devolution agenda.

Cllr Ross questioned whether the referendums in Barnsley and Doncaster appropriately informed people that a One Yorkshire deal is not recognised by

government, and again suggested people were being let down by not benefiting from access to a guaranteed £30m a year. Cllr Houghton asserted the referendum question was checked and the position with respect to the options was made clear to voters. Cllr Houghton further questioned the merits of tying ourselves in to a 30-year SCR deal when the evidence suggests Barnsley would be better served by a One Yorkshire deal.

Cllr Read acknowledged the districts had taken different positions on the matter of the SCR deal but asserted all districts want to move collectively towards a resolution on this matter as soon as possible.

Cllr Ennis asked whether the referendum evidence would be given further weight should the exercise be repeated in Rotherham and Sheffield.

Mayor Jones suggested she saw the SCR deal as an interim stepping stone towards a One Yorkshire deal, and had been mandated by the people of Doncaster to deliver that outcome

Cllr Iqbal also asserted his district works well with the Leaders of the other Authorities and suggested that like Rotherham, Sheffield recognises the merit in taking the deal that is currently available ahead of further consideration of a One Yorkshire deal.

All Leaders commented on the relative significance of £30m a year of the SCR deal, against a backdrop of £1bn of austerity driven cuts that the SY districts have experienced over recent years.

Cllr Houghton noted the position with the deal had continued to evolve, emphasising this originally concerned nine districts, then six and now four and suggested there may well be further future changes to the shape of the current SCR deal. It was also noted that when the SCR deal was first envisaged there wasn't a prospect of a One Yorkshire deal.

Cllr Ross asked whether there was any genuine prospect of all 20 Yorkshire districts working together to shape a single deal when 4 South Yorkshire districts had failed to do so. However, Cllr Houghton suggested "there was a remarkable sense of coalition across Yorkshire on this matter, with a desire to see this succeed that had surprised the government".

Leaders proposed the One Yorkshire deal would present a once in a lifetime opportunity to achieve something on a scale capable of affecting the economic future of the North. It was suggested people 'get' the Yorkshire brand, and identify with its capability to be sold around the world in a way South Yorkshire never would be.

Cllr Ross asked if bigger would truly be better or would risk a disproportionate amount of funding going to major cities outside South Yorkshire. Cllr Houghton stated there would be assurances that all Yorkshire districts would benefit from a Yorkshire deal and countered the claims that there is any form of Leeds-centric hidden agenda at play, suggesting Sheffield would be a major player in a One Yorkshire deal.

The Chair asked what the next steps might be and when the Leaders would become signatories to the SCR deal.

Cllr Houghton indicated he would be happy to sign up to an interim deal providing there were assurances in respect of the development of a One Yorkshire deal. It was suggested that the end of the current mayoral term of office in 2022 would be logical timeframe for an interim deal. Leaders noted that consultations and negotiations were ongoing between the four districts to resolve matters and identify any future dates for when matters may be concluded.

Members questioned whether government uncertainty and predications over Brexit would affect the likelihood of an early resolution on the matter of the SCR deal.

The Chair thanked the Leaders for taking the time to attend the meeting, acknowledging they weren't obliged to do so.

13 Tackling discrimination and prejudice: MCA adoption of definitions of anti-Semitism and Islamophobia

Members were informed that a report was received by the Mayoral Combined Authority on 3 June 2019 proposing the adoption of an agreed definition of antisemitism and committing to a definition of Islamophobia once such a definition has attracted widespread support. It was reported the adoption of these definitions was to provide clarity about what antisemitism and Islamophobia is, as part of the MCA and LEP's general equal opportunities policy.

Cllr Ross asked whether any caveats had been incorporated into the definition of antisemitism noting other organisations had taken such an approach but with subsequent consequences. It was confirmed the SCR MCA was adopting the International Holocaust Remembrance Alliance (IHRA) version of the definition of antisemitism in full.

Members were asked to note the submission of this paper to the MCA and consider the further endorsement of the definitions considered.

RESOLVED, that the Committee

1. Endorses the SCR MCA's adoption of the International Holocaust Remembrance Alliance (IHRA) working definition of antisemitism
2. Endorses the SCR MCA's adoption of a working definition of Islamophobia when there is greater clarity and a shared understanding of the term

14 Scrutiny of SCR Thematic Boards

A report was received to inform the OSC Members of the role, responsibilities and membership of the SCR Thematic Boards and invite consideration of the proposals for how it is proposed that these Boards will be scrutinised.

It was reported the five thematic boards (Transport, Housing, Infrastructure, Skills and Employability and Business Growth) are based around the strategic priorities of the Strategic Economic Plan and support decision-making and delivery of the MCA

and LEP priorities. The Boards were created after a 2018 review of SCR's governance structure and have delegated authority to make financial decisions on behalf of the MCA. The revised governance structure was agreed by the MCA and LEP in December 2018 and January 2019 respectively.

It was noted the five Boards have delegated authority which requires consensus from board members for decisions to be made on schemes under £2m and it will fall within the remit of the Overview and Scrutiny Committee to ensure that the decisions taken will be of benefit to the residents and businesses of the Sheffield City Region.

It was reported that MHCLG statutory guidance on overview and scrutiny in Local and Combined Authorities states that effective overview and scrutiny should be led by independent people who take responsibility for their role and therefore proposed that the following process provide evidence that this is the case for the SCR:

- That OSC Members are already routinely made aware of the revision of the Forward Plan via automated notifications sent from SCR's modern.gov system
- That OSC Members are asked to continue to receive and review the Forward Plan of Key Decisions (as is currently done for key decisions made at Mayoral Combined Authority Board meetings)
- That OSC Members are encouraged to seek further information from the Lead Officer named on the Forward Plan or the Scrutiny Officer.
- That the SCR's call-in of decisions process be evoked by OSC Members are required.

RESOLVED: that the Committee:

1. Agrees to the proposed model for the scrutiny of SCR Thematic Boards.
2. Requests that the Terms of Reference for the Overview and Scrutiny Committee are updated to reflect the need to scrutinise decisions made at thematic board meetings.

15 **MHCLG Statutory Guidance on Overview and Scrutiny in Combined and Local Authorities**

A report was received to help ensure OSC Members are aware of the MHCLG Statutory Guidance on scrutiny, and the potential changes required to ensure compliance with requirements

Members were asked to consider the Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities, reflect on the approach to scrutiny at the Sheffield City Region and recommend changes to ensure the OSC operates in accordance with the published guidance.

It was noted the Scrutiny Officer and Monitoring Officer would be commencing a range of discussions aimed at considering the Committee's compliance with the guidance, culminating with a workshop for Members planned for September 2019. This approach was supported by Members.

Cllr Richardson noted the meeting's lack of quoracy and asked whether a two-thirds threshold was realistic. It was noted this is prescribed in guidance but confirmed a

number of districts are currently challenging this matter

RESOLVED, that the Committee:

1. Notes the contents of the report
2. Formally writes to MCHLG to challenge the two-thirds quoracy threshold.

16 **Overview and Scrutiny Committee Annual Report**

The Committee received the draft OSC Annual report for 2018/19 for comment and approval and was provided with a guide to its contents.

It was confirmed a minor textual error would be addressed ahead of publication.

RESOLVED that the Committee agrees the content of the 2018 /19 Annual Report and approves the report publication on the SCR website

17 **Scrutiny Work Programme 2019/20**

A report was received to present Members with the draft OSC Work Programme for 2019/20 for comment and approval.

Cllr Ennis asked Members to consider a referral made by Barnsley Council's Overview and Scrutiny Committee in respect of bus and train services, noting the district Committee's suggestion this be best addressed at the 'SCR scrutiny level' and accorded with the mayoral review being led by Clive Betts MP.

The July 2019 Forward Plan of Key Decisions was also received for comment

RESOLVED, that the Committee:

1. Agrees to the content of the OSC Work Programme for 2019/20.
2. Agree to the request from Barnsley Council to include South Yorkshire bus services in the Work Programme (to be combined with the existing bus review agenda item scheduled for the October 2019 meeting).
3. Notes the items on the July Forward Plan of Key Decisions 2019 and agrees the items to be placed on the SCR OSC Work Programme 2019/20.

18 **Active Travel Project**

A report was received to provide an update on the work of the Active Travel Programme, being led by Dame Sarah Storey.

Mayor Jarvis joined the meeting via telephone to provide Members with further information regarding the SCR's active travel activities and ambitions, noting how these are built on his mayoral manifesto promises and exemplified within the SCR Transport Strategy.

Mayor Jarvis commented on the importance of 'integrated transport' noting how

active travel supports many other agendas.

Members were provided with an update on the delivery of the Mayor's manifesto commitments to support active travel in the City Region and informed how the Transport Strategy's ambition to grow the overall transport modal share for cycling and walking will be delivered by the Active Travel Implementation Plan.

Examples of the types of actions that will be contained within the Active Travel Programme were provided.

Members were provided with an explanation of the rationale and intended work of the proposed Active Travel Advisory Board.

The Mayor commented on the importance of the support and close co-operation of the Local Authorities in realising the ambition for active travel.

In discussion, Members sought the Mayor's comments on a number of matters related to active travel including issues with pavement parking, the general public's ability to readily inform activities, the importance of challenging targets and aspirations, best practise from elsewhere and the need for encouraging the building of facilities that are conducive to cycling such as showers and storage facilities in workplaces. It was suggested these would be good matters for consideration by the new SCR Transport Board.

It was acknowledged that much of the active travel commission's work is South Yorkshire based but recognised cycling doesn't stop at artificial district boundaries. It was therefore agreed it would be important to maintain discussions with neighbouring districts to support cross boundary initiatives and ideas.

Cllr Ennis commented on the important links between active travel and road safety, citing issues caused by inconsiderate road usage. Mayor Jarvis suggested this matter warranted further consideration and offered to respond to Cllr Ennis direct.

Cllr Richardson commented on similar issues potentially born of a lack of good road usage education. The Mayor agreed that education is important in terms of promoting both good cycling and good road usage by other transport mode users. It was noted this is a matter that has been picked up by Dame Sarah Storey.

The Chair sought an assurance that the Committee would be appropriately involved with the development of the Bus Review and Local Industrial Strategy. This assurance was provided by the Mayor and it was confirmed these matters would be regularly brought before the OSC.

It was noted arrangements would be put in place to provide OSC members with an enhanced role in support of the Bus Review. Councillors Dale, Ennis and Furness registered their interest in being involved with this enhanced role.

RESOLVED, that the Committee

1. Notes the progress made in developing the active travel programme, and the appointment of a Commissioner and the active travel team.

2. Endorse the creation of an Active Travel Advisory Board and the associated Terms of Reference.
3. Agrees to the concept of a creation of a set of minimum standards for active travel infrastructure
4. Councillors Dale, Ennis and Furness would be included in any reviews undertaken by the Mayor's Advisory Panel.

Date of next meeting: Thursday, 17 October 2019 at 1.00 pm at 11 Broad Street West, Sheffield, S1 2BQ.

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Report to Sheffield City Region Overview and Scrutiny Committee

Date of Meeting:	17 October 2019
Subject:	MCA/LEP Revenue Budget Review
Purpose of the Report:	To brief Members on the MCA/LEP revenue budget setting process and how decisions are made regarding the allocation of each budget.
The Scrutiny Committee is being asked to:	Consider and note the process by which the 2020/21 MCA/LEP revenue budget will be set.
Category of Report: Open Under the Freedom of Information Act and Schedule 12A of the Local Government Act 1972, this paper and any appendices will be made available under the Combined Authority Publication Scheme.	

Summary:

The purpose of this report is to brief Members on the MCA/LEP revenue budget setting process and how decisions are made regarding the allocation of each budget.

1. Introduction/Context

The annual Revenue Budget sets out the budget proposals for the Mayoral Combined Authority (MCA) for a one-year period. For the purposes of this report, the Revenue Budget refers to the budget covering the core operational budget for the MCA and LEP, and also any multi-year revenue programmes for which the MCA is the accountable body.

The MCA's Financial Regulations set out the roles and responsibilities of the Authority, the Head of Paid Service and the Finance Director in relation to the annual Revenue Budget.

The Finance Director is responsible for preparing detailed proposals for the annual Revenue Budget for the coming year in conjunction with the Head of Paid Service. The Authority is responsible for approving the annual revenue budget.

The 2019/20 MCA/LEP Revenue Budget report was submitted to and approved by the MCA on 25th March 2019. The Committee received a report on the budget-setting process at its meeting on 11th April 2019.

2. Matters for Consideration

2.1 2019/20 Budget-setting process

By way of a recap from the previous report to the Committee on 11th April, this section summarises the process followed for the 2019/20 budget. Section 2.2 then illustrates how the 2020/21 budget-setting process differs.

The MCA approved the 2019/20 MCA/LEP Revenue Budget on 25th March 2019. The approval of the budget report was the culmination of almost a year's work, comprising consultation with key stakeholders at various stages of the 2019/20 business planning process, including the Mayor &

MCA Leaders, LEP Board, Chief Executives and Local Authority Directors of Economic Development and Finance.

At the start of the 2019/20 business planning process, officers in the MCA Finance team refreshed their medium term forecasts based on the 2017/18 outturn position, any changes to risks and assumptions built into the 2018/19 budget, horizon-scanning and discussions with the SCR Executive Team and peers in partner authority finance teams, in particular with the four billing authorities who pay over retained business rates in respect of SCR enterprise zones.

A meeting of SCR Local Authority Directors of Finance is typically held in early May to review these forecasts and to discuss the financial planning assumptions, including any interdependencies with local authority budgets, e.g. subscriptions payable to the LEP.

As the year progresses, the MCA Finance team produces quarterly budget monitoring reports for the MCA to consider and approve. Any new information gathered during the course of preparing these reports is used to refresh the medium term forecasts and the draft budget, for example changes to the staffing establishment, new commissions in relation the development of the Strategic Economic Plan (SEP), trade and investment, etc.

Peak activity in the budget-setting process is in Q4, i.e. January to March 2019. Any new policies which are likely to affect the Authority's forecast income and/or expenditure are developed and discussed with relevant stakeholders. For instance, the proposed business rates rebate policy was presented to the ED/DoFs Forum (Local Authority Directors of Economic Development and Directors of Finance) on 28th January 2019, followed by Chief Executives in mid February 2019.

A new feature of the 2019/20 business planning process was the Mayor's budget workshop in January 2019, where Leaders were presented with the draft budget proposals. Leaders subsequently asked for options to be modelled which could deliver budget savings of 10% in 2019/20.

A revised budget was developed which included proposals to deliver an underlying reduction of 11.8%. This was presented to and endorsed by the LEP Board on 4th March, for onward approval by the MCA on 25th March 2019.

2.2 2020/21 Budget-setting process

When the 2019/20 MCA LEP revenue budget was approved at the March 2019 meeting of the MCA, it was agreed that Leaders would be involved in a review of the 2019/20 budget to identify where further savings could be made and to commence early work on the determination of the 2020/21 budget.

Leaders Workshop – 10th June 2019

The first workshop with Leaders was held on 10th June 2019 and was chaired by Mayor Dan Jarvis. A summary of the information presented and discussed at the workshop is set out below.

The budget workshop further reviewed the information provided in the March 2019 MCA/LEP Revenue budget paper with a focus on the core operational revenue budget of £6.5m.

The expenditure was linked to three core business objectives:

- **Operational** – to ensure we spend money and maintain our assets well
- **Strategic** – to secure more resource to deliver economic growth, and;
- **Delivery** – to deliver special projects and Mayoral priority programmes.

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



Objective	£	%
Operational	3.48m	53
Strategic	2.99m	46
Delivery	0.04m	1
Total	6.51m	100

In the 8th July report to the LEP, board members were advised that in preparing to meet the challenge of setting a balanced revenue budget for 2020/21, the MCA and LEP needed to prepare to accommodate a £2m income reduction in year whilst ensuring the 3 core business objectives were still delivered. This equated to a core revenue budget cut of 30%.

Board members were further advised at that time that preparing for this cut was necessary to accommodate two income risks which may be realised in 2020/21:

- **Mayoral Capacity Fund** – £2m allocation for 2018 to 2020 (notionally £1m per year) with no certainty for future allocations.
- **Enterprise Zone Business Rates** – The outcome of the LEP review to remove overlapping geographies may result in a £1m loss of EZ Business rates.

It is now known that Chesterfield has decided to withdraw its membership from the SCR LEP, which will result in a £1m loss of EZ business rates payable to the SCR LEP with effect from April 2020.

It is possible that the other income risk will not crystallise, but to not prepare for the possibility now would be too high of a risk for Statutory Officers.

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

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

This includes the in-year activity required to refresh the Strategic Economic Plan (SEP) and to develop the Local Industrial Strategy (LIS) and preparing a pipeline of potential projects for successor funding programmes (including Transforming Cities Fund - TCF).

At the workshop it was concluded that:

- Work should progress to develop a plan to reduce budgets by up to £2m whilst ensuring that the three business objectives continue to be achieved;
- Greater levels of integration and cost benefit with SYPTTE should be considered through a whole group review, and;

- A second workshop would be convened to update on progress and review new steps, and which would provide an opportunity to include feedback from discussions at the LEP and MCA.

LEP – 8th July

The outcome of the Leaders workshop was reported back to the LEP Board on 8th July.

The Board recognised the significance of a 30% reduction in the budget and considered what could be done to protect the Mayoral Capacity Fund, whilst acknowledging that the business rate matter was less open to consideration.

It was resolved that the LEP Board would be presented with a further report detailing potential changes after the summer recess.

LEP – 9th September

A further update on progress made on the 2019/20 budget review was provided by the Chief Executive at the LEP on 9th September.

The report provided a summary of the proposals currently under consideration ahead of discussion by the MCA later in the financial year. A plan has been developed that can achieve the first £1m of the £2m target in 2020/21, through a combination of:

- Reductions to operational costs (£0.4m),
- Increases in income (£0.25m),
- Use of reserves (£0.5m).

The reductions to operational costs include savings via a vacancy management process, a reduction in direct operational costs but also includes a number of costs pressures which have arisen since the budget was set in March 2019.

The increase in income is primarily related to the LEP asset at the AMP achieving a higher than profiled return and an increase in treasury investment income.

The third area is a one-off use of reserves which essentially offsets the additional cost pressures, however use of reserves needs to be carefully balanced against the future reserve requirements.

Achieving a permanent reduction of a further £1m in year is more difficult whilst ensuring the key objectives can be achieved.

Options are being explored to consider how this can be achieved over a multi-year period, including:

1. Seeking to achieve an operational saving during 2019/20 to create an additional provision to help smooth the impact of the £2m reduction of income in 2020/21. In part this can be achieved by redeploying some of the LEP capacity grant (£0.2m LIS capacity grant) received this year.
2. Utilise remaining reserves during 2020/21 to set a balanced budget in year but with an approved three-year plan to top up the reserves to a suitable level from permanent budget savings in subsequent years.
3. Continue to implement permanent savings of the second £1m over the following two financial years (2021/22 and 2022/23) and hence topping up the reserves to the required level.
4. Work with the MCA to consider how wider group efficiencies can be achieved, and
5. In parallel to the above options seeking to increase both the level and certainty of LEP and MCA income sources.

Next Steps

Liaison will continue with LEP, MCA Members, Local Authority Officers and other key stakeholders in the run up to proposing a draft budget in November before seeking approval in March.

2.4 Implications

a. Financial

The budget review process commenced to prepare for a potential £2m reduction of the 2019/20 budget. £1m of this reduction has now been confirmed, whilst the second £2m remains a risk.

b. Legal

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

c. Risk Management

Managing a budget reduction of this scale in year is a significant risk and will be included in the SCR strategic risk register. This needs to be balanced against the potential for ongoing (multiyear) budget reductions having a compound effect.

A 1-year Comprehensive Spending Review (CSR) has delayed the expected announcement of successor funding to the Local Growth Fund (LGF) programme, which means that there is now likely to be a gap between the delivery phases of LGF and Shared Prosperity Fund (SPF).

The use of reserves to bridge the funding gap is not sustainable and we need to ensure that a prudent level of reserves remain available at all times.

d. Environmental

There are no environmental implications arising directly from this report.

e. Equality Impact Assessment

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

Any Equality implications that members must have due regard to under s.149 Equality Act 2010 will be set out in detail in the report that accompanies any recommendation about specific proposals.

f. Performance Management/Measuring Outcomes

This section is not applicable to the revenue budget report.

3. Consideration of alternative approaches

This section is not applicable to the revenue budget report, due to the statutory requirement to set a revenue budget in advance of the forthcoming year, and in accordance with the MCA's own financial regulations.

4. Issues the Overview and Scrutiny Committee may wish to consider ...

Members are invited to share their views on how the 2020/21 budget-setting process can be improved, so lessons learned can be built into the 2021/22 business planning process.

5. Recommendations

Members are asked to consider and note the process by which the 2020/21 MCA/LEP revenue budget will be set.

6. Appendices/Annexes

None

Report Author: Mike Thomas
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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:

Report to Sheffield City Region Overview and Scrutiny Committee

Date of Meeting:	17 th October 2019
Subject:	SCR Bus Review/Transport
Purpose of the Report:	To provide: <ul style="list-style-type: none"> • An update on the bus review including progress of the consultation process; • An update on activity being undertaken to improve bus services and connectivity in Barnsley; • An overview of SCR Transport Investment and performance measures; • An overview of activities to support alternatives to the car around schools
The Scrutiny Committee is being asked to:	Receive the update on the Bus Review and consider the responses to the questions raised by Barnsley MBC Scrutiny Committee.
Category of Report:	Open

Summary:

This report provides an overview of a number of transport related topics to support the work of the Overview and Scrutiny Committee. It specifically seeks to address the following:

- 1) An update on the Bus Review including the outcome of the consultation, the consultation process and how the findings will be utilised

At the OSC meeting on 18th July 2019, the Chair of the SCR OSC received a referral from the scrutiny committee at Barnsley MBC focused on transport in Barnsley and SCR transport funding. This report therefore provides information to respond to specific questions raised by Barnsley MBC Scrutiny Committee, these are:

- 2) An update on activity to improve public transport services to and from Barnsley generally and specifically to improve the bus services in Barnsley in relation to key performance metrics
- 3) An overview of SCR Transport investment and performance measures
- 4) An overview of activities to support alternatives to the car around schools.

1. Introduction/Context

As part of his manifesto and *Vision for Transport*, Mayor Dan Jarvis has asked Clive Betts MP to chair an independent commission reviewing the provision of bus services across South Yorkshire with a view to bringing forward evidenced, practical, ambitious recommendations for improvements to encourage patronage, improve viability and ensure the bus system is fit for the 21st century. This report updates on progress made by the Commission to date. Additional information is provided on transport in response to the referral from the Barnsley MBC OSC.

2. Matters for Consideration

Bus Review

As reported to the April Overview and Scrutiny Committee, Mayor Dan Jarvis asked Clive Betts MP to chair an independent commission reviewing the provision of bus services across South Yorkshire.

The Mayor recognises that the decline in bus patronage has a number of causes, including wider societal changes over which the SCR has little influence, but that if this trend continues there is a real risk that the service as we know it today will be simply unsustainable. The independent commission Panel is examining if and how regulatory powers would improve bus services. In setting aspirations and expectations for a future SCR bus service additional capital and revenue investment will be required. The Mayor does not however have the major public subsidies available to him that the Mayor of London has or indeed the more modest ones available in other fully established Mayoral Combined Authorities.

The expert panel of commissioners is gathering evidence in a number of ways:

- Key stakeholders (including local authorities, SYPTE and the bus operators) have been invited to submit written evidence ahead of oral public evidence sessions starting 11th October where stakeholders will be questioned in more detail.
- The review includes a public call for evidence whereby existing and non-bus users and community groups have been invited to submit their views about existing bus service provision and/or improvements that they would like to be made. A survey, which was published online in May and will close at the end of September has received over 5,500 responses from individuals and representative groups.
- Public focus groups have been held by councillors, local authorities and the Chambers of Commerce; with a focus on eliciting the views of those people who don't currently use bus transport. The Review Secretariat is working with local authorities to make use of existing public consultation mechanisms so as not to duplicate efforts, to help to ensure geographic coverage and make it easier for the public to get involved.
- The Panel has undertaken field trips and examined best practice including in Reading, Bristol, Brighton and Manchester.

The consultation process is utilising multiple channels for engagement – written submissions, online engagement and meetings to help to ensure that all communities can contribute. The role of Community Transport is also in the scope of the Review. The SCR Youth Combined Authority has considered the topic.

The analysis of findings from the consultation will take place in October and November with interim findings reported to the Mayor in December. The Panel is taking a strategic overview of the whole system and is not looking at operational matters concerning specific services. It may however bring forward recommendations on operational matters in the round.

The Final report with recommendations will be presented to the Mayor in early 2020. The Mayor will publish a Mass Transit Implementation Plan in early 2020 which will reflect the recommendations which the Mayor wants to see taken forward. Progress in delivering the implementation plan will be reported to the SCR Transport Board.

Transport in Barnsley

The SCR Transport Strategy sets out commitments to improve transport within boroughs, across the region and to other regions. These commitments will be translated into actions set out in implementation plans, the first of which focused on rail was published in Summer 2019. Implementation Plans for roads, active travel and mass transit are currently being developed.

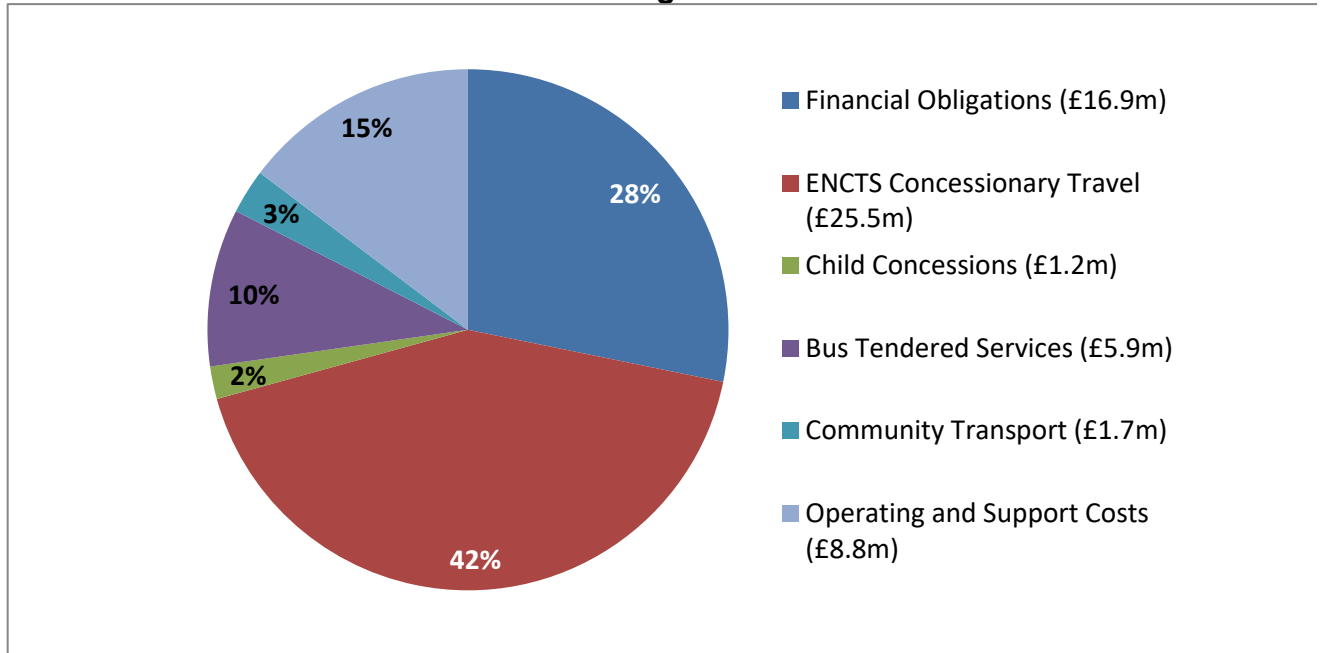
Key current activities to improve transport in Barnsley are included in Annex A for information. Appendix B includes information on how SYPTE ensures services are value for money in Barnsley compared to neighbouring areas.

Spending on Transport by SCR

The principal funding source for the South Yorkshire Transport Revenue Budget, comprising the net expenditure of SYPTE and the transport related costs managed directly by the Mayoral Combined Authority, is the annually agreed Transport Levy on the four South Yorkshire Local Authorities. Over 70% of SYPTE's expenditure relates to mandatory and financial obligations including the English National Concessionary Travel Scheme (ENCTS), which provides concessionary travel for

people of state pension age and eligible disabled persons. The rules of the scheme are set nationally, but the cost is inevitably driven by demand. The 2019/20 Revenue Budget has total SYPTE expenditure is £59.736m illustrated below:

SYPTE Budget 2019/20



As partner budgets have come under increasing pressure, the Levy has been reduced. Since April 2010, the annual Levy has fallen by £38.9m (41%) from £94.7m in financial year 2010/11 to £55.8m for financial year 2018/19.

What subsidies are provided from government for concessionary fares and how are these spent?

Concessionary fares are funded exclusively through the transport levy, there are no government subsidies provided.

Appendix B contains information on the performance measures adopted by SYPTE to ensure value for money and to ensure the needs of diverse populations are being met.

SCR Local Growth Fund

The Local Growth Fund (LGF) is government funding award to Local Enterprise Partnerships for projects that support the local area and economy. To date £23.96m has been invested in transport. Appendix B contains information on the SCR appraisal process.

Alternatives to cars near schools

Although it is tempting to see the school journey in isolation, for many parents and carers it is part of a complex morning and evening routine. For primary schools there are now very few children who travel to school independently, so they are almost always accompanied by an adult. However, walking is still the most used mode for the school journey.

The government has dispersed grant funding for sustainable travel through the Department for Transport Access Fund. Currently a proportion of this is used to fund the Modeshift STARS programme in schools with staff working in each of the South Yorkshire Authorities. 39% (195) of schools are involved in the programme with 86 holding a bronze, silver or gold accreditation. National Modeshift statistics show that schools that have achieved STARS accreditation have collectively achieved a reduction in car use of 27% between 2012/13 and 2017/18. The Mayor and Active Travel Commissioner are leading on investing in active travel infrastructure and initiatives.

a. Financial

There are no direct financial implications arising from this report. It should be noted that the draft 2020/21 South Yorkshire Transport Revenue Budget & Capital Programme will be considered at the next Transport Executive Board and Transport Board in advance of the MCA in November.

b. Legal

There are no specific legal implications arising from this report. It should be noted for context that in 2017, the Government introduced the Bus Services Act giving Mayoral Combined Authorities the choice to access bus devolution powers, enter into Enhanced Partnerships or upgrade existing statutory quality partnerships to advanced quality partnerships.

c. Risk Management

There are no specific risk management implications arising from this report.

d. Environmental

There are no specific environmental implications arising from this report.

e. Equality Impact Assessment

There are no specific Equality Impact Assessment implications arising from this report. The report covers the performance measures used to identify services are meeting the needs of diverse populations.

f. Performance Management/Measuring Outcomes

SYLTE performance measures with respect to value for money and meeting the needs of the population are provided in the report.

3. Consideration of alternative approaches

This section is not applicable for this update paper.

4. Issues the Overview and Scrutiny Committee may wish to consider ...

Scrutiny Committee might wish to identify specific areas to examine in more detail.

5. Recommendations

It is recommended that the OSC consider the findings and recommendations of the Bus Review in early 2020.

6. Appendices/Annexes

Appendix A – Transport in Barnsley

Appendix B – Performance Measures

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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:

Key current activities to improve transport in Barnsley

Transforming Cities Fund

In September 2018, Sheffield City Region (SCR) were confirmed as eligible to submit a bid to the Department for Transport's £1.22bn Transforming Cities Fund. Working with Local Authorities, the SCR submitted a draft strategic outline business case (SOBC) to the Department for Transport (DfT) in June 2019 and is working to submit the final business case in November. The proposed interventions in SCR will include public transport, active travel and enhancing accessibility to/from and at rail stations.

The draft Strategic Outline Business Case (SOBC) submitted in June included three funding scenarios for the four-year programme as requested by DfT – these are labelled 'Low' (£183m), 'Medium' (£204m) and 'High' (£227m). TCF will invest in public transport on priority corridors, active travel and enhanced accessibility to and from train stations. Interventions in Barnsley include:

- Addressing a location of existing public transport delays on the A61 Wakefield Road, by a combination of bus lanes and junction improvements, linked to complementary corridor proposals in the Leeds City Region, along with active travel improvements along the corridor.
- Bus Rapid Transit between Barnsley and Doncaster – connecting the only remaining two main urban centres in the SCR which do not have a high-quality public transport link, via the housing and employment growth area in the Dearne Valley.
- Rail station (and station access) improvements across the corridor, including the access to/from the stations and improvements to facilities improved signing and information, accessible bench seating, CCTV and lighting enhancements.
- Connecting the housing and employment growth area in the Dearne Valley to the urban centre of Barnsley by providing improvements for active travel modes.

The Transforming Cities Fund bid will draw on the Local Cycling and Walking Infrastructure Plan (LCWIP) and the recent appointment of an Active Travel Commissioner to start developing a network of active travel routes, taking advantage of the relatively low commuting distances across the SCR at present.

Officers in Barnsley have worked closely with SCR officers to provide the information required. The work is currently in the modelling phase and the Final Business Case is being drafted for submission in November.

Intercity Rail connectivity and town centre regeneration

The SCR Transport Strategy includes an ambition to achieve intercity rail connectivity direct into Barnsley town centre. It is closely aligned to the regeneration of the town centre and potential platform extensions could support an improved intercity offer. TfN are proposing an extension of a London-Sheffield MML inter-city train to Leeds via Barnsley as part of the Northern Powerhouse Rail. The Town Centre bridge work is included in the Transforming Cities Fund bid (£2.5m).

Opening up low usage or closed rail lines to new services

A Rail re-opening Study was commissioned by SCR in March arising from the BMBC Rail Vision. It looks at the initial feasibility of re-opening a number of freight or disused lines for passenger services. The final report due shortly, then we will be possible to decide whether / which routes to warrant further work to develop a fundable business case.

Leeds-Sheffield Hallam line journey time improvements

SCR officers are working with Barnsley officers and with TfN to secure Leeds-Sheffield Hallam line journey time improvements via their priority line speed improvements schemes.

Northern Powerhouse Rail Dearne Valley station

The SCR Integrated Rail Plan includes a new station in the Dearne Valley on the NPR line that has the potential to be served by HS2 and NPR services, supported by improved road connections between the M1 and A1 along the A635. TfN and SCR will work with Barnsley Council to undertake a study to look at the feasibility of building the station early and what services could potentially operate from the station.

Bus Services in Barnsley

The following activities are taking place to improve bus services in Barnsley:

Improving the frequency of service

Realistically increasing frequency is unlikely as operators are finding that maintaining existing frequencies is a challenge as journey speeds are reducing from 13.10 mph in April 2016 to 12.75 mph in March 2019, and journeys times increasing, as consequence of increasing congestion on the network. Maintaining frequencies means that additional vehicles are required, which increases the costs of operation. Operators conclude this is not commercially sustainable as patronage is reducing by circa 6% per annum due to a number of external factors; reduced footfall in our town centres, internet shopping, flexible working, increased car ownership for example.

Improving connectivity between villages

The Barnsley Bus Partnership has worked to ensure that all communities in Barnsley retain a minimum level of service. Whilst it is difficult to improve connectivity due to the challenges mentioned previously, effective use of commercial and tendered services has improved the frequency of some services. For example: between Hoyland – Cortonwood – Wombwell / Barnsley, Hoyland and Sheffield from 60 to 30 minutes and introduced new connections to Meadowhall and Leeds.

Ensuring key local facilities such as GP surgeries, Dentists, Medical Centres, Community Centres, Job Centres are included on bus routes

The Partnership aims to provide services to as many of the key facilities as is possible. However, as pressure on the network continues, it is challenging to provide direct access in all cases. Generally key local facilities can be accessed by interchange and when facilities are relocated the Partnership will endeavour to maintain bus access. Where this cannot be achieved, Community Transport is an alternative option for passengers.

Improving services for those with disabilities e.g. suitable for wheelchair users

All bus services now operate with fully accessible buses, including access ramps and dedicated wheelchair spaces and drivers are provided with training to assist disabled users with their journey. An increasing number of Accessible Bus Stops are available; these provide raised curbs to allow the bus ramp to align with the bus stop and tactile paving to aid partially sighted or blind users to navigate from the stop to the bus safely.

Performance Measures

Ensuring services are value for money in Barnsley compared with neighbouring areas

The Partnership collectively is unable to determine the cost of adult ticket pricing as these can only be set by the commercial operators. A week's adult travel in Barnsley costs £13:00 and £15:00 for journeys extending into the Dearne Valley. By comparison, a weekly ticket in Doncaster is priced at £16:50 (or £15:00 if purchased in advance). However, a number of concessionary fares are provided for the elderly, young people (up to the age of 18) and for 18–21, which provide free or discounted travel. The concessionary schemes operate consistently across South Yorkshire.

What performance measures are used to ensure value for money?

- SYPTE employ a number of mechanisms to ensure it achieves value for money. Our procurement processes, as well as complying with relevant guidelines and legislation, apply best practice to ensure contracts are awarded that deliver value for money. This is achieved through Contract Standing Orders.
- As a public body the Executive needs to make standing orders with respect to the making of contracts for the supply of services, goods or materials or for the execution of works. Such standing orders should include provision for securing competition for contracts and for regulating the manner in which tenders are invited.
- Contract Standing Orders assist in ensuring that the Executive secures value for money through its procurement of goods, services and works. They also ensure that as a public body our procurement processes are transparent and beyond question. Contract Standing Orders also assist the Executive demonstrate good corporate governance.
- The Executive is a body subject to the EU Public Contracts Regulations 2015. The Executive's Contract Standing Orders are written to ensure that any procurement covered by the Regulations complies with those Regulations.
- The table below summarises the process for procurement of goods and services.

Estimated Contract Value	Min Requirement
Under £5k	2 Quotations/ Tenders
Above £5k, under £25k	3 Quotations/ Tenders
Above £25k under £100k	3 Tenders
Over £100k	4 Tenders

- Each contract will have its own success criteria defined which enables SYPTE to monitor the effectiveness of delivery against the initial specification.
- SYPTE's general use of resources is the subject of investigation through both Internal and External audit activities.

What performance measures are used to ensure we are meeting the needs of our diverse populations and what evidence can you provide of this?

- SYPTE engages with a wide range of stakeholders through a variety of means.
- We facilitate a number of user forums at both a local authority and regional level and conduct a number of ad hoc stakeholder meetings.
- We conduct user satisfaction surveys on both a periodic and ad hoc basis.
- We work closely with transport operators to monitor their operational performance and target activities to drive performance improvements.

SCR Local Growth Fund

A value for money assessment is undertaken as part of the SCR appraisal process. The SCR business case development process requests information on how schemes align with local policies on inequality, health and wellbeing, and thriving communities and neighbourhoods. This is then assessed to judge how effectively a scheme aligns to local, sub-regional and national policy. SCR also looks to see what impacts have been modelled such as impact on disadvantaged groups, Environmental and Social Impact and Distributional Impact Appraisal.