

Friday, 17 January 2020

To: Members of the SCR - Mayoral Combined Authority Board and Appropriate Officers

NOTICE OF MEETING

You are hereby summoned to a meeting of the Sheffield City Regional Mayoral Combined Authority to be held at **Sheffield City Region, 11 Broad Street West, Sheffield S1 2BQ**, on: **Monday, 27 January 2020 at 11.00 am** for the purpose of transacting the business set out in the agenda.



Dr Dave Smith
Chief Executive

Webcasting Notice

This meeting will be filmed for live or subsequent broadcast via the Mayoral Combined Authority's website.

You should be aware that the Mayoral Combined Authority is a Data Controller under the Data Protection Act 2018. Data collected during this webcast will be retained in accordance with the Mayoral Combined Authority's published policy.

By entering the meeting room, you are consenting to be filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.



You can view the agenda and papers at www.sheffieldcityregion.org.uk or use a smart phone camera and scan the QR code:

Member Distribution

Mayor Dan Jarvis MBE (Chair)
Councillor Chris Read (Vice-Chair)
Councillor Garry Purdy
Councillor Julie Dore
Councillor Martin Thacker MBE
Mayor Ros Jones CBE
Councillor Simon Greaves
Councillor Sir Steve Houghton CBE
Councillor Steve Fritchley
Councillor Tricia Gilby
James Muir

SCR Mayoral Combined Authority
Rotherham MBC
Derbyshire Dales DC
Sheffield City Council
NE Derbyshire DC
Doncaster MBC
Bassetlaw DC
Barnsley MBC
Bolsover DC
Chesterfield BC
Private Sector LEP Board Member

SCR - Mayoral Combined Authority Board

Monday, 27 January 2020 at 11.00 am

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



Agenda

| Agenda Ref No | Subject | Lead | Page |
|---------------|--|------------------|--------|
| 1. | Welcome and Apologies | Mayor Dan Jarvis | |
| 2. | Announcements | Mayor Dan Jarvis | |
| 3. | Urgent Items To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated. | Mayor Dan Jarvis | |
| 4. | Items to be Considered in the Absence of Public and Press To identify where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting.) | Mayor Dan Jarvis | |
| 5. | Voting Rights for Non-constituent Members To identify whether there are any items of business that apply only to the South Yorkshire Members of the Mayoral Combined Authority, ie, where it would not be appropriate for non-SY Members to have voting rights. | Mayor Dan Jarvis | |
| 6. | Declarations of Interest by individual Members in relation to any item of business on the agenda | Mayor Dan Jarvis | |
| 7. | Reports from and questions by members | Mayor Dan Jarvis | |
| 8. | Receipt of Petitions | Mayor Dan Jarvis | |
| 9. | Public Questions | Mayor Dan Jarvis | |
| 10. | Minutes of the previous meeting | Mayor Dan Jarvis | 5 - 12 |

| | | | |
|--|---|-----------------|-----------|
| 11. | Devolution | Dr D Smith | 13 - 60 |
| 12. | Climate Emergency Response Framework | Mr Mark Lynam | 61 - 84 |
| 13. | Statement of Common Ground | Mr Mark Lynam | 85 - 124 |
| 14. | Period 8 Capital and Revenue Monitoring Report | Mr Noel O'Neill | 125 - 140 |
| 15. | South Yorkshire Transport Revenue Budget 20/21 | Mr Noel O'Neill | 141 - 154 |
| 16. | South Yorkshire Transport Capital Programme 20/21 | Mr Noel O'Neill | 155 - 180 |
| 17. | Local Growth Fund (LGF) Monitoring | Ms Sue Sykes | 181 - 184 |
| 18. | Local Growth Fund (LGF) Approvals | Ms Sue Sykes | 185 - 200 |
| 19. | Arts & Culture | Mr A Gates | 201 - 204 |
| 20. | Contract Award - BSW Provision of Cleaning Services | Dr R Adams | 205 - 208 |
| 21. | Delegated Authority Report | Dr D Smith | 209 - 214 |
| <p>Date of next meeting: Monday, 23 March 2020 at 2.00 pm At: Sheffield City Region, 11 Broad Street West, Sheffield S1 2BQ</p> | | | |

SCR - MAYORAL COMBINED AUTHORITY BOARD

MINUTES OF THE MEETING HELD ON:

MONDAY, 18 NOVEMBER 2019 AT 2.00 PM

**SHEFFIELD CITY REGION, 11 BROAD STREET WEST,
SHEFFIELD S1 2BQ**



Present:

| | |
|--------------------------------------|--------------------------------|
| Mayor Dan Jarvis MBE (Chair) | SCR Mayoral Combined Authority |
| Councillor Chris Read (Vice-Chair) | Rotherham MBC |
| Councillor Garry Purdy | Derbyshire Dales DC |
| Councillor Julie Dore | Sheffield City Council |
| Mayor Ros Jones CBE | Doncaster MBC |
| James Muir | Chair of LEP Board |
| Councillor Jim Andrews BEM (Reserve) | Barnsley MBC |

Officers in Attendance:

| | | |
|-----------------|--|-----------------------|
| Dr Dave Smith | Chief Executive | SCR Executive Team |
| Dr Ruth Adams | Deputy Chief Executive | SCR Executive Team |
| Mike Thomas | Senior Finance Manager | SCR Executive Team |
| Noel O'Neill | Chief Finance Officer/S73 Officer | Sheffield City Region |
| Steve Davenport | Principal Solicitor & Monitoring Officer | SCR Executive Team |
| Sarah Norman | Chief Executive | Barnsley MBC |
| Sharon Kemp | Chief Executive | Rotherham MBC |
| Fiona Boden | Policy Adviser - Mayor | SCR Executive Team |
| Mark Lynam | Director of Programme Commissioning | SCR Executive Team |
| Stephen Batey | Head of Mayor's Office | SCR Mayor's Office |

Guests in Attendance

| | |
|----------------------------|---|
| Councillor Chris Furness | Peak District National Park Authority |
| Craig Tyler (Minute Taker) | South Yorkshire Joint Authorities Governance Unit |

Apologies:

| | |
|----------------------------|---|
| Councillor Steve Fritchley | Bolsover DC |
| Councillor Tricia Gilby | Chesterfield BC |
| Damian Allen | Doncaster BMC |
| Huw Bowen | Chesterfield BC |
| Dan Swaine | Bolsover DC/NE Derbyshire DC |
| Neil Taylor | Bassetlaw DC |
| Paul Wilson | Derbyshire Dales DC |
| Sarah Fowler | Chief Executive Peak District National Park |

1 **Welcome and Apologies**

Members' apologies were noted as above.

2 **Announcements**

Mayor Jones commended the brilliant work of our communities and business during the recent, devastating floods and thanked council staff and support agencies for working tirelessly to get our businesses up and running again.

Cllr Purdy noted similar thanks and appreciation for the staff at Derbyshire CC and the commented on the tragic loss of former Derbyshire High Sheriff Annie Hall, noting a memorial service is planned for December.

Members shared all the sentiments expressed.

3 **Urgent Items**

None.

4 **Items to be Considered in the Absence of Public and Press**

RESOLVED, that items 20 (LGF Project Approval – Project Chorus) and 21 (LGF Investment Approval) will be considered in the absence of the public and press.

5 **Voting Rights for Non-constituent Members**

It was agreed voting rights could not be conferred on the non-Constituent Members in respect of item 17 - Withdrawal of Non-Constituent Members from the LEP, as the matter concerns the Constituent Members only.

It was agreed there were no further agenda items for which the non-Constituent Members should not be given full voting rights.

6 **Declarations of Interest by individual Members in relation to any item of business on the agenda**

Cllr Read declared non-Pecuniary interests in the matters to be considered at item 13.1 (LGF Investment Approval - Rotherham Town Centre) and item 20 (Project Chorus) by virtue of being Leader of the sponsoring authority.

Cllr Andrews declared a non-Pecuniary interests in the matters to be considered at item 13.2 (M1 Junction 37 Ph2 – Economic Growth Corridor (Claycliffe) and M1 Junction 36 Phase 2 Goldthorpe') by virtue of being Deputy Leader of the sponsoring authority.

Mayor Jones declared a non-Pecuniary interest in the matters to be considered at item 21 (LGF Investment Approval) by virtue of being Leader of the sponsoring Authority.

Cllr Julie Dore declared a non-Pecuniary interest in the matters to be

considered at item 20 (Project Chorus).

7 **Reports from and questions by members**

None.

8 **Receipt of Petitions**

Members were advised of the receipt of 2 petitions.

A 1000+ signature petition was received from Mr Tony Nicholson with the title *“Bring back the Little Nipper: A shuttle service once ran from the bus station to the market, up to Waterdale and then back to the bus station to support our market traders and the elderly and those with difficult walking. We think this should be brought back.”*

A 111 signature was received from Mrs Pru Winder with the title *“Petition requesting the reinstatement of service 8 and 8a – Doncaster to Broadway/Moorends serving GP surgery, Post Office, Doncaster Royal Infirmary, Doncaster Frenchgate Shopping Centre and Doncaster Railway Station. The replacement bus service has halved the frequency of buses from Broadway meaning buses go past too full to stop or just do not turn up at all.”*

In response to the petitions received, the Mayor actioned officers from SYPTE to respond on the Authority’s behalf.

9 **Public Questions**

Due to purdah restrictions, the Mayor asked the Monitoring Officer to take this agenda item.

The Monitoring Officer advised the petitioners they may defer their questions for resubmission to the January MCA meeting (post-purdah) or receive a response in writing, and confirmed he would engage the petitioners to determine which course of action they would like to follow.

A public question was received from Mr Nigel Slack and delivered as follows:

“With the calling of a General Election for December 12th, many issues around the SCR seem to have been further compromised. From funding bids to scrutiny boards, LEP membership to climate change and not least the finalisation of the devolution deal first struck in 2015, we will presumably see continued delay and disruption. What is the Mayor's perception of the path for the SCR/MCA going forward?”

A public question was received from Mr Geoff Cox representing Extinction Rebellion and delivered as follows: *“People across Sheffield City Region are still bailing flood water out of their homes and salvaging what's left of their belongings. Annie Hall was killed not far away in the river Derwent. The climate crisis is lapping at our doorsteps. Will the SCR MCA radically accelerate and expand the proposals in the paper at item 15 on your agenda today? Will they commit to telling the truth about the climate emergency with a public*

information campaign, cutting Sheffield City Region's emissions to net-zero by 2025, and involve the public in writing a fair and just plan through a citizens' assembly?"

The Monitoring Officer confirmed officers would be available after the meeting to discuss the matters raised by the petitions and that the Mayor will verbally respond in the usual manner at the MCA meeting in January .

10 **Minutes of the meeting held on 23rd September 2019**

RESOLVED, that the minutes of the meeting held on 23rd September are agreed to be an accurate record.

11 **Quarter 2 Capital and Revenue Monitoring Report**

A report was received to provide the Q2 position for the revenue and capital programme of the Sheffield City Region (SCR) Mayoral Combined Authority (MCA) for the financial year 2019/20.

It was noted the report was structured to provide Members with an early indication of the forecast outturn position in relation to South Yorkshire Transport Revenue budget, MCA / LEP Revenue budget, Revenue Programme activity and the South Yorkshire Transport Capital Programme, with each explained in detail.

Cllr Dore questioned the South Yorkshire Transport Revenue Budget information and reported decrease in concessionary patronage (not including young person concessionary pass usage), and requested more investigations be undertaken to establish why people don't use buses.

Mayor Jones commented on the lack of quality of local buses and routes and challenged whether these are conducive to increasing public transport patronage.

RESOLVED, that the MCA notes the 2019/20 Q2 position for the Mayoral Combined Authority's and LEPs revenue budget and capital programme.

12 **Draft Financial Strategy 2020-25 and Budget 2020-21**

A report was received to outline the current financial position of Mayoral Combined Authority then set out the principles underpinning a 5-year financial strategy for the organisation to deliver on its ambitions within the resources available.

RESOLVED, that the MCA

1. Approves the overall Financial Strategy 2020 to 2025 identified in the report.

Approves the strategy as the basis of developing the detailed 2020/21 budget, to be brought back in early 2020 for formal approval.

13 **LGF Investment Approvals**

A report was received requesting the approval of two schemes with a total value over all years of £14.5m Local Growth Fund (LGF) and approval of one change request and seeks delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

It was noted an additional scheme with a value of £8m LGF is seeking approval but due to a Non-Disclosure agreement and the commercial prejudice disclosure would cause this scheme is to be considered at item 20 (in the absence of the press and the public).

Members challenged the proposal to invest funding in a housing scheme that would historically have been funded by Homes England. It was noted Homes England have been pressed by the SCR in respect of this particular scheme and confirmed the SCR would not enter into contract with Rotherham MBC until it had been determined that all other funding source options have been exhausted.

It was agreed the SCR should continue to pressurise Homes England to ensure they continue to maximise their investments in the region.

Further details were provided to support the request to amend the M1 Junction 36 Phase 2 Goldthorpe' scheme.

RESOLVED, that the MCA:

1. Approves the progression of Rotherham Town Centre to full approval and award of £3.9m to Rotherham Borough Council subject to the conditions set out in the Appraisal Panel Summary Table
2. Approves the progression of M1 Junction 37 Ph2 – Economic Growth Corridor (Claycliffe) to full approval and award of up to £10.6m to Barnsley Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary Table
3. Approves the progression and approval of a project change request from 'M1 Junction 36 Phase 2 Goldthorpe'

Agree that delegated authority be given to the Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements for the schemes.

13a **Appendix A - LGF Project Approval - Rotherham Town Centre Housing**

Presented for Members' consideration in support of agenda item 13.

13b **Appendix B - LGF Approval - M1 Junction 37**

Presented for Members' consideration in support of agenda item 13.

14 **Transforming Cities Fund Bid Submission**

A report was received seeking approval to submit the business case for Sheffield City Region's Transforming Cities Fund (TCF) bid due on 28th November 2019.

The Mayor thanked everyone for their efforts in producing the submission.

Cllr Dore welcomed this initiatives credential in terms of helping to mitigate the effects of climate change.

RESOLVED, that authority is delegated to finalise the submission of the TCF business case to the Chief Executive and Chief Financial Officer of the Mayoral Combined Authority, in consultation with the Mayor, based upon the comments received on this report and its appendices.

15 **Climate and Environmental Emergency**

A report was received proposing the MCA declares a 'Climate and Environmental Emergency'.

It was noted urgent work is scheduled to help identify dates by when a zero-carbon scenario could be realised.

Members considered the need to collaborate at all levels to manage the effects of climate changes.

Members noted the expectation that a defined list of significant SCR actions to address climate change will be developed.

RESOLVED, that the MCA:

1. Declares a 'Climate and Environmental Emergency.'

Requests that a report be provided at the next meeting setting out, in further detail, the development of a plan for delivering a sustainable City Region, to be produced in collaboration with both universities, alongside a draft Energy Strategy (to be presented to the next meeting).

16 **Becoming an Armed Forces Friendly Employer: MCA adoption of the Armed Forces Covenant**

A report was received asking the SCR MCA to sign up to the Armed Forces Covenant and, in doing so, adapt its employment and equal opportunities practices to reflect the commitments made in signing up to the Covenant.

Mayor Jones noted Doncaster has a gold award for its Armed Forces Covenant work and would welcome the opportunity to provide some lessons learnt. Cllr Purdy noted Derbyshire CC had also achieved accredited status.

RESOLVED, that the MCA

1. Signs up to the Armed Forces Covenant.

Agrees its intention to adapt its employment and equal opportunities practices reflecting the commitments made in signing up to the Covenant.

17 Withdrawal of Non-Constituent Members from the LEP

A report was received to set out the governance implications arising from the changes in Local Enterprise Partnership and membership rules being introduced from 1st April 2020.

Cllr Purdy asserted that from his perspective it was wholly wrong for the Derbyshire Dales DC to be forced by the Governments review of LEP boundaries to be a member of a single LEP area when they had clearer links to the SCR and asked what the effect would be on non-Constituent membership at SCR thematic boards. It was noted that a report to the previous MCA meeting had approved changes to the Thematic Boards to reflect the LEP changes.

RESOLVED, that the MCA notes the contents of this report and approves the changes to the membership of the Overview and Scrutiny Committee and Audit Committee as set out in the report

18 Decisions & Delegated Authority Report

Provided for information

19 Appointment of Head of Paid Service

A report was received to seek the approval of the MCA to appoint Dr David Smith as Chief Executive Officer and Head of Paid Service to June 2022.

RESOLVED, that the MCA approves the appointment of Dr Dave Smith as Chief Executive and Head of Paid Service to 2022.

20 LGF Project Approval - Project Chorus *

A report was received requesting approval of an inward investment scheme with a total value over all years of £8m and seeking delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

Members discussed the importance of having and adhering to a robust prioritisation process (based on HMT Green Book processes) to determine which schemes receive prioritised approval for funding. Examples were provided explaining how the SCR complies with these principles. The respective roles of the LEP and MCA in respect of approving projects were discussed, noting that the LEP was responsible for prioritising projects and the MCA's role, as Accountable Body, related to assuring, through the Assurance Framework, that any given proposed funding offered value for money and was lawful.

Mayor Jones abstained from voting on the decision to approve the

recommendations.

RESOLVED, that the MCA approves the inward investment scheme (Project Chorus) with a total value over all years of £8m, subject to the conditions set out in the report, and agrees delegated authority be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

21 **LGF Investment Approval ***

A report was received to provide an update on the progress in discussions with regard to an inward investment opportunity.

The matters contained within the report were considered in detail.

RESOLVED, that the report be deferred pending further discussion with the scheme promoter and a further report be presented to the MCA when the proposed investment is clarified.

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

Signed

Name

Position

Date

27th January 2020

Progressing Devolution

Purpose of Report

This paper sets out the next steps to progress devolution in South Yorkshire. Specifically, this recommends launching a public consultation on the draft Governance Review and Scheme to unlock the powers, resources and functions set out in its Devolution Deal with Government.

Thematic Priority

Cross cutting impacting on all priorities.

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

This paper will be made available under the Combined Authority Publication Scheme.

Recommendations

The Sheffield City Region Mayoral Combined Authority (MCA) is asked:

- To approve the Governance Review that has been prepared in accordance with section 111 of the Local Democracy, Economic Development and Construction Act 2009, as amended, which concludes that the exercise of the power to make an order devolving the proposed functions would be likely to improve the exercise of statutory functions in relation to the area of the MCA.
- To agree to launch a six-week, public consultation on the proposals in the Scheme, commencing on the 3rd February.
- To delegate to the Head of Paid Service the management of the public consultation process and the subsequent preparation of a summary of the responses received, for consideration by the MCA.

1. Introduction

- 1.1** At its September meeting the MCA considered an update on progress to unlock the benefits of devolution in the region. In the intervening period a General Election was held, and a new Government elected.
- 1.2** As part of the explanatory notes accompanying the Queen's speech on the 19th December a recommitment was made to a devolution White Paper, setting out a strategy to unleash the potential of regions, including through plans for full devolution across England and levelling up powers between MCAs. With purdah now at an end and greater certainty on the Government's policy priorities in place, there is an opportunity to unlock the benefits of devolution.

1.3 In terms of progressing devolution in the region, further clarity has now been derived on the Government's position. The Secretary of State (SofS) for Housing, Communities and Local Government and the Northern Powerhouse Minister recently confirmed their support for the implementation of the South Yorkshire Devolution Deal, unlocking the benefits it offers. They also stated that subject to the positive conclusion of this Deal, the Government agrees to progress discussions on the role and functions of a Committee of Leaders from across Yorkshire, based on the existing Yorkshire Leaders Board. This builds upon previous commitments made by the Government¹ that any South Yorkshire council that wishes to do so would be free to join an alternative wider Yorkshire devolution arrangement, subject to the statutory tests being met.

2. Proposal and justification

2.1 Within this context, a proposed way forward has been identified to implement the [Devolution Deal](#) agreed with government, which requires secondary legislation and thus an Order from the SofS. In accordance with the relevant legislation², the MCA's next step to secure these powers is to prepare, publish and consult upon a Scheme. This would stem from a Governance Review concluding that conferring these additional functions would be likely to improve the exercise of statutory functions in the CA's area.

2.2 On this basis a Governance Review and draft Scheme have been prepared, see Annex A. These are designed to provide the MCA and Mayor with the additional powers they need to implement the Deal.

2.3 With additional powers for the MCA in relation to skills and employment, housing and planning, transport and finance, the Review concludes that this would be likely to improve the exercise of its statutory functions. The rationale for this conclusion is that:

- The Sheffield City Region MCA and LEP are delivering significant benefits for people, businesses and communities, but resources are running out;
- Growth needs to be accelerated in South Yorkshire, creating more and better opportunities for its people and businesses; and
- The Deal will create a stronger MCA, generating good growth faster for local people.

2.4 Whilst the Authority previously undertook a consultation on a Governance Review and Scheme to implement the Deal in 2016, additional consultation is needed to meet legislative requirements. Furthermore, with the passing of time a number of changes have been made to the proposals themselves set out within the Review that seeks to address concerns raised by members of the CA. Specifically, changes to the 2016 document include:

- **Geography** – the scheme has been amended to reflect that no changes are proposed to the CA's geography.
- **Non-statutory status of the Spatial Framework** – the powers need to provide a non statutory, unanimously agreed document. This follows the approach used in Cambridgeshire and Peterborough and will rely on the use of the general power of competence.
- **MCA voting rights** – following the model adopted in the order for the West Midlands it is proposed that whilst the Mayor would need to be in the majority for decisions relating

¹ <https://sheffieldcityregion.org.uk/wp-content/uploads/2019/05/Letter-from-the-Secretary-of-State-for-MHCLG.pdf>

² Section 111 - 113 of the Local Democracy, Economic Development and Construction Act 2009, as amended by the Cities and Local Government Devolution Act 2016

- to new powers secured through the Deal, they would not need to be in the majority for decisions relating to the CA's existing powers and functions.
- **That there is an elected Mayor in post** – emphasis in the document has changed to reflect that the focus of the scheme is to give the CA and the Mayor (who has now been elected) additional powers and functions.

Public consultation on the proposals in the scheme

- 2.5** A series of questions have been prepared for the public consultation. These questions are designed to gain views on the proposals and powers set out in the Scheme.
- 2.6** It is proposed that a six-week consultation is launched on the 3rd February, utilising these questions to understand the views of residents and businesses on the modified scheme. Given that the greatest impacts of the proposed scheme will be concentrated on the four constituent councils it is proposed that this forms the target area for the consultation. As such every resident, business and stakeholder in South Yorkshire will have the opportunity to respond if they wish to do so. However, the consultation will obviously be open to all who wish to submit a response.
- 2.7** The consultation will be conducted primarily through digital channels with consultation feedback gathered via the SCR website, although respondents will be able to submit responses by letter or email should they wish to do so. Consultation documents and publicity materials will be made available in key local authority buildings. Proposed channels include:
- pro-active media releases and pro-active engagement of regional and local media throughout the consultation;
 - web content for the SCR website, including a feedback form;
 - similar, but locally adapted content for local authority and partner websites;
 - social media using SCR MCA and LEP family channels; and
 - staff messaging.

Proposed next steps

- 2.8** Whilst the progression of the public consultation on the proposals in the Scheme represents the next step in the process to devolve powers to the region, it is not the final step. Following the completion of the consultation the following steps, including indicative milestones, will need to be taken to complete the legislative process:
- A summary of the consultation responses received, which is then considered by the MCA, who then take a decision to submit this to the SofS, with any accompanying representations. Week commencing the 13th April.
 - The SofS considers the material submitted and produces a draft order setting out the powers needed to implement the Deal, subject to the statutory tests being met. Mid-April to end May.
 - The constituent councils, the Mayor and the Mayoral Combined Authority consent to the draft order. June
 - The order is laid in parliament – following the provision of the necessary consents.

3. Consideration of alternative approaches

- 3.1 Do nothing** – if the MCA does not proceed with the consultation the region will not secure the benefits of devolution. With other MCA and LEP funding streams approaching full commitment, the financial impact of not making progress will become more acute with the Authority having no ability to fund priority pipeline schemes.

4. Implications

4.1 Financial

Taking forward and realising the Deal poses a significant financial opportunity, it would:

- Unlock an additional £30m per annum of funding for economic development for 30 years. Decisions on what this money should be invested in will be made by the MCA.
- Enable the area to retain 100% of all business rate growth experienced, above the forecast baseline.
- Mean that the SCR MCA could benefit from wider borrowing powers than just for transport schemes as currently; representing a significant opportunity to successfully manage the area's investment profile.
- Establish the ability to introduce a mayoral precept.
- Gain control over the 19+ adult education budget, equating to c.£35m per annum.

It should be noted that before the MCA can access the above funds it (and the constituent councils) will need to consent to the necessary order and update its Assurance Framework, in accordance with the national guidance.

In addition, having in place these wider powers will be likely to secure further devolved funds for South Yorkshire from Government. Government has agreed additional funds and powers to each of the MCAs on a range of issues including housing, homelessness, responding to economic shocks, and employment support.

Undertaking additional consultation will pose additional costs to be met from the MCA's existing budget. For reference, the consultation undertaken in 2016 was completed at a cost of £104k to the CA. However, the consultation now required is focused on a smaller range of issues and is therefore expected to cost less.

4.2 Legal

The Governance Review and Scheme have been prepared and published in accordance with Sections 111 and 112 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDC). This has focused on identifying the additional functions that the MCA and Mayor require to implement the Deal. The Section 111 Review has concluded that the exercise of the power to make an order that devolves further functions would be likely to improve the exercise of statutory functions in relation to the area of the MCA. Therefore, the recommendations in this report seek to take the next step forward in the process of unlocking devolution in the region.

Subject to the MCA's agreement to proceed with the consultation and this recommendation being implemented, a summary of the consultation responses will be prepared and presented for the Authority's approval to be submitted to the SoS. If the SoS is satisfied that this meets the requisite statutory tests they can prepare a draft order for the consent of each constituent council, the Mayor and the MCA. When all of these consents have been provided the legislation can then progress through parliament.

4.3 Risk Management

By continuing to progress the Deal the MCA has the opportunity to unlock additional powers and resources in the region to deliver local priorities and the outcomes identified in the Strategic Economic Plan (SEP). As such, this seeks to mitigate the risk of SCR's economic performance falling relatively further behind those areas that do have access to these additional resources.

4.4 Equality, Diversity and Social Inclusion

In developing the approach to be adopted for the consultation on the scheme it will be important to ensure that this targets different communities and groups, including protected characteristics.

5. Communications

- 5.1 If the decision is taken to proceed with consultation it will be important to ensure that this is done in such a way that secures widespread and informed responses from across South Yorkshire. This includes presenting a clear message to residents, the business community and local, regional and national stakeholders about the implications of that decision and the next steps to be taken.

6. Appendices/Annexes

6.1 Annex A – Governance Review and Scheme

| | |
|---------------------|--|
| Report Author | Fiona Boden |
| Post | |
| Officer responsible | Dave Smith |
| Organisation | Sheffield City Region |
| Email | Dave.Smith@sheffieldcityregion.org.uk |
| Telephone | 0114 220 3476 |

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

Other sources and references:

This page is intentionally left blank

Governance Review and Scheme to implement the South Yorkshire Devolution Deal

**Sheffield City Region
Mayoral Combined Authority**

January 2020

Contents

1. About this document

Part I: Governance Review

2. Introduction

3. The MCA and LEP are delivering significant benefits

4. Growth needs to be accelerated in South Yorkshire, creating more and better opportunities for its people and businesses

5. The Deal will create a stronger MCA, generating good growth faster for local people

6. Powers and functions to be conferred on the SCR MCA and Mayor

7. Conclusion

Part II: Scheme

8. Introduction

9. Functions

10. Constitutional Matters

11. Funding

Annex A – Proposed consultees

1. About this document

Introduction

- 1.1. In 2015 the Sheffield City Region Combined Authority (SCR CA) agreed a Devolution Deal with government¹ (the 'Deal'). The Deal led to the establishment of the Authority as a Mayoral Combined Authority (MCA), with the election of the first SCR Mayor taking place in May 2018. The implementation of the South Yorkshire Deal will give the MCA greater control over transport, skills, business support and other areas.
- 1.2. After a period of uncertainty regarding the future of devolution in the region, consensus has now been reached on how it should be progressed, and a proposal was made to Government in March 2019². The Government's response³ to the MCA's proposal confirmed that any authority that wished to do so would be free to join an alternative wider Yorkshire Devolution group, leaving the SCR with a commensurately reduced devolution deal. This would need to meet the statutory tests set out in legislation and with such provisos as, for example, there remains an effective integrated transport system.
- 1.3. The Secretary of State (SofS) for Housing, Communities and Local Government and the Northern Powerhouse Minister recently confirmed their support for the implementation of the South Yorkshire Devolution Deal, unlocking the benefits it offers. They also stated that subject to the positive conclusion of this Deal, the Government agrees to progress discussions on the role and functions of a Committee of Leaders from across Yorkshire, based on the existing Yorkshire Leaders Board.
- 1.4. Accordingly, the next step to put in place the Deal is to undertake a consultation upon a Governance Review and Scheme, in accordance with the relevant legislation.

Purpose of the review

- 1.5. Sections 104, 105, 107D, 113 of the Local Democracy, Economic Development and Construction Act 2009 ("the 2009 Act"), as amended by the Cities and Local Government Devolution Act 2016 enables the Secretary of State by order to make changes in relation to the functions of an existing combined authority. Changes in relation to Section 104 and 105, can be made where the authority has prepared and published a scheme which in turn can be done after the authority has carried a

¹ https://sheffieldcityregion.org.uk/wp-content/uploads/2018/03/Sheffield_devolution_deal_October_2015_with_signatures.pdf

² <https://sheffieldcityregion.org.uk/wp-content/uploads/2019/03/Letter-to-Secretary-of-State-Devolution-25.3.19.pdf>

³ <https://sheffieldcityregion.org.uk/wp-content/uploads/2019/05/Letter-from-the-Secretary-of-State-for-MHCLG.pdf>

governance review and concluded that conferring on the Combined Authority the additional functions set out in the scheme would be likely to improve the exercise of statutory functions in the Combined Authority's area.

- 1.6. This document summarises the review of the functions and governance arrangements of the Sheffield City Region MCA, including how additional functions and arrangements from the Deal would be likely to improve the exercise of statutory functions in South Yorkshire.
- 1.7. The review of the governance and functions of the Sheffield City Region MCA is detailed at Part I and a scheme containing all proposed devolved functions is detailed at Part II.

Public Consultation

- 1.8. It is a legal requirement that a public consultation be undertaken in most cases where additional functions are to be conferred upon the Combined Authority. The consultation will relate to the proposals contained in the Scheme. It is proposed that, subject to agreement by the Combined Authority on 27th January 2020, the public consultation is launched on 3rd February, and that it runs for a six-week period to 15th March.
- 1.9. Once the consultation period has expired, the SCR MCA is required to provide the Secretary of State with a summary of the consultation responses. The law requires that the Secretary of State must then be satisfied that the statutory tests have been satisfied (i.e. that the proposals will improve the exercise of statutory functions) and that no further consultation is required. It should be noted that the SCR MCA, the four constituent councils and the SCR Mayor will need to consent to any draft order before it is laid before Parliament.
- 1.10. The consultation is intended to seek views from the public and stakeholders on the additional functions proposed to be conferred on Sheffield City Region MCA as set out in the Scheme. This will be set in the context of the approach agreed by the South Yorkshire leaders and mayors in March 2019 and following recent correspondence from the SofS in January 2020.
- 1.11. Every resident, business and stakeholder in South Yorkshire will have the opportunity to respond if they wish to do so. A number of organisations will also be contacted directly to invite them to make a response to the consultation. The proposed list of consultees to be contacted directly is attached at Annex A. However, the consultation will obviously be open to all who wish to submit a response.
- 1.12. The consultation will be led by the SCR MCA in conjunction with the constituent councils, SCR Local Enterprise Partnership and other partners.
- 1.13. The consultation will be conducted primarily through digital channels with feedback

gathered via the SCR website, although respondents will be able to submit responses by letter or email should they wish to do so. Consultation documents and publicity materials will be made available in key local authority buildings.

1.14. Proposed channels include:

- pro-active media releases and pro-active engagement of regional and local media throughout the consultation;
- web content for the SCR website, including a feedback form;
- similar, but locally adapted content for local authority and partner websites;
- social media using SCR MCA and LEP family channels; and
- staff messaging.

1.15. A toolkit will be developed to ensure that all communications teams have draft content for websites, social media, printed publicity and staff messaging.

Part I: Governance Review

2. Introduction

Creation of the Sheffield City Region Mayoral Combined Authority

- 2.1. The nine local authorities that make up the Sheffield City Region (SCR) have a long history of collaboration at a scale that reflects the natural economic geography of the region. This collaboration was formalised through the formation of the Sheffield City Region Local Enterprise Partnership (LEP) in October 2010.
- 2.2. In April 2013, the Sheffield City Region was the first area to submit plans to form a combined authority to the Coalition Government. In April 2014, the Barnsley, Doncaster, Rotherham and Sheffield (BDRS) Combined Authority Order (the “**2014 Order**”) established the authority. Known as the Sheffield City Region Combined Authority, it was created to work closely with local councils, the Local Enterprise Partnership (LEP), Government, universities and business to grow the sub-regional economy for the benefit of its residents and communities.

Membership of the Combined Authority

- 2.3. The four South Yorkshire authorities are the “Constituent Councils” of the SCR CA. Collectively the area of these four authorities combined make up the legal area of the Authority. The SCR CA is the local transport authority for this area. All constituent councils have automatic voting rights on decisions, as set out in the 2014 Order. The additional powers and resources to be devolved through the Deal are for the legal area of the authority i.e. South Yorkshire.
- 2.4. The five northern Derbyshire and Nottinghamshire authorities are the “Non-Constituent Councils” of the Combined Authority (see figure below)⁴ as set out in the 2014 order. As not ‘full’ legal members of the authority, the SCR CA is not their transport authority and voting rights are extended by constituent members in accordance with the protocol set out in the Authority’s Constitution.

⁴ Barnsley Metropolitan Borough Council; Doncaster Metropolitan Borough Council; Rotherham Metropolitan Borough Council; Sheffield City Council; Bassetlaw District Council; Bolsover District Council; Chesterfield Borough Council; North East Derbyshire District Council and Derbyshire Dales Districts Council.

Figure 1: The constituent and non-constituent councils comprising the SCR CA



Note: the purple shading denotes the constituent councils and the grey the non-constituent

2.5. In July 2016 the BDRS CA Election of Mayor Order (the “**2016 order**”) established the post of the SCR Mayor. The 2016 Order was amended as from the 16 March 2017 by the BDRS Election of Mayor amendment Order (the “**2017 Order**”), which provided that the mayoral election would take place on the 3rd May 2018. The first term of office for the SCR Mayor was extended to four years, until May 2022.

The South Yorkshire Deal

2.6. The SCR MCA now has the opportunity to have a major transfer of resources, powers and responsibilities from Government conferred upon it and the SCR Mayor. These powers and functions were set out in the devolution agreement reached between Government and the Combined Authority in October 2015.

2.7. The Deal is one of the largest individual settlements for any combined authority area, relative to its population size. The Deal covers a range of themes including skills and employment; housing, planning and public assets; innovation, advanced manufacturing and business growth and transport.

2.8. The Deal also includes elements of fiscal devolution (retained business rates) and changes to South Yorkshire wide democratic structures, including the provision of additional powers to the SCR Mayor.

2.9. The Deal will strengthen the MCA with additional powers. There is no intention to take existing powers from Local Authorities. Indeed, through devolution local

councils and local leaders will be better able to exercise their democratic responsibilities through more influence over greater levels of public spending in their localities.

Conclusions of the Review

2.10. The central conclusion of this review is that the structural changes and powers set out in the Scheme (Part II):

- allow for greater collaborations between authorities, **will improve the exercise of statutory functions** in the area or areas to which the order relates over and above existing operations (see the Scheme at Part II);
- **will have a neutral or no impact on the identities of local communities** – these proposals are about the economy and not about the identity of an area which has been working closely together for a number of years;
- the arrangements **will secure more effective and convenient local government**, reduce complexity and streamline the delivery of public services within the combined authority area.

2.11. The key ‘pillars’ and rationale for this central conclusion are that:

- The Sheffield City Region MCA and LEP are delivering significant benefits for people, businesses and communities, but resources are running out;
- Growth needs to be accelerated in South Yorkshire, creating more and better opportunities for its people and businesses; and
- The Deal will create a stronger MCA, generating good growth faster for local people.

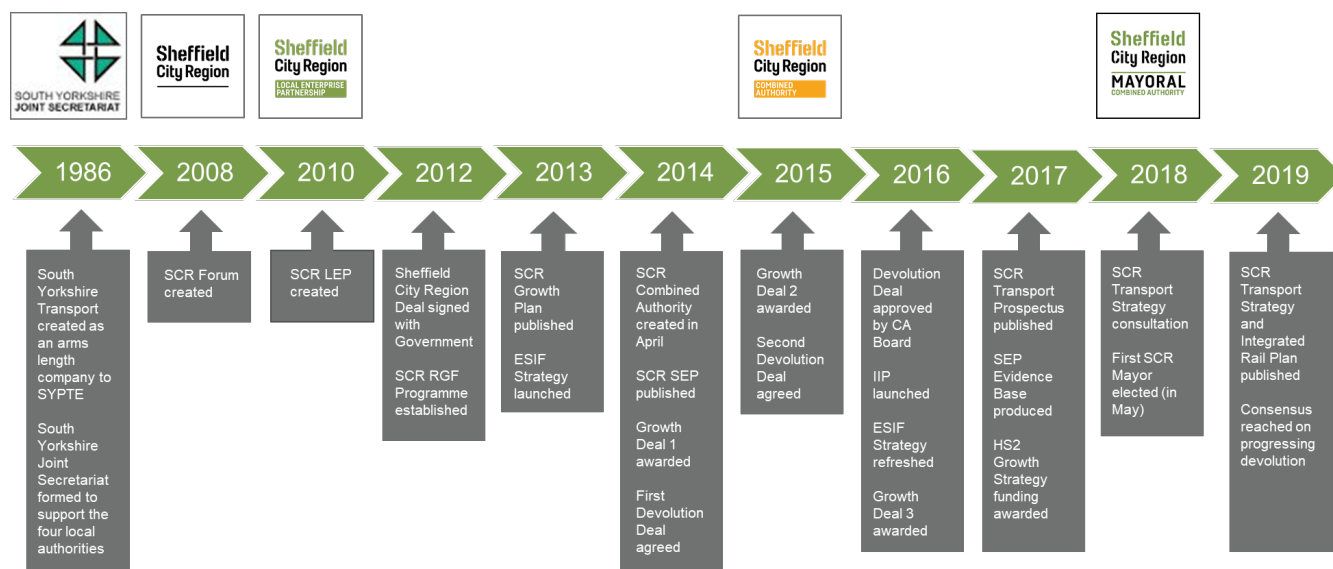
2.12. The remainder of this document expands upon those points set out above, identifies the specific powers required and sets out the Scheme for an enhanced “Mayoral” Combined Authority (Part II).

3. The MCA and LEP are delivering significant benefits

A devolution journey

- 3.1. As set out in *Figure 2* below, the region is on a “devolution journey”. This began with the SCR delivering government-led initiatives to an exceptional standard and is increasingly, through a process of “earned devolution”, leading to the devolution of substantial budgets and initiatives through a multi-year “single pot” of funding and greater retention of revenue raised locally. Such devolution is aligned with policy initiatives such as the “Northern Powerhouse” which, at its heart is about the devolution of powers and funding to the English regions to facilitate economic growth.
- 3.2. This devolution journey began some time ago, with the creation of some joint South Yorkshire services following the abolition of South Yorkshire County Council in 1986. Following the formation of the LEP in 2010, the Combined Authority in 2014 and the election of the first Combined Authority Mayor in 2018, governance arrangements have continuously evolved. With the LEP boundary changing in April 2020, to only cover a South Yorkshire geography, these arrangements continue to evolve.

Figure 2: The devolution journey so far



- 3.3. The implementation of the Deal is the next stage in this devolution journey. But it is not the final destination. Research carried out by the London Finance Commission⁵ found that in the UK, local government controls only 1.6% of GDP, compared to 6% in France, 11 % in Germany, and 16% in Sweden. Greater powers and resources need to be devolved from central to local government.
- 3.4. In terms of progressing devolution in the region, further clarity has now been derived

⁵ [https://www.london.gov.uk/sites/default/files/devolution - a capital idea lfc 2017.pdf](https://www.london.gov.uk/sites/default/files/devolution_-_a_capital_idea_lfc_2017.pdf)

on the Government's position. The Secretary of State (SofS) for Housing, Communities and Local Government and the Northern Powerhouse Minister recently confirmed their support for the implementation of the South Yorkshire Devolution Deal, unlocking the benefits it offers. They also stated that subject to the positive conclusion of this Deal, the Government agrees to progress discussions on the role and functions of a Committee of Leaders from across Yorkshire, based on the existing Yorkshire Leaders Board. This builds upon previous commitments made by the Government⁶ that any authority that wishes to do so would be free to join an alternative wider Yorkshire devolution group, subject to the statutory tests being met.

Delivering benefits for people and business

3.5. Since 2012, using our local levers and the tools given by Government, the SCR MCA and LEP and its local authorities have been generating significant benefits including: creating 15,150 jobs and 2,200 apprenticeships, assisting 6,000 learners, and leveraging £319m of investment and supporting 24,000 companies. This is only the beginning. The SCR is now two thirds of the way through the delivery of its multi-year Growth Deal, which is forecast to create more than 68,000 jobs, support 14,000 learners and lever in almost £1.5bn of investment.

3.6. Key achievements made by the MCA, LEP and local authorities include:



£363.7 million Local Growth Fund (LGF) allocation on projects across the SCR.

£363.7 million



£500 million of private sector investment including with **Boeing and McLaren Automotive** has been brought into the SCR by our Trade and Investment Team.

£500 million



44,000 jobs created in the City Region's economy since 2014, with MCA and LEP activity creating **15,150** jobs.

44,000 jobs

⁶ <https://sheffieldcityregion.org.uk/wp-content/uploads/2019/05/Letter-from-the-Secretary-of-State-for-MHCLG.pdf>



24,600 businesses

24,600 businesses in SCR have received financial support through the **SCR Growth Hub** which have created 2,100 jobs.



8,384 people

8,384 people in SCR have received training through our skills development projects, including **SCR Skills Bank** and **Skills Made Easy**.

- 3.7. In addition to unlocking these opportunities for local businesses the MCA and LEP have done this in a way that has delivered value for money. In 2018/19 alone, the SCR Business Investment Fund programme created and safeguarded over 2,000 jobs from a £23m fund. This is a cost per job of £11,292, over £20,000 less (cost per job) than National Audit Office (2014)⁷ estimates for the national programme. This proves economic growth and better value for money can be achieved when programmes are commissioned, managed and delivered at a local level.
- 3.8. Whilst the funding programmes that the SCR MCA and LEP have in place, have and are delivering significant benefits, they are now nearing full commitment. In the absence of any certainty on the UK Shared Prosperity Fund, the successor to the Local Growth and European Structural Investment Funds, there is a need to secure additional resources to continue to unlock growth and opportunities in South Yorkshire.

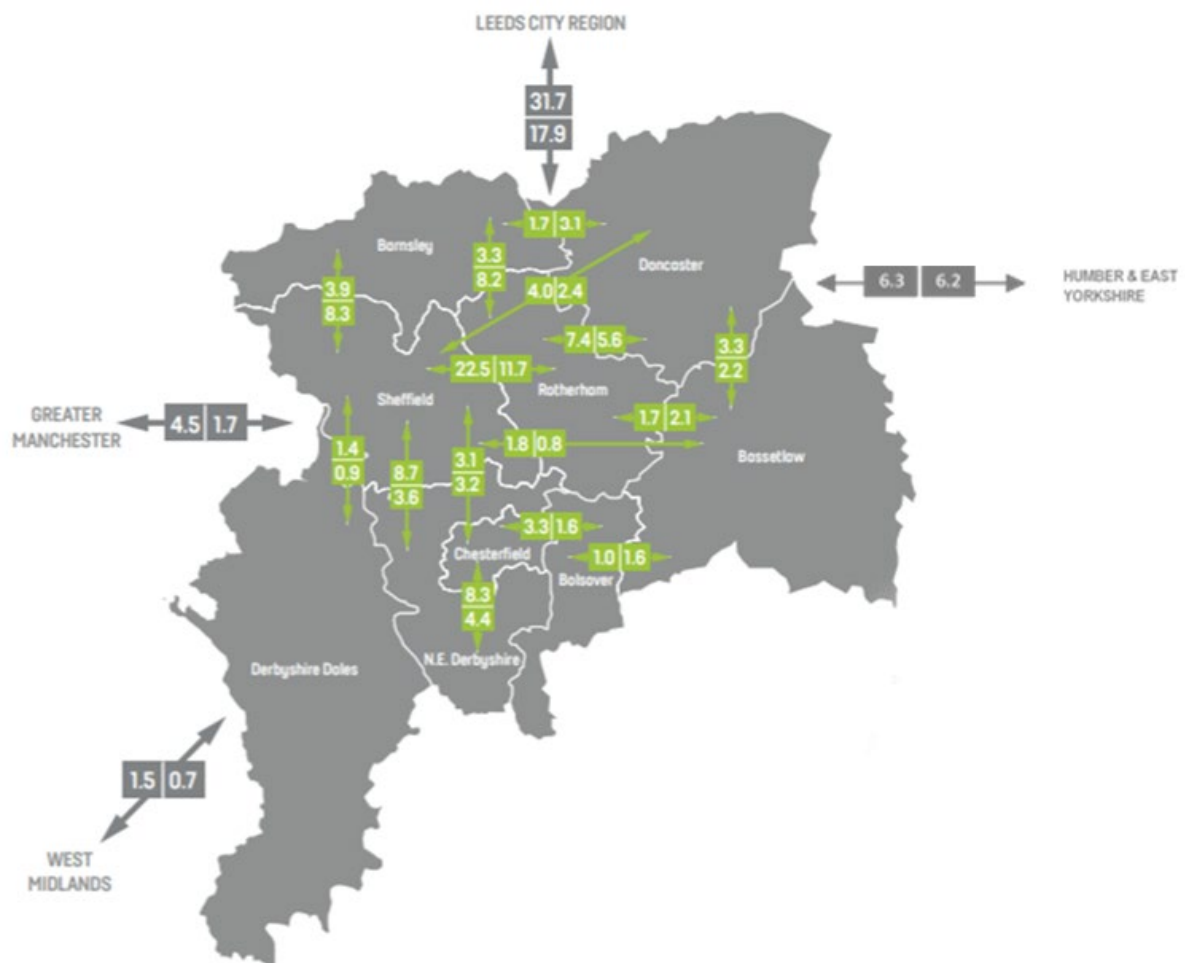
⁷ NAO (2014) Progress Report on the Regional Growth Fund

4. Growth needs to be accelerated in South Yorkshire, creating more and better opportunities for its people and businesses

Overview

- 4.1. The SCR is not a traditional monocentric city region. It is comprised of the core city of Sheffield and the surrounding towns of Barnsley, Rotherham and Doncaster; the largest metropolitan authority in the country. Together these four constituent councils of the MCA, have a population of 1.4 million people, with 47,000 businesses providing 634,000 jobs. When combined with the non-constituent members of Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, and North East Derbyshire, this increases to 1.9 million people, 68,000 businesses, and 862,000 jobs.
- 4.2. As one of eight MCAs in England the authority (in terms of population) is broadly equivalent in size to the Liverpool City Region MCA. It is the 10th largest LEP area by population, with the 16th largest economy.

Figure 3: SCR commuting flows



Data source: 2011 Census

- 4.3. The SCR came together at this scale because it best reflects the level at which the economy operates. The level of integration of the labour market is shown in the figure above, which reflects where people travel to work each day. Importantly this also shows the key locations people are commuting to outside of the region, with particularly strong links to West Yorkshire in the north and Derby, Derbyshire, Nottingham and Nottinghamshire in the south.

Our Strengths

- 4.4. The City Region's economy is growing. The number of jobs in the City Region has increased by 9.5% since 2011, which is marginally below the national rate of 9.8%.
- 4.5. The rate of growth of the SCR has exceeded the target rate outlined in the Strategic Economic Plan 2014-2024, and the City Region now has an annual Gross Value Added (GVA) rate of £35 billion (the economy was valued at £31 billion in 2014). The rate of GVA growth over the last ten years since the LEP was formed is 20.3%. Whilst, this is slightly below the national average growth rate of 22.6%, the Sheffield City Region is one of the fastest growing economies in England in terms of productivity – 6th fastest out of 38 LEP areas and ahead of London for the 2009 to 2016 period.
- 4.6. The SCR has a strong industrial heritage with materials and manufacturing remaining as distinctive features of the economy. With world-class specialisms in Advanced Manufacturing and Engineering, the City Region is at the forefront of innovation and a major driver of economic growth. The City Region has a large manufacturing sector with 14.1% compared to 10.1% nationally. Other key industries and employment strengths are in Construction; Materials; Logistics; Rail; Creative and Digital Industries; Education; and Health.

Figure 4: Major & growing concentrations of the industrial elements of the SCR's economy (2010–15)

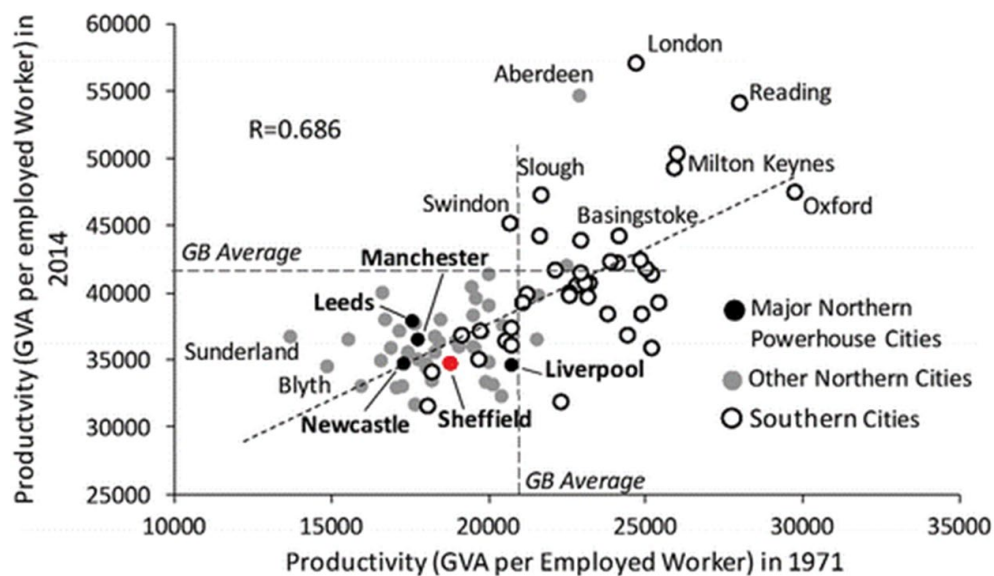


Source: Metro Dynamics Analysis using ONS BRES data (2015)

Our Challenges

4.7. In 2016, the SCR ranked 34th out of 38 LEP areas in England for GVA per head. GVA per head in the SCR is currently £18,370, which is below the UK average (£26,580) and over £5,000 lower than the UK average even when excluding London (£23,774). In addition, in terms of productivity the gap between the area the rest of the country is widening, as shown in the figure below.

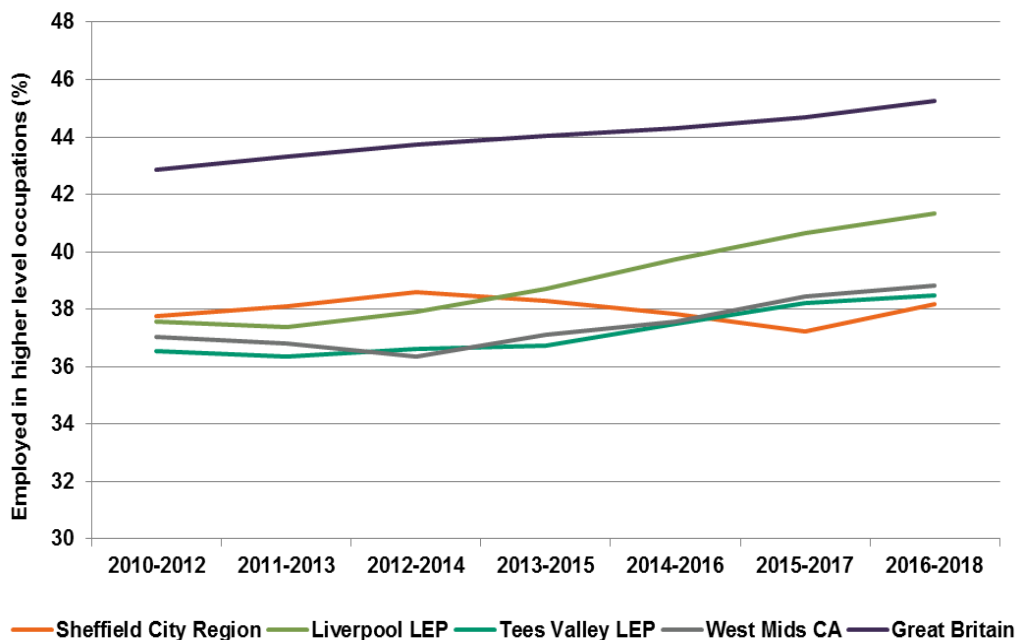
Figure 5: Labour Productivity Across British Cities in 1971 and 2014 (Gross Value Added per employed worker at 2011 prices)



Source: Joyce, R. and Xu, X (2019).

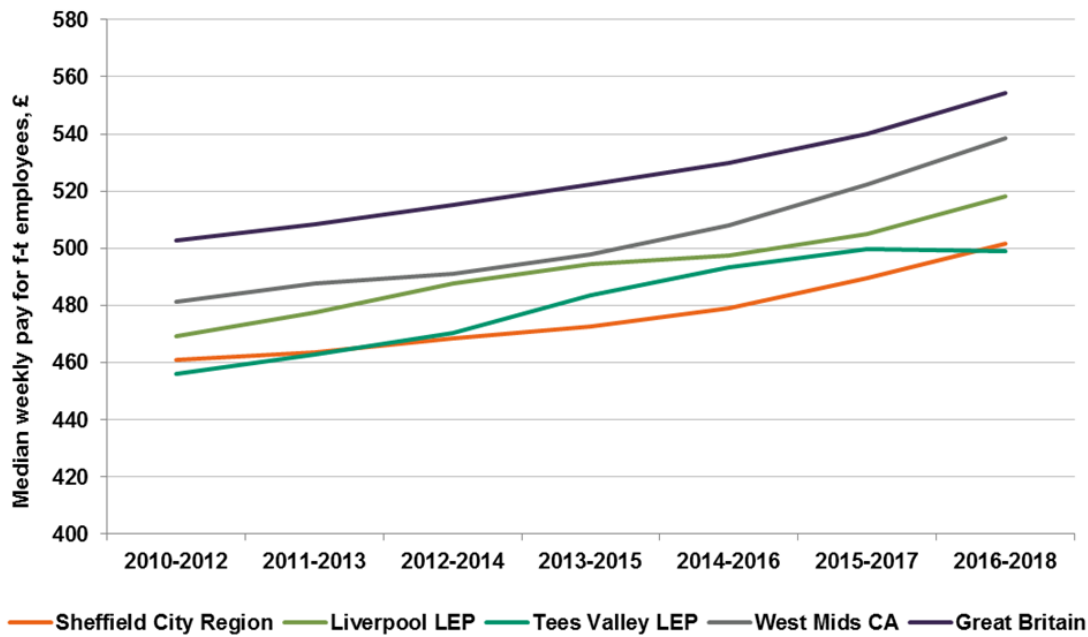
- 4.8. Whilst jobs growth in the City Region has kept pace with the rest of England, the overall employment rate in the SCR is 1.8% below the national average. There are 47,900 unemployed SCR residents, and the key concern is the level of economic inactivity, which is above the national average. The City Region has the 11th highest economic inactivity rate across the 38 LEP areas. This is, and has been, a persistent challenge since de-industrialisation in the 1980s. In 2018, there were 260,200 economically inactive residents. This includes full-time students, residents with temporary or long-term illness or disability and individuals who are caring for family members. Of this total, 82,600 people intend to seek employment (31.7% compared to 21.4% nationally). This indicates the opportunity available to move more individuals into employment if economic conditions could be improved.
- 4.9. There are significant areas of deprivation and the Sheffield City Region is the 7th most deprived LEP area in England. Too many of our residents are not in employment or training, are experiencing poor physical or mental health, or have low or no skills to help them get better jobs (see figures below). There is also a disproportionate number of low-skilled residents in low-paid, part-time and often insecure work. There is a growing problem of long-term unemployment, and a cycle of intergenerational unemployment and poverty.

Figure 6: Employment in higher level occupations



Source: CRESR Inclusive Growth Report 2019

Figure 7: Median gross weekly pay, full-time employees



Source: CRESR Inclusive Growth Report 2019

The region is developing a new Economic Strategy to build on its strengths, addressing our challenges to create more inclusive growth

- 4.10. Work is underway to develop a new Strategic Economic Plan (SEP) for the region. This will set out an ambitious vision for the future growth of the area that builds upon its strengths and weaknesses, to grow the economy at a faster rate, benefiting people and communities across the area.
- 4.11. The emerging SEP is founded upon a robust evidence base that has brought together a range of quantitative and qualitative data sources. It is also being produced collaboratively by the LEP and MCA, with partners across the City Region including the public, private, third and education sectors.
- 4.12. In developing the document consideration is also being given to the wider factors anticipated to be driving growth and change. This includes digitisation, climate change and clean energy, and the need to create inclusive growth that benefits people and communities across the region.
- 4.13. The additional powers and resources in the Deal could be used to help deliver the priorities in the new SEP, when agreed and in place.

5. The Deal will create a stronger MCA, generating good growth faster for local people

Context

- 5.1. The premise of the SCR MCA is that decisions that are about creating economic growth are best made, where possible, close to the people that they effect and that for too many years there has been an overly centralised approach to economic growth. Nationally the government has recognised that there are powers and functions that can be more effectively delivered locally. There has also been an acknowledgment locally that for some functions a wider partnership of local councils is required to deliver functions that are best done on a wider basis; namely that they better reflect the way in which the “real” economy works.
- 5.2. In October 2015, SCR political and business leaders secured a Devolution Agreement with the Chancellor of the Exchequer. The Deal involves the significant devolution of power and funding from Whitehall to South Yorkshire local leaders in the City Region including £30m of additional funding per annum for 30 years.

The South Yorkshire Deal

- 5.3. The Deal agreed was focused on economic growth. The headlines include:
 - devolved transport powers and funding – including the powers to franchise the bus network (through the Bus Services Act);
 - full devolution of the 19+ Adult Education (formerly Skills) Budget for college and training providers;
 - control of a new, flexible single pot of funding for economic growth, which incorporates an additional £30 million annual allocation over the next 30 years;
 - a greater share of the benefits of economic growth through a pilot of retention of business rate growth;
 - the co-design and co-commissioning of new employment programmes;
 - an improved approach and greater accountability to Sheffield City Region of national inward investment and trade support;
 - better use of publicly owned assets and increased planning capacity and powers to increase housing delivery and commercial development;
 - recognition of South Yorkshire assets, including the Advanced Manufacturing Innovation District and the National College for High Speed Rail / National Institute for Infrastructure.

- 5.4. The Deal provides South Yorkshire with a single pot of funding to invest in economic development. Our single pot brings together three main funding strands: (1) ‘Gainshare’ investment, (2) Growth Deal award and (3) a consolidated transport budget.

Stronger more accountable governance, generating real benefits

- 5.5. In return for the additional powers and resources to be devolved, government required the CA to put in place an elected metro mayor. This was established in legislation in 2016 and 2017, with the first SCR Mayor elected in May 2018. The implementation of the Deal would therefore provide the SCR Mayor and the MCA with additional powers and resources to achieve their ambitions.
- 5.6. The Deal set a number of specific functions that would be fulfilled by the SCR Mayor. These were that:
- the Mayor will chair SCR Combined Authority – and will lead a SCR Cabinet;
 - the members of the SCR Combined Authority will serve as the Mayor’s Cabinet and will perform a supporting and advisory function to the Mayor and Combined Authority;
 - where powers reside with the Mayor the SCR Cabinet may ask the Mayor to reconsider Mayoral strategies and funding plans if two-thirds of the members agree to do so;
 - on some planning arrangements, specifically the creation of the SCR Spatial Framework unanimous approval from CA members will be required; and
 - the Mayor will also be a member of the LEP.
- 5.7. Further points of detail, including powers, functions, membership and voting arrangements are set out in greater detail in the following chapter and in the Scheme at part II of this document.
- 5.8. The proposed strengthened MCA model will give the direct accountability and streamlined decision making which Government wish to see in place for devolution of functions, powers and resources to South Yorkshire. A governance structure of a directly elected Mayor and Combined Authority, provides strong leadership, whilst protecting the integrity and the existing role and functions of local authorities. The mayoral model is part of the SCR MCA and LEP, thus maintaining the integrated approach to governance which the City Region has worked consistently to develop.

The powers to deliver the Deal

- 5.9. Whilst ambitious, a proportion of what the SCR MCA is seeking to achieve through

the Deal can be achieved through the existing powers and functions of the Authority or without the need for legislative change. For example, the SCR has worked increasingly closely with the Department for International Trade in recent years. However, as detailed in Part II of this document (the Scheme) some additional powers are required in order to deliver the Deal.

- 5.10. The powers, functions and resources that are included in this governance review and the Scheme that has been developed on the basis of this review are all proposed in order to support the delivery of the Strategic Economic Plan, the Transport Strategy and deliver the Deal. More detail as to how we expect each element of the additional powers and functions proposed in this governance review and scheme to support the exercise of the MCA’s statutory functions, is set out in the table below.
- 5.11. The review has operated on the principle that devolution is not about taking away powers from constituent councils, but about drawing down powers from central government or government agencies or alternatively drawing into South Yorkshire powers which are exercisable in London. Therefore, where the Scheme proposes that there should be conferred on SCR MCA functions of constituent councils (mainly in the area of skills and training) these will only be exercisable concurrently (and rather by) with the constituent council and will be subject to agreed protocols.
- 5.12. The powers outlined below are those that require legislative or regulatory change before they can be exercised by the SCR MCA or Mayor.

Table 1: Rationale for the powers and functions sought through the Scheme

| Theme Power(s) | Rationale |
|--|--|
| Skills and education | |
| Conferral of local authority and central government training and skills functions to the Combined Authority, to be exercised concurrently with constituent local authorities and the Secretary of State. | Further education provision generally services local labour markets. By devolving the Adult Education Budget and conferring the appropriate powers on the SCR MCA we expect that the provision on adult skills in South Yorkshire will be better aligned with locally determined priorities to ensure that residents have the skills required to help businesses to grow, innovate and diversify. A trained and skilled workforce will help to create good growth within the region. |
| Housing and regeneration | |
| Housing and Regeneration powers | SCR MCA is requesting a number of housing |

| Theme Power(s) | Rationale |
|--|---|
| <p>including Homes England (HE) functions to be exercised concurrently with HE, specifically:</p> <ul style="list-style-type: none"> ● to improve the supply and quality of housing; ● to secure the regeneration or development of land or infrastructure; ● to support in other ways the creation, regeneration and development of communities or their continued well-being; and ● to contribute to the achievement of sustainable development and good design. | <p>powers (concurrent with the HE and Local Authorities and taken from the Housing and Regeneration Act 2008) which relate to ‘improving the supply and quality of housing’ and ‘securing the regeneration or development of land or infrastructure’.</p> <p>These powers very much reflect the direction of travel and future role of the SCR MCA in housing delivery. In addition, they complement the Mayoral Development Corporation (MDC) powers, enabling a range of activity to be carried out across South Yorkshire.</p> |
| Spatial planning | |
| <p>Mayoral strategic planning powers including:</p> <ul style="list-style-type: none"> ● the creation of a non- statutory spatial framework for South Yorkshire; ● Compulsory Purchase Powers in line with those held by the HE; and ● the power to establish Mayoral Development Corporations. | <p>The South Yorkshire Strategic Spatial Framework will enable an informed, integrated approach to be taken to spatial planning across the region, based on a clear understanding of the role of our places and the connections between them. The development of the non- statutory Framework would also need to take into account the position of existing adopted Local Plans. Similarly, local plans being prepared would need to take into account the Framework.</p> <p>The additional Mayoral planning powers will enable the SCR Mayor and the Combined Authority to drive development and regeneration across the area.</p> |
| Transport | |
| <p>Transport powers including the central government power to provide grants to highway authorities, power to reach agreements with other bodies about</p> | <p>By providing the MCA with the ability to manage the provision of public transport services, there will be the opportunity for better services, aligned transport investment</p> |

| Theme Power(s) | Rationale |
|---|--|
| the management of the strategic highway network, bus operating powers | and the delivery of integrated smart ticketing and working with other transport bodies. This work will be aided by the creation of a devolved and consolidated transport budget which will enable the SCR MCA to invest in local transport priorities. |
| Constitutional and governance matters | |
| <p>The MCA/Mayor will have a general power of competence, allowing the MCA/Mayor further scope to deliver economic improvement for the area within the budgets agreed by the MCA</p> <p>Legislation will make provision for the SCR Mayor to appoint a political advisor and will set out the terms and conditions of such an appointment.</p> <p>Whilst not powers to be devolved or transferred, the legislation to be drafted will also determine a number of constitutional and governance issues including amendments to the 2014 Order, including:</p> <ul style="list-style-type: none"> ● Mayoral and non-mayoral functions; ● Voting rights and majorities; ● Mayoral remuneration; and ● Clarify the manner in which a Vice Chair is appointed. | <p>A general power of competence will allow the proposals for spatial planning to be delivered and will give the MCA equivalent powers to that of the constituent councils to assist the MCA in delivering economic growth.</p> <p>Such arrangements will ensure the effective operation of SCR governance arrangements, including clear arrangements to ensure transparency and accountability.</p> |
| Finance | |
| <ul style="list-style-type: none"> ● Introduction of a Mayoral precept to support the discharge of mayoral functions. ● SCR CA borrowing powers. | <p>A precept would offer greater transparency to SCR residents in relation to the funding of Mayoral functions.</p> <p>The SCR CA can currently only borrow in relation to transport functions. This limits the ability of the SCR to raise investment funds that</p> |

| Theme Power(s) | Rationale |
|----------------|--|
| | can be used to invest in projects that generate economic growth. |

5.13. The Deal and thus the powers set out in the table above were intentionally negotiated with Government to focus on economic growth, rather than wider factors such as blue light services or health. Securing these additional powers for the SCR MCA and Mayor therefore better enable the Authority to fulfil its role in this area. But given its role remains consistently focused on the economy and not the identity of an area that has been working closely together for a number of years (see figure 2) these proposals are considered to have a neutral impact on the identities of local communities.

The successes in other MCAs, with powers in place, illustrates what can be achieved

5.14. The benefits that can be generated through the MCA models that have powers in place are shown by the successes being generated across the country where these arrangements have been established. The initiatives that they are bringing forward, additional powers and investment that has been unlocked from government (for example, more than a billion pounds of direct investment from the Transforming Cities Fund), and their engagement with local people is testament to the benefits that can be achieved.

6. Powers and functions to be conferred on the SCR MCA and Mayor

- 6.1. This chapter details how the MCA needs to evolve (through the addition of new powers and/or duties) to deliver the Deal. Unless otherwise stated, the areas of these powers will be consistent with the area of the MCA i.e. that of the constituent members of the MCA (South Yorkshire). Should that membership change (either now or in the future) then the scope of these powers shall change accordingly.

Table 2: Summary of the Deal and any required powers and/or duties

| Theme | The Deal (substantive elements) | Specific powers / duties required to deliver the deal |
|------------------------------------|--|--|
| <p>Skills and education</p> | <p>The Government will: fully devolve the 19+ adult skills budget to the Sheffield City Region Combined Authority from academic year 2021/22 (subject to readiness conditions)(Page 8).</p> | <p>The Department for Education take the view that powers and/or duties contained in the following legislation should be transferred from the Secretary of State to the MCA or exercised concurrently with the MCA:</p> <ul style="list-style-type: none"> A. Apprenticeship, Skills, Children and Learning Act 2009 (ASCAL 2009) as amended by the Deregulation Act 2015. B. Employment and Training Act 1973. <p>Details of the specific provisions will be provided by the Secretary of State in due course</p> <p><u>Local Authority powers to be exercised concurrently by the MCA</u> (i.e. these would be CA/non-mayoral powers). <i>Education and Skills Act 2008</i></p> <ul style="list-style-type: none"> A. Section 10 (duty to promote the effective participation in education or training) and Section 12 (duty to make arrangements to identify persons not in education or training). B. Sections 68 (provision of services to encourage, enable or assist the effective participation of those persons in education or training), Section 70 (local education authorities: supplementary powers) and Section 71 (provision of support on conditional basis: learning and support agreements). <p>Education Act 1996</p> <ul style="list-style-type: none"> A. Section 13A (duty to promote high standards in primary and |

| | | |
|---------------------------------|--|--|
| | | <p>secondary education).</p> <p>B. Sections 15A and 15B (functions in respect of full-time education for 16 to 18 year olds / education for persons over 19).</p> <p>Further and Higher Education Act 1992</p> <p>A. Section 51A (provision of education services for named individuals).</p> |
| Employment | Sheffield City Region Combined Authority will work with DWP to co-design the future employment support , for harder-to-help claimants, many of whom are currently referred to the Work Programme and Work Choice (Page 10). | No specific additional powers and/or duties required to implement this aspect of the Deal at this stage. |
| Housing and regeneration | HMG will work with Sheffield City Region to support the operation of the Joint Assets Board , and support better coordination on asset sales. (P11/12) | <p>A. The MCA to exercise the objectives and functions of Homes England and under Section 2(1) and Section 3-12, 17 and 18-19 of the Housing and Regeneration Act 2008 (“H&R Act 2008”). These functions to be exercised concurrently with HE with respect to the area of the MCA.</p> <p>B. These functions would be non-Mayoral functions with the exception of the specific HE compulsory purchase powers (which would be a mayoral function). The functions are:</p> <ol style="list-style-type: none"> i. to improve the supply and quality of housing; ii. to secure the regeneration or development of land or infrastructure; iii. to support in other ways the creation, regeneration and development of communities or their continued well-being; and iv. to contribute to the achievement of sustainable development and good design. <p>C. In order to achieve the objectives above, the MCA should</p> |

| | | |
|-------------------------|---|--|
| | | have the power of compulsory purchase in s.9 of the H&R Act 2008. |
| Spatial planning | <p>The Sheffield City Region Combined Authority Mayor will also exercise strategic planning powers to support and accelerate these [devolution] ambitions. This will include the power to:</p> <p>A. Create a spatial framework, which will act as the framework for managing planning across the Sheffield City Region, and with which all Local Development Plans will be in strategic alignment. The spatial framework will need to be approved by unanimous vote of the members appointed by constituent councils of the Mayoral Combined Authority. This approach must not delay any Local Development Plans, and will build upon the local plans being developed.</p> <p>B. Create supplementary planning documents, subject to approval processes in paragraph 21a [of the Deal].</p> <p>C. Create Mayoral Development Corporations, which will support delivery on strategic sites in the Sheffield City Region. This power will be exercised with the consent of the Cabinet member in which the Development Corporation is to be used.</p> | <p><u>Spatial Framework</u></p> <p>The SCR Mayor may, utilising the general power of competence, prepare publish for consultation and adopt a non-statutory spatial development plan along with any necessary guidance on its interpretation (together “Spatial Development Framework”) to act as a framework for managing strategic planning across the Combined Authority area.</p> <p>Before doing so, the SCR Mayor will have regard to the local plans of constituent member (and non-constituent members of the CA to the extent to which this is appropriate).</p> <p>The publication and adoption of any documents constituting the Spatial Development Framework requires the unanimous consent of constituent members of the MCA and the SCR Mayor.</p> <p>Once agreed, constituent members will have regard to this spatial development framework when setting their respective development plans and strategies and the framework may be a material consideration in planning</p> <p><u>Mayoral Development Areas</u></p> <p>The MCA should have functions equivalent to London Mayor under Part 8 Chapter 2 of Localism Act 2011 in respect of designating an area a Mayoral Development Area and related</p> |

| | | |
|-------------------------|--|---|
| | | <p>Town and country Planning functions.</p> <p>The functions to be Mayoral functions. Any function exercisable by the SCR Mayor to designate an area to be exercised only with the consent of the MCA member for the area(s) of the Mayoral Development Area.</p> |
| <p>Transport</p> | <p>The directly elected Mayor of the Sheffield City Region Combined Authority will be responsible for a devolved and consolidated local transport budget for the area of the Combined Authority (i.e. the areas of the constituent councils), including all relevant devolved highways funding, with a multi-year settlement to be agreed at the Spending Review. Functions will be devolved to the Sheffield City Region Combined Authority accordingly, to be exercised by the Mayor.</p> <p>The directly elected Mayor of the Sheffield City Region Combined Authority will be able to utilise functions, granted to the Mayoral Combined Authority, for the franchising of bus services in the area of the Combined Authority through the Bus Services Act 2017.</p> <p>This will help to facilitate, amongst other matters, the delivery of integrated smart ticketing across all local modes of transport in the city region, working as part of Transport for the North on their plans for smart ticketing across the North.</p> <p>Government, in consultation with Sheffield City Region, will continue to explore options to give Sheffield City Region</p> | <p><u>Consolidated Transport Budget</u></p> <p>The MCA should be able to exercise the functions of a Minister of the Crown contained in s.31 Local Government Act 2003 to pay grants to the constituent councils for exercising highway functions. This function is a Mayoral function exercisable concurrently with a Minister of the Crown.</p> <p><u>Mayoral Bus Powers</u></p> <p><i>Bus Services Act 2017</i></p> <p>Mayoral Bus Franchising - the power for a Mayor to franchise bus services in a CA Area.</p> <p><u>MCA Bus Powers</u></p> <p>Bus Services Act 2017 - Enhanced Voluntary Partnerships (Power for a CA to promote an enhanced version of the voluntary Partnership model).</p> <p><u>Key Route Network</u></p> <p>A. There will be no transfer of statutory responsibility for</p> |

| | | |
|------------------------------------|--|--|
| | <p>Combined Authority more control over the planning and delivery of local transport schemes, particularly in preparation for HS2. This could include changes to the way that Transport and Works Act Orders are 13 granted, if practical proposals for improving and speeding up the process are identified.</p> <p>The directly elected Mayor of the Sheffield City Region Combined Authority will take responsibility for an identified Key Route Network of local authority roads that will be collaboratively managed and maintained at a City Region level by the Sheffield City Region Combined Authority across the areas of the constituent councils.</p> | <p>such roads from the existing highway authorities. The identified network will be collaboratively managed and at the City Region level by the respective Highway Authorities in partnership with the SCR Mayor (who would be responsible for the overall coordination of the collaborative arrangements).</p> <p>B. Responsibility for resourcing maintenance and operational management of the network would remain the responsibility of the respective highway authorities.</p> <p>C. The function of the Secretary of State under Section 6 Highways Act 1980 and the function of a local authority under Section 8 of the Highways Act 1980 to enter into agreements in relation to the construction, improvement, maintenance etc of a highway should be functions exercisable concurrently by the MCA as non-mayoral functions.</p> |
| Trade and investment | HM Government commits to strengthening support available for both trade and investment in the Sheffield City Region. | No specific additional powers and/or duties required to implement this aspect of the Deal. |
| Innovation | Through utilisation of the additional resources in the single pot it is expected that Sheffield City Region Combined Authority will bring forward a set of ambitious proposals to enhance the Advanced Manufacturing Innovation District. The Sheffield City Region will work with HM Government to achieve their ambitions for a National Institute for Infrastructure within Doncaster. | No specific additional powers and/or duties required to implement this aspect of the Deal. |
| Business growth and support | Government and the Sheffield City Region Combined Authority will agree a joint programme to create the right environment | No specific additional powers and/or duties required to implement this aspect of the Deal. |

| | | |
|---|--|--|
| | <p>to drive the commercial rollout of ultrafast broadband. Government will also support the SCR Combined Authority to reinvest funds into creative solutions to supplying superfast broadband to the last 5%.</p> | |
| <p>Constitutional and governance matters</p> | <p>The directly elected Mayor for Sheffield City Region Combined Authority will autonomously exercise new powers. The Mayor will chair the Sheffield City Region Combined Authority, the members of which will serve as the Mayor’s Cabinet. The Mayor and the Sheffield City Region Combined Authority will be scrutinised and held to account by the SCR Overview and Scrutiny committee(s). The SCR Mayor will also be required to consult the SCR CA Cabinet on his/her strategies, which it may reject if two-thirds of the members agree to do so. The SCR Cabinet will also examine the Mayor’s spending plans and will be able to amend his/her plans, if two-thirds of the members who have been appointed by constituent councils agree to do so.</p> <p>Proposals for decision by the Combined Authority may be put forward by the Mayor or any Cabinet Member. The Mayor will have one vote as will other voting members. Any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting, subject to that majority including the vote of the Mayor, unless otherwise set out in legislation, or specifically delegated through the Authority's Constitution.</p> | <p>A. There should be provision in the Order for the MCA to pay an allowance to the SCR Mayor and their deputy, following consideration of a report of an Independent Remuneration Panel.</p> <p>B. There should be provision in the Order to enable the SCR Mayor to appoint one person as the Mayor’s political advisor.</p> <p>C. The Order shall clarify the chairing arrangements by removing Schedule1 Paragraph 2 of the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014. The SCR Mayor chairs the MCA in accordance with the provisions of s.107A LDEDC.</p> <p>D. The MCA’s Constitution will be amended to reflect that in respect of the exercise of any function devolved to the MCA that are not functions exercisable by the SCR Mayor in an Order made by the Secretary of State as a consequence of this Scheme, the SCR Mayor must be part of the majority of members present and voting on the exercise of such functions.</p> <p>E. The MCA’s Constitution will be amended to reflect that the exercise of the function to create and adopt a Spatial Development Framework will require unanimity of the Constituent Members and the SCR Mayor.</p> |

| | | |
|--------------------------------|---|--|
| <p>Funding / fiscal</p> | <p>HM Government agrees to allocate an additional £30m per annum of capital and revenue funding for 30 years, which will form part of and capitalise the Sheffield City Region Combined Authority single pot. This will fund key City Region priorities and will be composed of 60% capital and 40% revenue. The fund will be subject to 5-yearly gateway assessments to confirm the spend has contributed to national growth.</p> <p>The Cities and Local Government Devolution Act 2016 established the principles which will govern further prudential borrowing for combined authorities.</p> <p>HM Government will pilot a scheme in Sheffield City Region Combined Authority which will enable the area to retain 100% of any additional business rate growth beyond expected forecasts. These pilots will begin, subject to further detailed discussions between the Combined Authority and HM Government. HM Government will also discuss wider localisation of business rates with the Sheffield City Region Combined Authority.</p> | <p><u>Borrowing powers</u></p> <p>By virtue of section 23(5) LGA 2003, a combined authority may borrow in relation to “any other functions of the authority that are specified for the purpose of [section 23(5)] in regulations made by the Secretary of State”. Such functions include mayoral and non-mayoral functions. It is proposed that the regulations be amended to provide for the MCA to have borrowing powers in respect of all of its functions.</p> <p>Other costs of the MCA for non-Mayoral functions, that are not raised by way of a levy (and are not met from devolved or other funds) shall be met by the constituent and non-constituent councils. Such costs shall be apportioned between the Councils in such proportions as they shall agree.</p> <p><u>Mayoral Precept</u></p> <p>Costs in respect of Mayoral functions that are not met from devolved funds shall be raised by way of a Mayoral precept. The budget for Mayoral expenditure shall be subject to the agreement of the MCA (excluding the Mayor) in accordance with The Combined Authorities (Finance) Order 2107.</p> <p><u>Budget approval</u></p> <p>Devolved funding provided by way of grant funding (except the devolved capital highway funding) shall be allocated through the amalgamation of such funding into a combined Single Pot to be defrayed as agreed by the majority of MCA members, including the SCR Mayor.</p> |
|--------------------------------|---|--|

| | | |
|--|--|---|
| | | The MCA will agree an annual budget for the purpose of all of the above expenditure prior to the statutory procedure for the approval of the Mayoral budget and the issuing of any Mayoral precept. |
|--|--|---|

7. Conclusion

7.1. It is considered that the conferral of additional functions on the SCR MCA and Mayor, as recommended by this Review and incorporated in the Scheme, would be likely to improve the exercise of statutory functions in relation to the area of the Sheffield City Region Combined Authority at the appropriate local level. It will:

- allow for greater collaborations between authorities, **will improve the exercise of statutory functions** in the area or areas to which the order relates over and above existing operations (see the Scheme at Part II);
- **have a neutral or no impact on the identities of local communities** – these proposals are about the economy and not about the identity of an area which has been working closely together for a number of years;
- **secure more effective and convenient local government**, reduce complexity and streamline the delivery of public services within the combined authority area.

7.2. The key ‘pillars’ and rationale for this central conclusion are that:

- The Sheffield City Region MCA and LEP are delivering significant benefits for people, businesses and communities, but resources are running out;
- Growth needs to be accelerated in South Yorkshire, creating more and better opportunities for its people and businesses; and
- The Deal will create a stronger MCA, generating good growth faster for local people.

7.3. Each specific function and power has been detailed in the review and the rationale for the conferral of the required powers on the Sheffield City Region MCA and SCR Mayor has been appropriately made.

7.4. The functions and powers detailed in this Governance Review and Scheme would give effect to the Deal and with this and any potential future agreement of devolution deals, improve the ability of the Mayoral Combined Authority to deliver growth and reform for the people and businesses of the Sheffield City Region.

7.5. As can be seen through an analysis of the other mayoral combined authorities across the country, securing additional powers, resources and functions enables greater results for their communities than would otherwise be the case. With South Yorkshire already having an MCA and elected mayor in place this provides a solid foundation upon which to build.

Part II

Scheme

8. Introduction

- 8.1. The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (MCA) was established in 2014 to work closely with local councils, the LEP, Government, universities and business to grow the sub-regional economy for the benefit of its residents.
- 8.2. In 2015 the MCA agreed a devolution agreement⁸ with Central Government subject to securing a statutory order to give the MCA and the SCR Mayor the functions needed to implement the agreement. The Deal will, amongst other matters secure:
- £30m per annum of additional funding known as “gainshare”;
 - New powers to support housing development;
 - New powers to ensure post 16+ skills training is delivered effectively; and
 - A consolidated, multi-year transport budget.
- 8.3. This scheme proposes building on the existing MCA by securing the required devolved functions to both the MCA and the SCR Mayor (elected in May 2018) in order to deliver the Deal. This scheme proposes devolving additional functions to the MCA (being powers in addition to the functions provided for in the MCA’s 2014 Establishment Order).
- 8.4. This scheme is prepared and published under Section 112 Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) following a review under Section 111 of that Act concluded that the making of an order to provide the CA and the SCR Mayor with the additional functions set out in the scheme and the changes to the constitutional arrangements would be likely to improve the exercise of statutory functions in relation to the area of the MCA. The proposals in the scheme will be the subject of a public consultation.
- 8.5. The Scheme provides as follows:

⁸ https://sheffieldcityregion.org.uk/wp-content/uploads/2018/03/Sheffield_devolution_deal_October_2015_with_signatures.pdf

9. Functions

Overview

There should be conferred on the MCA/Mayor the following additional functions, all of which, unless otherwise stated, are to be exercised concurrently with the constituent councils or public authority which have the function by virtue of any enactment:

Skills and Education

- 9.1. The MCA should have the functions of a local authority under sections 10 and 12 of the Education and Skills Act 2008 to ensure that its functions are exercised so as to promote the effective participation in education and training of relevant persons in its area aged 16 and 17, and to make arrangements to enable it to establish (so far as possible) the identities of such relevant persons.
- 9.2. The MCA should have the functions of a local authority under sections 68, 70 and 71 of the Education and Skills Act 2008 to make available to young persons and relevant young adults such support services as it considers appropriate to encourage, enable and assist the effective participation of such persons in education and training.
- 9.3. The MCA should have the function under section 13A of the Education Act 1996 to ensure that their education and training functions are exercised with a view to promoting high standards, fair access to opportunity for education and training, and the fulfilment of learning potential, and the functions under section 15A and 15B of the Education Act 1996 in respect of education for persons between 16 and 18 and over 19 years.
- 9.4. The MCA should have the function under section 51A of the Further and Higher Education Act 1992 to require relevant institutions in the further education sector to provide appropriate education to specified individuals aged between 16 and 18 years.
- 9.5. The MCA should have the functions of the Secretary of State under sections 2 and 10A of the Employment and Training Act 1973 to be exercised in MCA area concurrently with the Secretary of State to make appropriate arrangements for the purpose of assisting persons to train for, obtain and retain suitable employment, and to enter into agreements for the provision of ancillary goods and services.
- 9.6. The MCA should have the function of the Secretary of State under Section 83 of the Apprenticeships, Skills, Children and Learning Act 2009 to be exercised in MCA area concurrently with the Secretary of State to secure the provision of facilities for suitable apprenticeship training for persons between 16 and 18 years and for those between 19 and 24 years (for whom an EHC plan is maintained).
- 9.7. The above functions would be non-mayoral functions and exercisable concurrently with the constituent councils or the Secretary of State, as applicable.

Housing

- 9.8. The MCA should be able to exercise the objectives and functions of Homes England (“HE”) under Section 2(1) and Section 3-12, 17 and 18-19 of the Housing and Regeneration Act 2008 (“H&R Act 2008”). These functions to be exercised concurrently with HE with respect to the area of the MCA. These functions will be non-Mayoral functions.
- 9.9. The objectives/functions referred to in 9.8 above are:
- to improve the supply and quality of housing;
 - to secure the regeneration or development of land or infrastructure;
 - to support in other ways the creation, regeneration and development of communities or their continued well-being; and
 - to contribute to the achievement of sustainable development and good design.
- 9.10. These functions include powers enabling the achievement of the above objects, including a power of compulsory purchase in Section 9 of the H & R A 2008 with the benefit of the no scheme principle in s.32 Neighbourhood Planning Act 2017.

Planning – Spatial Development Framework

- 9.11. The SCR Mayor may, utilising the general power of competence, prepare, publish for consultation and adopt a non-statutory spatial development plan along with any necessary guidance on its interpretation (together “Spatial Development Framework”) to act as a framework for managing strategic planning across the Combined Authority area.
- 9.12. Before doing so, the SCR Mayor will have regard to the local plans of constituent member (and non-constituent members of the MCA to the extent to which this is appropriate).
- 9.13. The publication and adoption of any documents constituting the Spatial Development Framework requires the unanimous consent of constituent members of the MCA and the SCR Mayor.
- 9.14. Once agreed, constituent members will have regard to this spatial development framework when setting their respective development plans and strategies and the framework may be a material consideration in planning decisions of the Secretary of State, constituent and non-constituent members.

Planning – Mayoral Development Areas

- 9.15. The MCA should have functions equivalent to London Mayor under Part 8 Chapter 2 of Localism Act 2011 in respect of designating an area a Mayoral Development Area and related Town and Country Planning functions.
- 9.16. The functions to be Mayoral functions. Any function exercisable by the SCR Mayor to designate an area to be exercised only with the consent of the MCA member for the area(s) of the Mayoral Development Area.

Transport

- 9.17. The MCA should have control of the consolidated devolved capital transport budget, comprising the following funding:
- Integrated Transport Block;
 - Highways Maintenance Block (not including PFI); and
 - Highways Maintenance incentive funding.
- 9.18. This budget will be controlled by the SCR Mayor and in order to do so the MCA should be able to exercise the functions of a Minister of Crown contained in s.31 Local Government Act 2003 to pay grants to the constituent councils for exercising highway functions. This function is a Mayoral function exercisable concurrently with a Minister of the Crown.
- 9.19. Responsibility for a Key Route Network -There will be no transfer of statutory responsibility for such roads from the existing highway authorities. The identified network will be collaboratively managed at the South Yorkshire level by the respective Highway Authorities in partnership with the SCR Mayor (who would be responsible for the overall coordination of the collaborative arrangements). Responsibility for resourcing maintenance and operational management of the network would remain the responsibility of the respective highway authorities. The function of the Secretary of State under Section 6 Highways Act 1980 and the function of a local authority under Section 8 of the Highways Act 1980 to enter into agreements in relation to the construction, improvement, maintenance etc of a highway should be functions exercisable concurrently by the MCA as non-mayoral functions.

General Power of Competence

- 9.20. The MCA should be given the functions in section 1 of the Localism Act 2011 in relation to the MCA area.

10. Constitutional Matters

- 10.1. There should be provision in the Order for the MCA to pay an allowance to the SCR Mayor and their deputy, following consideration of a report of an Independent Remuneration Panel.
- 10.2. There should be provision in the Order to enable the SCR Mayor to appoint one person as the Mayor's political advisor.
- 10.3. The Order shall clarify the chairing arrangements by removing Schedule1 Paragraph 2 of the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014. The SCR Mayor chairs the MCA in accordance with the provisions of s.107A LDEDC.
- 10.4. The MCA's Constitution will be amended to reflect that in respect of the exercise of any function devolved to the MCA that are not functions exercisable by the SCR Mayor in an Order made by the Secretary of State as a consequence of this Scheme, the SCR Mayor must be part of the majority of members present and voting on the exercise of such functions. For existing MCA powers and functions, decisions will continue to be made on the basis of a simple majority of members present and voting.
- 10.5. The MCA's Constitution will be amended to reflect that the exercise of the function to create and adopt a Spatial Development Framework will require unanimity of the Constituent Members and the SCR Mayor.

11. Funding

- 11.1. The MCA, as a levying body under Section 74 of the Local Government Finance Act 1988, shall have the power to issue a levy to its constituent councils in respect of the expenses and liabilities of the MCA which are reasonably attributable to the exercise of its transport functions. The amount to be raised by the levy shall be apportioned between the constituent members on a per capita basis (or as otherwise agreed).
- 11.2. Other costs of the MCA for non-Mayoral functions, that are not raised by way of a levy (and are not met from devolved or other funds) shall be met by the constituent and non-constituent councils. Such costs shall be apportioned between the Councils in such proportions as they shall agree.
- 11.3. Costs in respect of Mayoral functions that are not met from devolved funds shall be raised by way of a Mayoral precept. The budget for Mayoral expenditure shall be subject to the agreement of the MCA (excluding the SCR Mayor) in accordance with The Combined Authorities (Finance) Order 2107.
- 11.4. Devolved funding provided by way of grant funding (except the devolved capital highway funding referred to in 9.17 above) shall be allocated through the amalgamation of such funding into a combined Single Pot to be defrayed as agreed by the majority of MCA members, including the SCR Mayor.
- 11.5. The MCA will have borrowing powers to support any expenditure in respect of Mayoral or non-Mayoral functions. This power will be subject to borrowing limits agreed between the MCA and HM Treasury.
- 11.6. The MCA will agree an annual budget for the purpose of all of the above expenditure prior to the statutory procedure for the approval of the Mayoral budget and the issuing of any Mayoral precept.

Annex A – Proposed Consultees

| |
|---|
| Confederation of British Industry |
| Education and Skills Funding Agency |
| English Heritage |
| Federation of Small Businesses |
| Chambers of Commerce |
| Government Departments |
| Highways England |
| Homes England |
| Institute of Directors |
| Job Centre Plus |
| Local Authorities (constituent, non-constituent and neighbouring) |
| Local Enterprise Partnership (and neighbouring LEPs) |
| Members of Parliament |
| National Housing Federation |
| Natural England |
| Neighbouring Combined Authorities |
| Police and Crime Commissioner |
| Sport England |
| Trade Unions |
| SYPTE |
| The Environment Agency |
| United Utilities |
| Universities and Colleges |
| Wildlife Trust |

This page is intentionally left blank

27TH JANUARY 2020

CLIMATE EMERGENCY RESPONSE FRAMEWORK

Purpose of Report

This report outlines the proposed response framework to the climate emergency following its declaration at the 18th November 2019 Mayoral Combined Authority (MCA) meeting.

Thematic Priority

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

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

This paper will be available under the Combined Authority Publication Scheme

Recommendations

It is recommended that members:

- approve, subject to any final changes, the proposed response framework to the climate emergency and note the further work that will take place over the coming months to put in place specific interventions to deliver upon the policies set out.
- agree to receive the Energy Strategy; the first component of the framework, at the March MCA meeting.
- support the Mayor's intention to appoint a Climate Change Commissioner and form an advisory panel.

1. Introduction

- 1.1** At the 18th November 2019 meeting, the MCA declared a climate emergency. This recognised that due to the need for urgent action to tackle the causes and effects of climate change, fundamental change and strong leadership will be required from the whole of the public sector.
- 1.2** It was agreed that a report be provided at the next meeting setting out how we would move towards a sustainable City Region. This report, and the attached framework, sets out the City Region's approach to delivering upon the declaration.

2. Proposal and justification

- 2.1** It is recognised that a broad, far reaching and ambitious set of changes are required across a range of issues if SCR is to achieve net zero. The attached response to the Climate Emergency sets out this framework recognising that, at this stage, we do not know all the answers or have all the solutions.

- 2.2** A key component of declaring a climate emergency, is the target date by which the City Region will seek to achieve 'net zero'. Net zero emissions means that the total of active removals from the atmosphere offsets any remaining emissions from the rest of the economy. Immediate action is required to move the UK to a net zero target by 2050, with many local authorities setting more ambitious targets ranging from achieving net zero by 2030 through to 2050. In order to inform the City Region's net zero target date, Ricardo, a global engineering and strategic, technical and environmental consultancy, were commissioned to undertake carbon target setting and future scenario modelling. This work has proposed a net zero target date of 2040 for SCR.
- 2.3** The Ricardo modelling proposed that SCR should stay within a maximum cumulative CO₂ emissions budget of 44.7 MtCO₂ for the period 2020 to 2100. However, at 2017 CO₂ emission levels, SCR would use this entire budget by 2027. Therefore, immediate action is required to reach zero or near zero carbon by no later than 2040. At this date, 5% of carbon budget would remain.
- 2.4** Central to the delivery of the climate emergency response, is the 'approach' the City Region will adopt. This is set out in slide 3 of the attached document and includes the need to involve and listen to residents and businesses. As a response to declaring a climate emergency elsewhere in the UK, many local authorities have established 'Citizens' Assemblies'.
- 2.5** Due to the importance of this work, it is proposed to appoint a Climate Change Commissioner who will provide direct leadership on this agenda. The Commissioner will engage with the wider public, interest groups and experts and will be supported by a Climate Change Advisory Board. The Board will include representatives from local authority citizen panels across SCR, and a dedicated project team resourced jointly with Government and Sheffield University through the SCR:NZ (Net Zero) Partnership.
- 2.6** Another key approach proposed in the response document, is that the City Region will focus on factors which it can influence. Local authority partners, and national Government, will be better placed than SCR in tackling several issues due to their span of responsibilities and resources. The same applies to addressing macro-climate issues where Government or large business can and must play a lead role. An example of this would be airline emissions. Reducing the scale of emissions from flights should be addressed through a combination of Government policy and changes made by airlines themselves (e.g. recent example of EasyJet offsetting its jet fuel emissions). These are outside of the City Region's control. However, the City Region will work closely with Doncaster Sheffield Airport (DSA) on approaches to eliminate carbon emissions both from the airport facilities and surface transport.
- 2.7** This will be done through taking a new approach to the types of projects we invest in. Due to the significant amount of capital the City Region can invest in a range of projects, we can have a meaningful impact if we begin to give equal weight to environmental alongside economic considerations. For example, the Roads Implementation Plan which is part of a suite of delivery documents associated with the Transport Strategy, will set out a series of principles which will aim to prioritise public transport and active travel over car use.
- 2.8** This response provides a framework for us to work towards deliverable solutions. As such, the next step is that the City Region works alongside the University of Sheffield through the newly established SCR:NZ Partnership. This innovative agreement will bring together a virtual team from the SCR Executive, local authority partners and leading academics to develop new and deliverable solutions to help us achieve our net zero target. This will be done in collaboration, working with the public and interest groups to embed behaviour change.

- 2.9. We recognise however that an emergency requires us to start delivering solutions, as soon as we know what they are. The MCA will receive the Energy Strategy at its March meeting which will set out the first set of specifics for moving towards this net zero target. At the same meeting we intend to bring forward the Active Travel and Roads Implementation Plans of the Transport Strategy, both of which will set out specific projects that will contribute towards this framework.

3. Consideration of alternative approaches

- 3.1 The MCA took a decision at the last meeting to declare a climate emergency and agreed to receive a proposal outlining a potential response, a do-nothing approach is not appropriate.
- 3.2 The MCA could choose not to accept the 2040 net zero target date, either preferring to adopt a later or earlier date. This target would require average annual emissions reductions of 13.2%, which is considered an achievable target if the right measures are put in place now. It could be possible to go harder and faster with these reductions, but this would require significant additional resource, probably from national Government, to make quicker changes to both our transport and energy systems. As such it is recommended that the 2040 date is adopted but is kept under review should further resources become available.
- 3.3 The MCA could also choose not to adopt the proposed Climate Emergency response and request that an alternative is prepared following the work outlined with both the University of Sheffield and Sheffield Hallam University. This is not recommended given the need to agree an overall framework for how the SCR:NZ Partnership work should progress and to enable the MCA to effectively monitor progress against the policies set out.

4. Implications

4.1 Financial

A budget of £400k has been earmarked to take forward the climate change project over the first two years. This will be funded from the 2020/21 Mayoral Capacity Fund allocated to SCR. Any future financial implications from how the overall strategy and wider investments are determined will be incorporated into the medium-term financial planning process.

4.2 Legal

Approval to incur expenditure of the Mayoral Capacity Fund was delegated by the MCA to the Head of Paid Services in consultation with the Mayor. The vires to incur the expenditure includes powers under s.1 Localism Act 2011 (general power of competence).

4.3 Risk Management

Once adopted, a risk management plan will be produced for the response framework and associated projects.

4.4 Equality, Diversity and Social Inclusion

None arising directly from this report. The detailed proposals to address the Climate Emergency will be inclusive through covering all the SCR, and the outcomes such as cleaner air, better health and wellbeing, more attractive urban and rural environments will be shared by all.

5. Communications

- 5.1 A full programme of strategic communications activity is proposed; both as part of the immediate Mayoral response to the Climate Emergency and also aligned to workstreams such as the SCR's Energy Strategy and the SCR:NZ Partnership with both the University

of Sheffield and Sheffield Hallam University. This communications and marketing activity, which aims to engage members of the public, partners, businesses and other stakeholders, will include external engagement, media relations, social and digital media, and campaign work through a range of audience-focused channels.

6. Appendices/Annexes

6.1 Appendix A: Mayor's Climate Emergency Response

| | |
|---------------------|--|
| Report Author | Mark Lynam |
| Post | Director of Transport, Housing and Infrastructure |
| Officer responsible | Dave Smith |
| Organisation | Sheffield City Region |
| Email | Dave.Smith@sheffieldcityregion.org.uk |
| Telephone | 0114 2203445 |


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

Other sources and references: None

SCR:NET ZERO

THE MAYOR'S MCA CLIMATE EMERGENCY RESPONSE FRAMEWORK

Sheffield
City Region



SCR:NZ – What does Net Zero mean?

Net zero emissions means that the total of active removals from the atmosphere offsets any remaining emissions from the rest of the economy.

So if carbon dioxide emissions were reduced to zero then no emission removals would be needed.

Under a net zero target, some residual emissions would still be possible as long as there is a corresponding level of emissions removal.

The approach to achieve this will therefore be a combination of not producing any more carbon dioxide, combined with compensatory processes such as carbon capture.

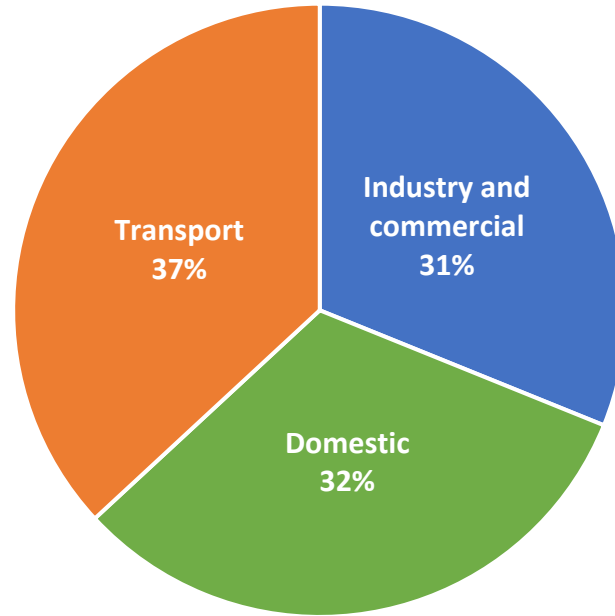
Our Approach

- **We will involve and listen to residents and businesses** – there is a need for leadership and greater awareness in order to achieve our target for a net zero City Region. This needs to be through greater public participation in setting priorities, listening to people and understanding and engaging with the difficult choices that need to be made.
- **We will consider the impact of our investments** – the City Region is a key conduit for Government funding. We will therefore commit to giving equal weight to the carbon impact of the investments we make, alongside the consideration given to economic benefits. This will also include encouraging a fix-it-first and green retro-fitting approach to future infrastructure investments.
- **We will focus on factors we can influence** – tackling climate change requires an effort at all levels of Government and business. There will be many factors outside of the City Region’s control, such as emissions from aviation and shipping, as well as interventions which are best addressed by either national or local government. We will take a systems approach and focus on issues which can be best addressed at a City Region scale, where we have influence, complimenting our individual local authority’s responses.
- **We will deliver a ‘just transition’** – in our drive to design a new low carbon world, we must ensure sections of our communities do not lose out and ideally gain through being distributive by design. That is why we will champion community ownership and the delivery of low emission active travel neighbourhoods.

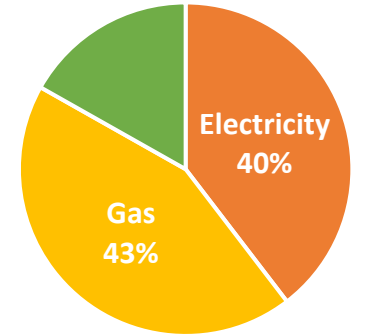


The Starting Point

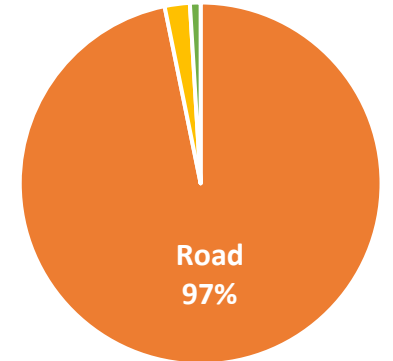
CO₂ Emissions



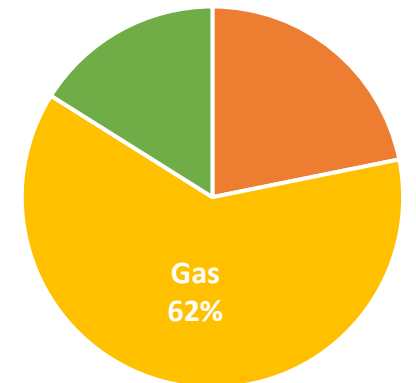
Industrial & Commercial CO₂ Emissions



Transport CO₂ Emissions



Domestic CO₂ Emissions



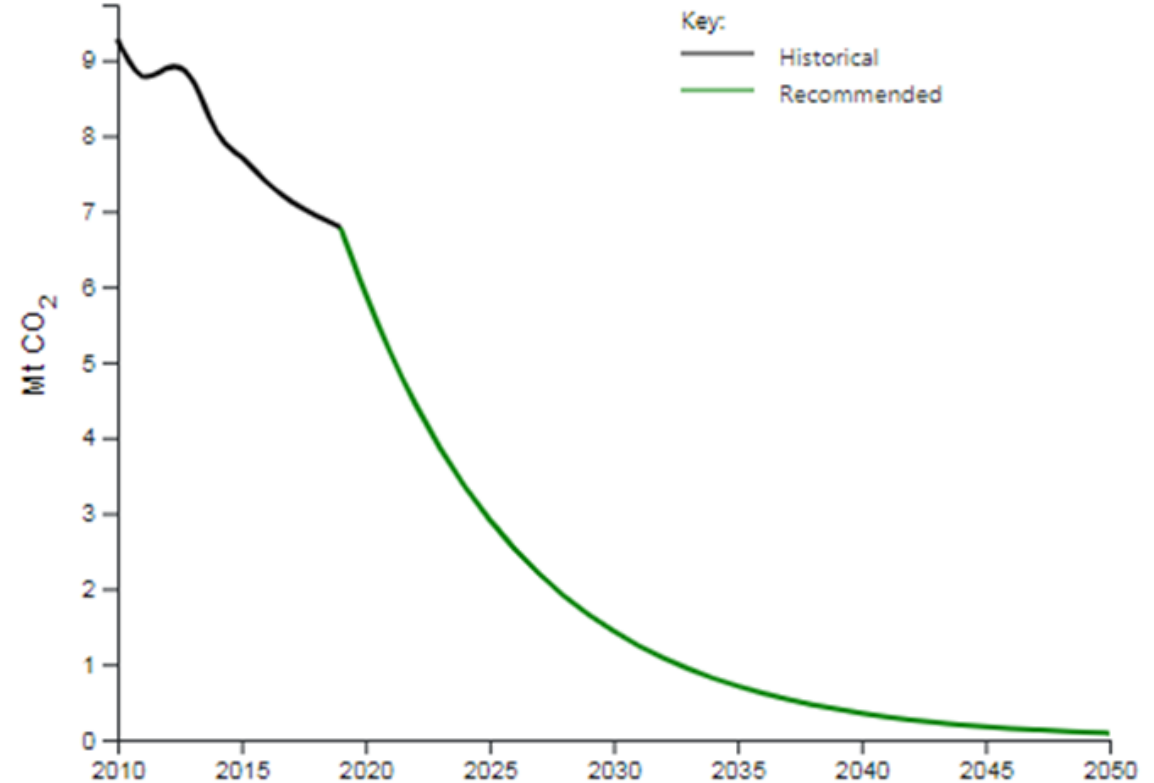
SCR:NZ by 2040

SCR should stay within a maximum cumulative CO₂ emissions budget of **44.7 MtCO₂** for the period 2020 to 2100.

At 2017 CO₂ emission levels, SCR would use this entire budget by 2027.

SCR should aim to reach zero or near zero carbon no later than 2040 (5% of carbon budget remains).

This would require average annual emissions reductions of 13.2%.



What does this mean for transport?

The need for a 25% reduction in total travel demand by 2030

The number of car miles reduces by 25% by 2040

By 2035, all vehicles using our roads will need to be 100% zero emissions

Full railway decarbonisation by 2040 including rail freight

The number of freight miles reduces by 30% by 2040

What does this mean for housing?

We will need 60% of our homes to be better insulated by 2040:

65,000 cavity walls

120,000 solid walls

226,000 lofts

Energy demand for domestic lights and appliances needs to decrease by 60%

85% of homes with heat pumps & 15% other form of renewable heating inc. hydrogen

What does this mean for businesses?

Space heating energy demand drops by 40%, hot water energy demand by 30% and cooling energy demand by 60% by 2040

90% of lights to be high-efficiency LEDs

The proportion of commercial heat supplied using a heat pump will need to 80%+, with the remainder using another form of low carbon heating

What does this mean for waste?

The quantity of household waste decreases 20%

The quantity of commercial and industrial waste reduces by 11%

Of the waste we do generate, by 2035, 65% needs to be recycled, 10% will go to landfill, 25% incinerated

Taking Action

Leadership

Carbon Reduction
Energy
Development
Transport

Carbon Capture
Natural Capital and
Carbon Storage

Contribution to SCR:NZ Target

Climate Adaption

Mitigating the impacts

Climate Economy
Business

Harnessing the benefits

Taking Action: Leadership Mobilisation

If we are to achieve our 2040 SCR:NZ objective, then everyone has to play their part. Leadership should be provided by civil leaders from across the City Region, but real change can only happen if all of our communities are empowered to do their bit. This will take engagement, understanding and ensuring we are all informed about the choices we have to make.

A collective challenge requires collective action. As such the City Region will harness the efforts of our Councils, who are best placed to address issues around waste and housing, and anchor institutions to bring together government at all levels act on the climate emergency.

We must build broad and deep local engagement with climate emergency actions. That is why we will establish a forum by which our communities can engage and be involved with taking action.

We will ensure that all of the City Region's programmes, policies, assets and assurance framework are aligned with the Climate Emergency commitment.

It is vital that everyone has an understanding of the carbon impacts of their activities and choices we will have to make. That is why we will improve carbon literacy in order to empower people to contribute.

We will report back on our actions and key achievements through a standing item at all future Combined Authority meetings to ensure that we communicate the urgency for change.



Taking Action: Carbon Reduction Energy

The City Region is committed to producing an Energy Strategy which will support the move towards 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.

We will utilise and/or repurpose our City Region's current infrastructure and natural resources to decarbonise the energy supply, including the use of energy from minewater as well as building on the City Region's emerging capabilities in hydrogen and nuclear fusion.

We will improve the energy resilience of our City Region through the increased use of smart grids and storage and working with network providers to strategically plan future improvements.

We will drive investment in both new and existing heat networks to increase the overall capacity and bring new sources of low carbon and/or waste heat onto the network.

There will be investment in the training and upskilling of those who will be designing, installing and maintaining our future energy systems.

Communities will be enabled to develop local energy schemes and provide opportunities for residents of the SCR to invest in our City Region's energy infrastructure.



Taking Action: Carbon Reduction Development

A strategic approach is needed to tackling fuel poverty, improve inefficient dwellings and ensure that the nature of spatial development does not exacerbate carbon emissions. It is important to focus on both the need to retrofit buildings and ensure new developments meet the expectations of reduced running costs of the occupants and take account of the movement away from fossil fuels for heating.

We will support widespread energy efficiency improvements to existing dwellings across our City Region to reduce the number of excess winter deaths.

The public sector should lead by example by improving energy efficiency of their stock, supporting innovation, and building low carbon and sustainable principles into procurement and investment policies.

We must ensure that new housing within our City Region is of a high quality in terms of energy use and efficiency. That is why the City Region will no longer invest in housing schemes which do not meet our net zero ambition.

Through our 'Statement of Common Ground', the City Region will work with our planning authorities to explore how greater housing density along key transport corridors can contribute towards cutting emissions.



Taking Action: Carbon Reduction Transport

Transport is the area where, working across the City Region, we can have the greatest impact on achieving our SCR:NZ target. It is also where our scope for intervention is broadest. The SCR Transport Strategy, adopted in January 2019, sets out a goal to move towards a 'cleaner and greener City Region'. How this will be achieved will be set out through a series of implementation plans which will be in place by early 2020. These will seek to reduce demand, improve vehicle efficiency and drive modal shift.

Transport Policy 4: Improve air quality across our City Region to meet legal thresholds, supporting improved health and activity for all, especially in designated AQMAs and CAZs.

This will include for example:

Support adoption of sustainable travel modes over private cars to reduce the number of vehicles that use our roads, particularly into our town and city centres, through both infrastructure and behavioural change measures to increase public and sustainable transport.

Encourage the uptake of low and zero emission vehicles to improve our air quality, including investing in expanding the network of vehicle charging points across the City Region in a coordinated way, to ensure full coverage across the region.

Work with partners to introduce and enforce low emission and CAZs, supporting them in delivering cuts in emissions though investing in encouraging sustainable modes and reducing the need to travel.



Transport Policy 5: Lead the way towards a low carbon transport network, including a zero-carbon public transport network.

This will include for example:

Encourage private vehicles using our roads to be electric, hydrogen or hybrid, and to be used primarily for trips that cannot be made by sustainable alternatives, such as public transport, walking and cycling.

Work with operators to plan a transition from the current (bus and taxi) fleet to make our public transport system a zero-emission service.

Deliver a zero-carbon public transport network, which requires upgrading the bus and taxi fleet and supporting electrification programmes for our railways.

Transport Policy 8: 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.

This will include for example:

Invest over a sustained period in high quality cycling and walking infrastructure that better connects homes, transport interchanges, education, employment and recreational opportunities using safer, direct and convenient routes.

Work to reduce the reliance on private transport, encouraging people and working with businesses to choose greener and healthier forms of transport both for existing journeys and new journeys stemming from investment in the City Region.

Enhance our transport system by investing in mass transit improvements, whether bus, tram, train, tram-train, bus rapid transit, or a brand-new mode altogether.



Taking Action: Carbon Capture

Natural Capital and Carbon Storage

According to the Intergovernmental Panel on Climate Change report, we are unlikely to meet our climate targets without carbon capture. The deployment of renewable energy technologies alone will be insufficient, as such carbon capture will play an important part of the portfolio of low-carbon options we need to move our society into a sustainable direction in the short, medium and long-term.

We will continue with the Mayor's commitment to support the growth of the Northern Forest, which aims to see 50 million new trees planted over the next 25 years to contribute to carbon drawdown.

Through our joint Public Sector Assets work, we will identify land assets which can be used for reforestation and green retrofitting.

Through the City Region's infrastructure programme, we will require green retrofitting of new and existing infrastructure in order to enhance and protect our existing natural assets and assist with carbon drawdown.

Work with the Pilot-scale Advanced CO2 Capture Technology (PACT) centre, as part of the Energy Innovation Zone at the University of Sheffield, to explore the potential for the City Region to become a test bed for ideas which will accelerate the development and commercialisation of carbon capture technologies.



Taking Action: Climate Adaption

Whilst our priority should be to reduce carbon emissions, that approach should be complimented by efforts to adapt to the impacts of climate change in the short to medium term.

We will work with the University of Sheffield's Grantham Centre for Sustainable Futures and Institute for Sustainable Food, to identify how the City Region can increase food production to match export/consumption in an environmentally sustainable manner.

We will establish a South Yorkshire Flood Action Group with the Environment Agency to undertake both flood protection work and identify opportunities for investment in natural flood management.

Working through our local authorities, standards must be adopted through the planning process that equip new buildings to cope better with a changing climate.

It is expected that climate change will lead to more extremes in weather and temperature. This will also exacerbate issues related to air quality. It is therefore essential that we adapt our public health approach to ensure we can support the elderly and very young, who will be the most vulnerable to these changes.



Taking Action: Climate Economy Business

Whilst businesses have a significant role to play in helping to cut emissions, the low carbon economy is projected to grow four times faster than the growth of the UK economy as whole. Providing the platform for clean growth amongst business will help to drive both productivity and help the City Region benefits from low carbon innovations.

As part of the Strategic Economic Plan (SEP) we will proactively invest in companies which are at the forefront of clean technology. This builds on the City Region's inherent capabilities around light weighting, process engineering and energy.

We must prepare our current and future workforce with the skills required to both respond to the climate challenge, but also to be able to take advantage of the new industries that will emerge.

We will work with the private sector to reduce business2business activity which contributes to carbon emissions. This includes increased local procurement which can reduce travel miles for some of their goods and services.

We need to move beyond a 'take, make, dispose' economy towards one where all materials are treated as precious resources, with nothing thrown away. Alongside our universities, we will identify opportunities to support the creation of a local circular economy within sectors where there is a clear and obvious opportunity.



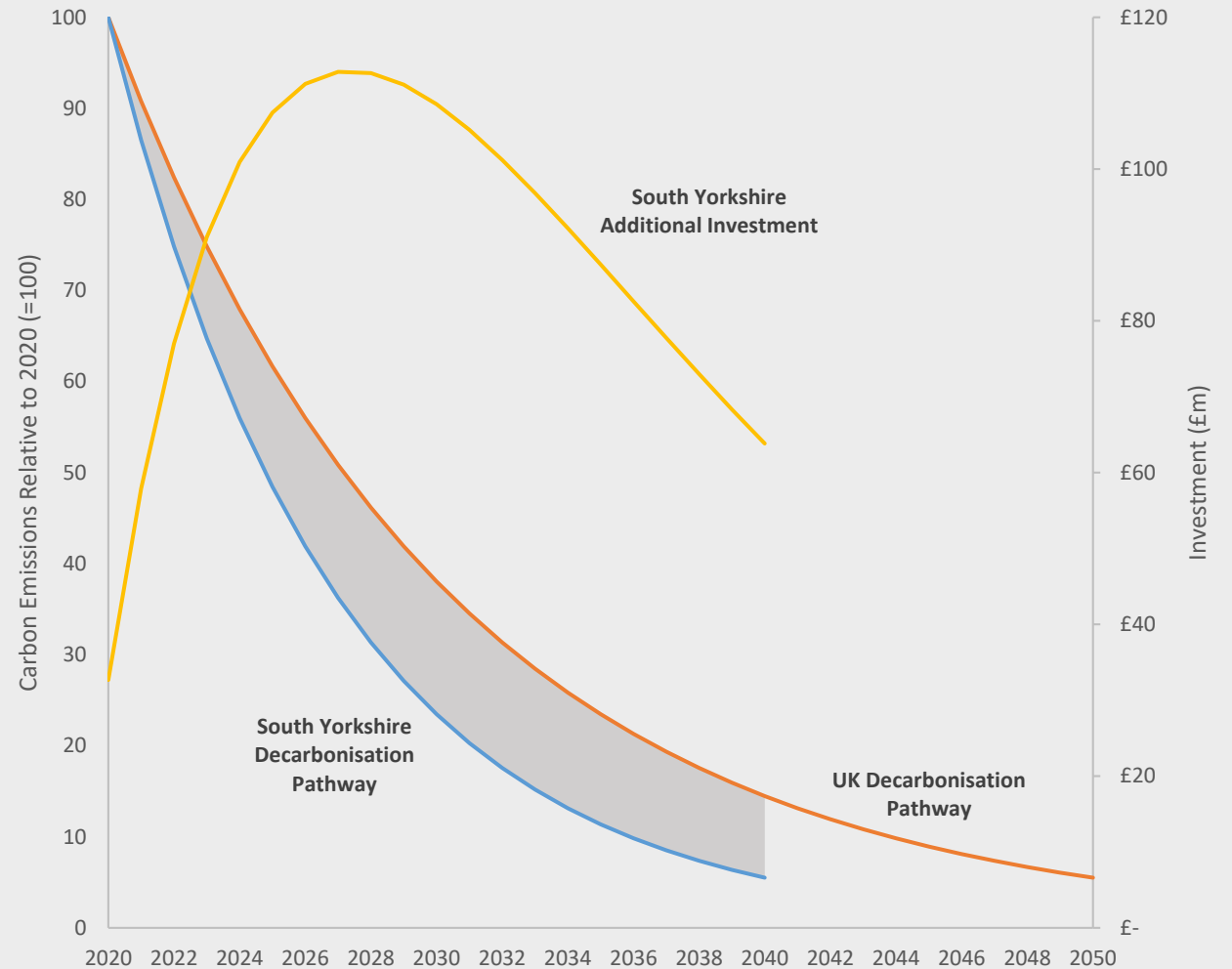
Cost of Decarbonisation

By looking at the difference in speeds of decarbonisation between the UK and South Yorkshire, the amount of *additional* investment (over-and-above that required by central government) can be calculated.

The Committee on Climate Change notes that the UK needs to invest c.£40bn per year to reach the 2050 net-zero target.

South Yorkshire's *additional* investment will therefore need to be **£1.87bn between 2020 and 2040, peaking in 2027 at £113m**. This will be a combination of public, private and personal investment.

This high-level analysis does not take into account re-investment of profit.



The background of the page features a dark green color with silhouettes of several people holding hands in a circle, symbolizing partnership and community.

Putting the Declaration into Action: SCR:NZ Partnership

Developing a systemic response to these challenges, which capitalises on the technological and scientific capabilities within the region, will bring economic growth which is both inclusive and provides the necessary social and environmental benefits.

The SCRSP will be a jointly led initiative where professionals and academic expertise is harnessed to put in place deliverable action plans during 2020 to build on this climate emergency response.

SCR, the University of Sheffield, Sheffield Hallam University and a range of experts will develop specific solutions to the actions we need to take, making the City Region a live test bed in order to be at the forefront of funding opportunities and accelerate the change required. The work will also firm up the indicative metrics set out in this response so that intervention impact can be accurately monitored.

27th January 2020

SCR STATEMENT OF COMMON GROUND

Purpose

This report presents a Statement of Common Ground for endorsement by the MCA, following agreement of the Statement by local districts. It is part of a wider work programme being pursued collaboratively by local planning authorities in the City Region.

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

This paper would be available under the Combined Authority Publication Scheme.

Recommendations

Members are asked to approve the attached Statement of Common Ground so that it may be signed on behalf of the MCA.

1. Introduction

- 1.1 Local Planning Authorities across SCR work closely together as part of the Duty to Cooperate. The role of planning in facilitating economic growth, housing development and environmental quality is well understood. Spatial planning can also support more inclusive growth by shaping the pace and spatial pattern of development; helping to create a more inclusive economy that maximises social and environmental benefits.
- 1.2 This report presents an SCR Statement of Common Ground for endorsement by the MCA, following its development and agreement by the nine districts in the SCR. Statements of Common Ground provide a record of agreement on cross boundary, strategic planning matters and demonstrate how Local Plans are prepared on the basis of an agreed understanding of key strategic issues.

2. Proposal and justification

- 2.1 Statements of Common Ground play an important role in fulfilling the duty to cooperate, which is the key means of addressing cross boundary strategic planning issues. They are technical planning documents required by the National Planning Policy Framework (NPPF) and scrutinised by the Planning Inspectorate at the examination stage of Local Plans. Statements need to be produced, published and kept up-to-date by signatory authorities as a means of highlighting agreement on cross boundary issues.
- 2.2 The geography for a Statement of Common Ground is not specified and local authorities may work in different groupings to address different strategic matters. In order to minimise the potential for duplication across SCR, Heads of Planning have been working together on an SCR Statement in order to set out an agreed position on

cross boundary planning matters which can be usefully considered at this scale – i.e. housing, employment, transport and digital connectivity. The Statement is designed to demonstrate how Local Plans are prepared based on an agreed understanding of each of these issues. It has been based on existing evidence and reflects priorities in the SEP as well as in existing and emerging Local Plans.

- 2.3** Although the MCA does not have planning powers or responsibilities, strategic bodies like Local Enterprise Partnerships and Combined Authorities are expected to be engaged in the development of Statements of Common Ground where they relate to relevant matters like the economy and growth. Combined Authorities and LEPs are also among several additional signatories that would be expected to sign a Statement of Common Ground in order to demonstrate that they have had a role in cooperating with local planning authorities.
- 2.4** Published alongside the National Planning Policy Framework (NPPF), Planning Practice Guidance states that:

“Additional signatories will be those bodies who have a role in the matters covered in a statement of common ground, and with whom an authority needs to cooperate in order to plan for these matters. These may include: other relevant public bodies (such as: Local Enterprise Partnerships, Local Nature Partnerships, and the Marine Management Organisation in coastal areas); other authorities (such as county councils, combined authorities without plan-making powers, and strategic policy-making authorities outside of the area covered by the statement); infrastructure providers; or any other non-government organisations (such as advisory bodies) the authority cooperates with to address strategic matters through the plan-making process. This is not an exhaustive list.”

*Planning Practice Guidance Paragraph: 023 Reference ID: 61-023-20190315
Revision date: 15 03 2019*

- 2.5** Officers in the SCR Executive have supported the Heads of Planning Group in the development of the SCR Statement, ensuring it reflects the priorities of the SEP and SCR Transport Strategy as well as emerging priorities on issues like digital connectivity. Earlier drafts of the Statement were discussed and endorsed by the SCR Infrastructure Board (9 July 2019) and the Housing Board (17 July 2019).
- 2.6** A full draft of the Statement is attached at Appendix 1 and has now been signed by all the South Yorkshire authorities, and signed or agreed to be signed, by the majority of local signatories (Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Derbyshire County Council, Doncaster, Nottinghamshire County Council, Peak District National Park, Rotherham and Sheffield).
- 2.7** Earlier drafts of the SCR Statement have already been used in local planning processes. For example, Chesterfield referred to the SCR Statement during the examination of its Local Plan in October/November 2019, helping to evidence agreement on key matters like housing and employment. Doncaster Council are producing their own Statement of Common Ground alongside a new Local Plan. This references the SCR Statement and the strategic matters on which agreement has already been identified.
- 2.8** Authorities responsible for the Statement will need to ensure that it reflects the most up to date position in terms of joint working across the area and updates will be required when new agreements are reached, or a decision is taken to update strategic policies

in the area covered by the statement. The aim is to update the SCR Statement on an annual basis in order to reflect changing priorities. Officers from the SCR Executive will continue to work with Heads of Planning so that these updates can be made.

2.9 Members of the MCA are therefore asked to approve the draft Statement in Appendix 1 so that it can be made available for Local Plan processes and evidence.

3. Consideration of alternative approaches

3.1 Each individual local planning authority could prepare its own Statement of Common Ground as it produces a new Local Plan, without reference to the wider SCR activity and shared planning positions. This risks a lack of integration with wider SCR activities and a disconnect between the SEP and new or emerging Local Plans, which could result in a more fragmented approach that negatively impacts on Local Plans being able to demonstrate conformity of planning policy with adjacent areas.

4. Implications

4.1 Financial

All activities set out in this report will be delivered from within existing resources. This includes officer capacity and time in participating local authorities as well as programme management support from the SCR Executive Team; supported by a limited amount of revenue funding secured through the Planning Delivery Fund (provided by MHCLG).

4.2 Legal

The work programme includes several activities that will need to be undertaken within the usual planning regulations and legislation. The draft Statement of Common Ground has been prepared in line with NPPF 2018 and Planning Practice Guidance.

4.3 Risk Management

Key risks:

Individual authorities dropping out of the work or unable to support elements.
Statement of Common Ground contravening or conflicting with Planning Practice Guidance or current and emerging Local Plans.
Disagreements between individual planning authorities on contentious planning issues.

The shared work programme and Statement of Common Ground will only be successful with receive continued support from the Heads of Planning and participating Local Planning Authorities. All risks will therefore be managed in liaison with the Heads of Planning Group, reporting to the SCR Infrastructure Board on a regular basis.

4.4 Equality, Diversity and Social Inclusion

Planning authorities are required to meet the Equality Act and Public Sector Equality Duty. The work programme set out above is designed to enhance and support this work at the local level by adding value and creating some economies of scale.

5. Communications

5.1 The Statement of Common Ground will be referred to in Local Plan documents and will be made publicly available on the MCA and Local Planning Authority websites alongside other forms of Local Plan evidence.

6. Appendices/Annexes

Appendix 1 – Draft SCR Statement of Common Ground

REPORT AUTHOR Garreth Bruff
POST Senior Programme Manager (Planning)
Director responsible Mark Lynam
 Email Mark.lynam@sheffieldcityregion.org.uk
 Telephone 0114 2203442

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

Other sources and references:



SHEFFIELD CITY REGION STATEMENT OF COMMON GROUND

**FINAL VERSION
JANUARY 2019**

Contents

| | |
|--|-----------|
| 1. Introduction | 3 |
| 2. Signatories | 5 |
| 3. Strategic Geography | 7 |
| 4. Key Strategic Matters | 9 |
| 4.1 Planning for Housing in Sheffield City Region | 10 |
| 4.2 Planning for Employment in Sheffield City Region | 14 |
| 4.3 Planning for Transport in Sheffield City Region | 19 |
| 4.4 Planning for Digital Connectivity in Sheffield City Region | 23 |
| 4.5 Planning for other Strategic Matters in Sheffield City Region | 25 |
| 5. Governance Arrangements | 27 |
| Annex | 28 |
| Glossary of abbreviations | 35 |

1. Introduction

1.1 This Statement of Common Ground provides a record of agreement on cross boundary, strategic matters between the nine local authorities and other key stakeholders in the Sheffield City Region. It has been produced by the signatory authorities to demonstrate how Local Plans are prepared on the basis of an agreed understanding of the issues facing the City Region.

1.2 The Statement fulfils the requirements of the National Planning Policy Framework (NPPF) and has been developed in accordance with the Government's Planning Policy Guidance. The local authorities directly engaged in the Statement are:

- Bassetlaw DC
- Barnsley MBC
- Bolsover DC
- Chesterfield BC
- Derbyshire Dales DC
- Doncaster Council
- North East Derbyshire DC
- Rotherham MBC
- Sheffield City Council

1.3 Other key stakeholders and signatories to the Statement are:

- SCR Mayoral Combined Authority
- Nottinghamshire County Council
- Derbyshire County Council
- Peak District National Park Authority

1.4 An explanation of the key strategic matters and where we agree on these is set out in the following sections, with more detailed information in the annex along with technical issues and links to the evidence base we have developed and continue to maintain.

1.5 Other Statements of Common Ground have also been agreed, or are being prepared, by authorities in SCR. This includes Statements of Common Ground for:

- The Doncaster Local Plan (draft June 2019) covering several strategic matters relating to the Local Plan;
- North East Derbyshire District Council, Bolsover District Council, Chesterfield Borough Council, Bassetlaw District Council, Derbyshire County Council and Highways England (Oct 2018) covering M1 J30 & Treble Bob Roundabout
- Bolsover and Mansfield District Councils (August 2018) covering Gypsy and Traveller unmet need, housing needs, Junction 28 and 28 and development in Pleasley;

- North Derbyshire and Bassetlaw (May 2018) on the Housing Market Area;
- Sheffield and North East Derbyshire (May 2018) on Green Belt;
- Bolsover and North East Derbyshire (May 2018) on the former Coalite Works;
- Bassetlaw and Mansfield (December 2018) covering Gypsy and Traveller unmet need, housing need and distribution, Welbeck Colliery site and A60 corridor.

1.6 This SCR wide Statement of Common Ground has been prepared in light of existing work, in order to avoid duplication or conflict, and enable a more streamlined approach for the planning authorities in the SCR area in the future. It is a live document that will be kept up to date by the signatories involved. This process will also allow other signatories and strategic matters to be added as appropriate.

2. Key Signatories

.....
**for and behalf of Bassetlaw District
Council**

.....
Signature

.....
Title

.....
**for and behalf of Barnsley Metropolitan
Borough Council**

.....
Signature

.....
Title

.....
**for and behalf of Bolsover District
Council**

.....
Signature

.....
Title

.....
**for and behalf of Chesterfield Borough
Council**

.....
Signature

.....
Title

.....
**for and behalf of Derbyshire Dales
District Council**

.....
Signature

.....
Title

.....
for and behalf of Doncaster Council

.....
Signature

.....
Title

.....
**for and behalf of North East
Derbyshire District Council**

.....
Signature

.....
Title

.....
**for and behalf of Rotherham
Metropolitan Borough Council**

.....
Signature

.....
Title

.....
for and behalf of Sheffield City Council

.....
Signature

.....
Title

.....
**for and behalf of Derbyshire County
Council**

.....
Signature

.....
Title

.....
**for and behalf of Nottinghamshire
County Council**

.....
Signature

.....
Title

.....
**for and behalf of Peak District National
Park Authority**

.....
Signature

.....
Title

.....
**Sheffield City Region Mayoral
Combined Authority**

.....
Signature

.....
Title

3. Strategic Geography

- 3.1. This Statement of Common Ground covers the Sheffield City Region. Work at the SCR scale began in 2008 when a forum of private and public-sector partners was established to steer economic development and regeneration across nine local authorities. The Forum evolved into the SCR Local Enterprise Partnership (LEP) in 2010, which was followed by the formation of the Combined Authority in 2014 and the election of the first SCR Mayor in May 2018. The focus of both the LEP and the Mayoral Combined Authority (MCA) has been on growing the SCR economy.
- 3.2. SCR covers one city, several large towns, thriving smaller towns, other semi-urban areas and a rural surrounding area. Ten local authorities are responsible for preparing Local Plans (see Figure 1) - four metropolitan districts of Barnsley, Doncaster, Rotherham and Sheffield; and five district councils of Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire. An area of the Peak District National Park also falls within the western area of SCR and is a planning authority in its own right.

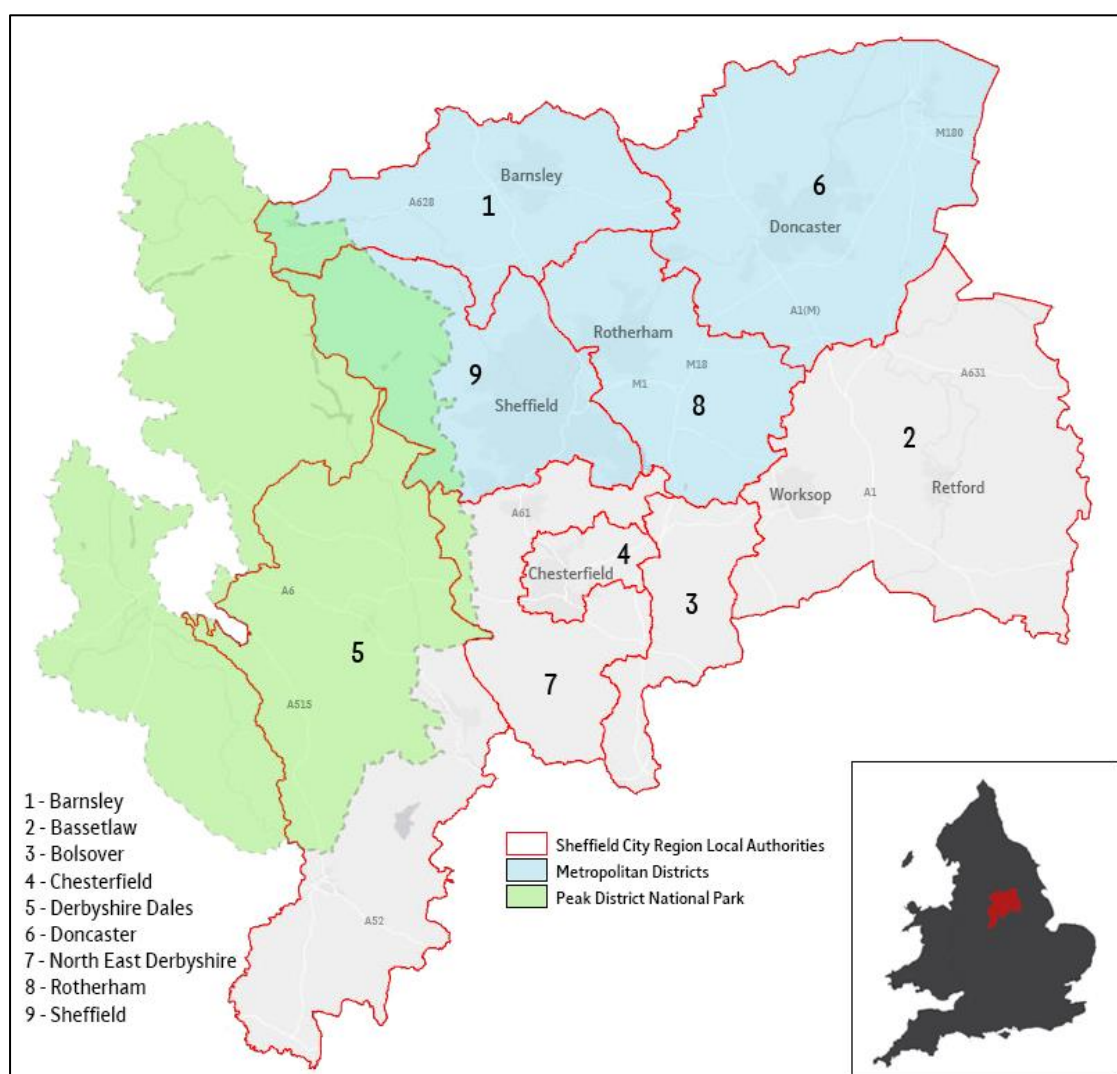


Figure 1: The Sheffield City Region area

- 3.3 The National Park plays a key role in the City Region, but also much more widely with special qualities that reflect the importance of its landscapes, wildlife and cultural heritage.
- 3.4 Research conducted by the OECD¹ in 2012 (updated 2019) into functional urban areas highlights the limitations of existing administrative boundaries and strong relationships among several urban cores within the UK. The work concludes that most of SCR is a functional urban area, with a rural fringe which is also important to the economic, social, cultural and environmental functioning of SCR. This is further supported by the ONS² which highlights five main travel-to-work areas within SCR as well as overlaps with five others.
- 3.5 These relationships are backed up by evidence relating to the retail, housing, transport and cultural linkages across SCR³. For example:
- There is overlap between retail catchments in SCR with joint working on retail important in ensuring appropriate land/property provision and retail/leisure demand relative to transport networks.
 - Housing markets across SCR share some commonalities with most areas being more affordable than the national average, although this can mask areas of real need, especially for households with the lowest incomes.
 - The proximity of major urban areas and the relative ease of commuting between them for work (as demonstrated by travel-to-work flows and journey times) demonstrate strong linkages within SCR.
 - Administrative boundaries that cover the City Region demonstrate the complexity of geography but also the commonalities within SCR. The NHS has several Clinical Commissioning Groups within SCR demonstrating historical but also demographic commonalities. Other Government Agencies work across a broader geography (e.g. Homes England covers the North East, Yorkshire and The Humber as well the East Midlands).
 - The City Region's cultural geography and green and blue infrastructure has never been assessed in its totality but there are clear linkages. These include the Peak District National Park, the West and South Yorkshire Green Belt and the canal and river networks as well as several historic and cultural assets.
- 3.6 However, relationships between areas don't stop at the SCR boundary and we are committed to working with all neighbouring areas. For example, the SCR area is closely related to the Leeds City Region (particularly in Barnsley) and also overlaps with the D2N2 LEP (in Bassetlaw, Bolsover, Chesterfield, NE Derbyshire and Derbyshire Dales). These relationships have fostered close partnership working, producing some innovative projects on shared priorities as well as wider collaboration with other areas through the initiatives like the Northern Powerhouse⁴.

¹ See OECD's Functional Urban Area Definitions here: <http://www.oecd.org/cfe/regional-policy/functionalurbanareasbycountry.htm>

² See ONS's Travel-to-Work Areas:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/traveltoworkareanalysisingreatbritain/2016>

³ Further evidence available through SCR LEP Review Geography Proposal see <https://sheffieldcityregion.org.uk/wp-content/uploads/2019/02/SCR-LEP-Review-Geography-Proposal-Submission.pdf>

⁴ For example, through the Department for International Trade's Northern Powerhouse trade missions

4. Key Strategic Matters

- 4.1 The local authorities of Bassetlaw; Barnsley; Bolsover; Chesterfield; Derbyshire Dales; Doncaster; North East Derbyshire; Rotherham and Sheffield work together at the city region scale on matters of shared strategic significance.
- 4.2 Together, we have agreed that this Statement of Common Ground should focus primarily on the following strategic matters:
1. Housing;
 2. Employment;
 3. Transport; and
 4. Digital connectivity
- 4.3 In addition, current working arrangements on several other strategic matters are summarised in this statement in order to illustrate the range of shared interests being progressed. These are developing and will continue to be reviewed in future updates of this statement. They include:
- Green Belt
 - Energy and climate change
 - Flood risk
 - Minerals Planning
 - Waste Planning
 - Natural Environment
 - Peak District National Park
 - Health

4.1 Planning for Housing in Sheffield City Region

The Collective Housing Needs of SCR

- 4.1.1 All Local Planning Authorities in SCR are planning to ensure that their own housing need is met within their Local Authority boundaries. Based on adopted Local Plan targets, emerging Local Plan targets and local housing need figures, there is no housing shortfall or re-distribution of unmet need required in SCR.
- 4.1.2 Using the Government's standard methodology, the assessment of Local Housing Need in SCR would be 5,389 (net) new homes per annum⁵, which informs developing Local Plans or plans being reviewed. However, housing requirement targets in our adopted and emerging Local Plans currently total 6,659 new homes per year. This means we are currently planning for more than 1,200 homes per year above the standard housing need figure, helping to enable the economic growth being delivered through Local Plans and supporting the SCR Strategic Economic Plan.
- 4.1.3 Table 1 in the Annex provides a local authority breakdown of local housing need figures and Local Plan requirement targets.
- 4.1.4 The combined Local Plan housing requirements of 6,659 homes per year is also within the range of new housing calculated to meet the growth in jobs expected from the SEP, as defined by consultants Edge Analytics in 2015⁶.

Housing Delivery

- 4.1.5 All SCR Local Planning Authorities are currently working to maximise the delivery of new homes in their area and across the city region.
- 4.1.6 The number of new homes completed in SCR has risen steadily over recent years, rising from 5,323 in 2015/16 to 6,557 in 2017/18. Table 2 in the Annex provides a local authority breakdown of net housing completions, which represents the total of all new homes added to the housing stock in the city region, including conversions and change of use. For accuracy and consistency, this is based on figures provided annually by local authorities to Government through the Housing Flows Reconciliation returns⁷, which are used to calculate performance against the Housing Delivery Test (HDT) - a key feature of the Government's push to increase housing delivery.
- 4.1.7 Overall, annual housing delivery in SCR is now almost in line with Local Plan targets and we will provide an annual report on the rate of new housing completions within SCR to ensure that progress continues to be monitored.

⁵ Correct as at 1. April 2019. Based on increase household projections for 2019-2029 and affordability ratio for 2018. Full guidance at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁶ Work by consultants Edge Analytics (2015) for the city region suggested that between 5,035 and 7,424 new homes would be required per year to take account of the overall scale of jobs growth, in line with SEP ambitions. See:

<https://www.sheffield.gov.uk/content/dam/sheffield/docs/planning-and-development/sheffield-plan/Sheffield%20City%20Region%20Demographic%20Forecasts%202014-2034.pdf>

⁷ See fuller explanation at <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

4.1.8 Monitoring of completions by house type and size is not available consistently across all Sheffield City Region authorities and is therefore not included in this Statement of Common Ground. Similarly, other housing issues such as tenure and provision for specific groups like Gypsies and Travellers, students or armed forces personnel are better addressed at the local planning authority level and so are not covered within this Statement.

Housing Land Supply

4.1.9 All SCR Local Planning Authorities are currently working to ensure that a housing land supply of at least five years is available within each local authority area, which in turn will result in a 5-year supply across the city region as a whole. The most recent monitoring suggests that there is in excess of a 5-year deliverable housing land supply across SCR, rising to a supply in excess of 8 years if compared to the combined local housing need figure.

4.1.10 Table 3 in the Annex provides the full local authority published 5-year housing land supply and publication dates of data. Due to the variation in publication dates, some positions will have since changed. Further work is being undertaken where needed to check deliverability of sites in the light of the revised NPPF definition and we will continue to monitor land supply in relation to Local Plan requirements.

4.1.11 Major strategic transport investment such as HS2 and Northern Powerhouse Rail is likely to be delivered towards the end of current plan periods, or immediately after. We will work collaboratively to anticipate and respond to long term requirements and opportunities, including exploring sustainable housing growth opportunities arising from proposed major improvements to strategic transport infrastructure.

Housing Market Areas

4.1.12 Figure 2 below shows the extent of different Housing Market Areas defined across SCR and used to understand housing needs and demands at a local level. It illustrates the complexity of our housing market geography as well as the close relationships between areas, particularly in the south of the city region. It is recognised that Housing Market Areas can operate differently for different groups, and that there is some overlap. These more complex relationships will be addressed through local assessments and discussions between neighbouring districts wherever necessary.

4.1.13 In some cases, where Local Plans are adopted with housing requirements above the Local Housing Need assessment figure, this may provide additional flexibility to meet SCR wide growth ambitions. This would only apply in situations where new homes and areas of jobs growth do not result in unsustainable commuting patterns and would need to be subject to separate agreements between individual authorities.

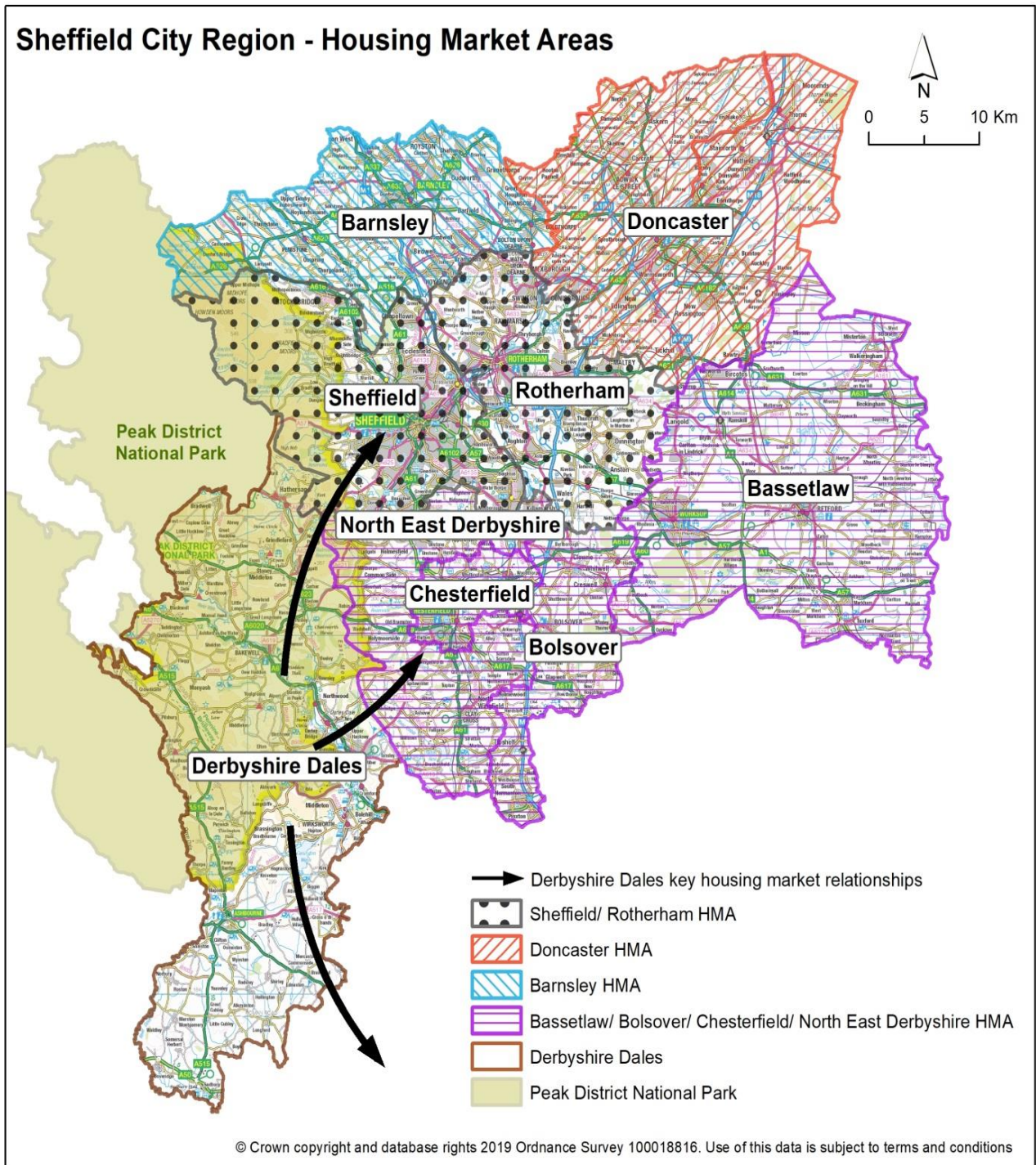


Figure 2: Housing Market Areas

Based on the above, the current position is that we:

- Plan for our own housing need within our own Local Authority boundaries, taking account of housing market geographies and agreements between individual authorities as necessary.

- Through Local Plans, ensure that the housing required to deliver the growth ambitions of the current SCR Strategic Economic Plan⁸ (SEP) are being met.
- Through Local Plans, agree Housing Market Areas in the city region and understand the relationships between these.
- Use the plan making system to maximise delivery of sustainable housing development.
- Monitor housing delivery on an annual basis, as a minimum, to ensure that housing growth continues to meet identified local need and support the economic aspirations of the SEP.

⁸ Available at <https://sheffieldcityregion.org.uk/explore/our-strategic-economic-plan/>

4.2 Planning for Employment in Sheffield City Region

Employment Targets

- 4.2.1 The SCR Strategic Economic Plan (SEP) was agreed in 2014. It sets out the economic ambitions for Sheffield City Region and authorities are currently working to ensure that Local Plans help to deliver the SEP and its growth ambitions.

The current SEP seeks to create **70,000 new jobs and 6,000 new businesses across the City Region (between 2015 and 2025)**. Subsequent work by Ekosgen⁹ to inform the development of the SCR Integrated Infrastructure Plan apportioned these 70,000 new jobs to each authority area, identifying where the new jobs were likely to be created and in which economic sectors they are likely to be created.

- 4.2.2 Although Local Plans in SCR are at different stages of preparation and have established job figures relating to different time periods, together they ensure that the overall quantum of jobs being provided for across the City Region meets the 70,000 jobs target set in the SEP.

- 4.2.3 Table 4 in the Annex sets out the headline jobs figures being planned for in the adopted or emerging Local plans. These are the figures that are currently being worked to, and are based on more up to date evidence than the Ekosgen work.

- 4.2.4 Table 5 shows the potential distribution of the 70,000 jobs estimated by the consultants Ekosgen in 2014. Economic assumptions and evidence available at the time informed the distribution of the jobs by sector, which were then distributed across the nine Local Authorities on the basis of existing employment adjusted to take into account local intelligence and priorities at the time. It is a useful historical reference from which more up to date evidence is developed for current and emerging Local Plans.

Employment Land Supply and Major Growth Areas

- 4.2.5 Each place within the city region plays an important role in the economy and contributes to the economic ambitions of the SEP. The roles of different places and their contribution to the city region economy are defined in each Local Plan. Key points from these plans are summarised in the Annex to this Statement.
- 4.2.6 Working across these places and the different roles they fulfil, SCR has also identified some Key Urban Centres and Major Growth Areas in the city region. Defined in detail through the SCR Integrated Infrastructure Plan¹⁰, these are places where growth will be supported through investment and a package of different infrastructure measures. They are set out in Figure 3 as:

⁹ See Ekosgen (2014) *Sheffield City Region Integrated Infrastructure Plan Sectoral and Local Authority Distribution of SCR 70,000 Jobs Target – Assumptions Report*

¹⁰ See https://sheffieldcityregion.org.uk/wp-content/uploads/2018/01/Integrated-Infrastructure-Plan_Executive-Summary.pdf

- A61 Corridor
- Doncaster/Sheffield Airport
- Advanced Manufacturing Innovation District (AMID)
- Dearne Valley and J36 of M1
- Markham Vale
- Unity (formerly the DN7 Project)
- Sheffield city centre and the town centres of Barnsley, Doncaster, Rotherham, Chesterfield and Worksop

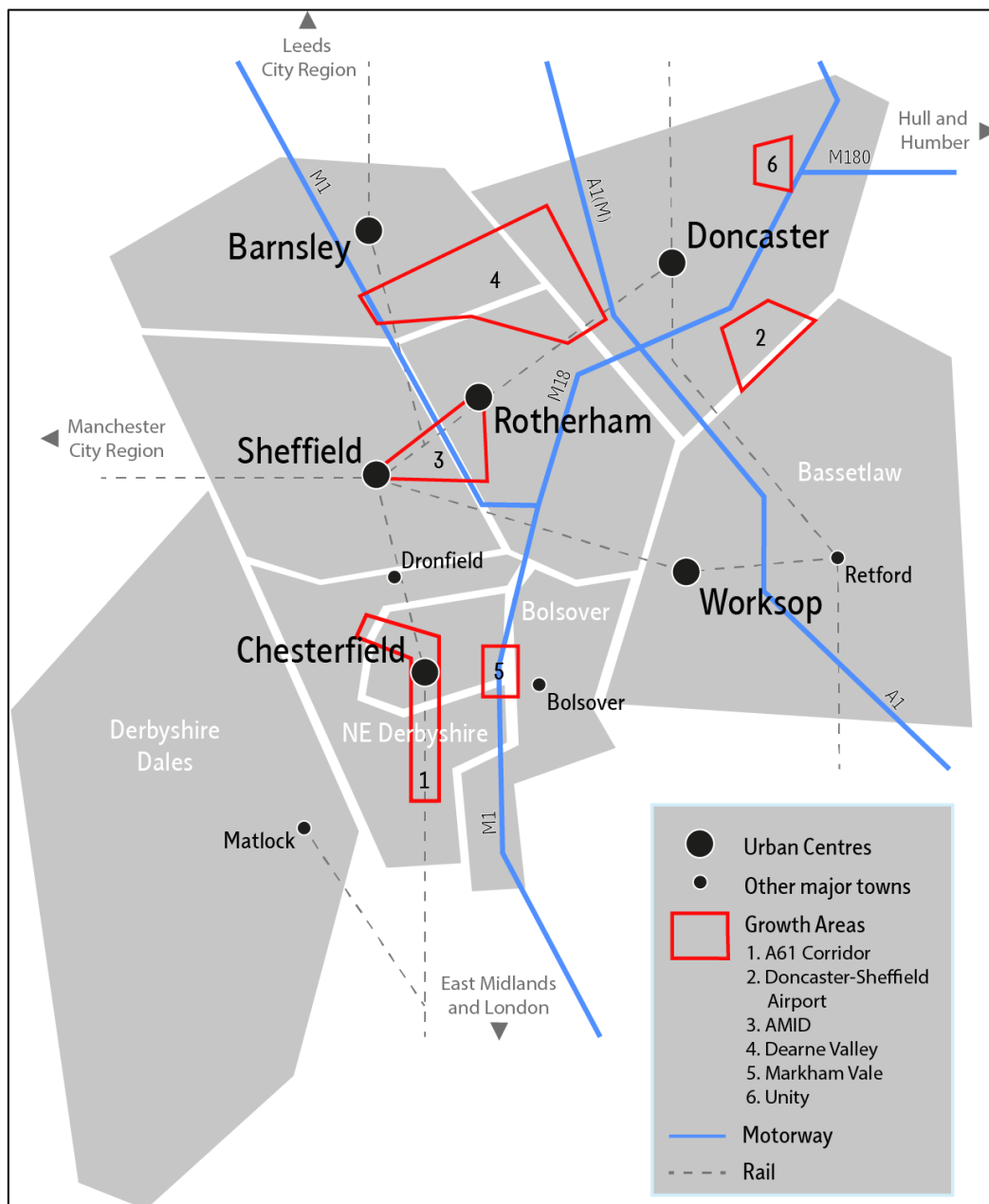


Figure 3: Key Urban Centres and Major Growth Areas

4.2.7 Local Plans will help to drive employment in these Key Urban Centres and Major Growth Areas, ensuring that an appropriate supply of employment land

is available for economic growth and that the infrastructure needed to deliver this is recognised and capable of being funded.

- 4.2.8 Table 6 in the Annex summarises the employment land requirements from each of the Local Plans in SCR.
- 4.2.9 The City Region has also commissioned an Employment Land and Premises Study from consultants Lichfield. This will provide a more coherent, joined up understanding of current employment land across all nine districts in the SCR. It will play a key role in helping to shape the emerging Local Industrial Strategy (LIS) as well as informing the decisions of individual planning authorities.

Functional Economic Market Areas and Travel to Work Areas

- 4.2.10 The geography of commercial and industrial property markets needs to be understood in terms of the requirements of the market, location of premises, and the spatial factors used in analysing demand and supply – often referred to as the Functional Economic Market Area (FEMA).
- 4.2.11 However, patterns of economic activity vary from place to place and there is no standard approach to defining a FEMA. Instead, the extent of a FEMA needs to be defined on the basis of a number of factors such as travel to work pattern; flows of goods, services and information; service markets for consumers; administrative boundaries; catchment areas for cultural facilities; and the transport network. Where evidence indicates, a FEMA could also be defined around the extent of a LEP area.
- 4.2.12 Based on this approach, Local Planning Authorities across SCR define a FEMA for their own local plans, which are summarised in the Annex. Each Local Planning Authority is individually responsible for identifying employment needs and employment land supply in their local plans to meet their District's economic needs and growth priorities.
- 4.2.13 The definition of the FEMAs is not always straightforward and there can often be overlaps. At the SCR scale, therefore, there are also strong links between the different market areas and current travel to work patterns suggest that it is reasonable to consider the whole of SCR as a Strategic FEMA; which would sit above the local FEMAs defined in Local Plans. Considering the SCR as a strategic FEMA will ensure that together we can offer the optimum supply of land to address large scale strategic or inward investment growth requirements that would otherwise be above and beyond the indigenous needs of any one district. This approach will provide further assistance to work already undertaken to plan infrastructure and help support closer integration between policy areas such as planning and transport. It would not prejudice the work done by any individual district in developing their Local Plans.
- 4.2.14 In total, 88% of the working people who live in SCR also work within SCR; looking at this pattern from the other perspective, 90% of the people whose

job is in SCR also live here¹¹. In short, the great majority of residents work locally or commute between districts within SCR for work. These internal commuting flows are set out in Figure 4.

4.2.15 At the same time, there are also important links between SCR and employment opportunities in Leeds, Wakefield, Derby and the Amber Valley-Ashfield-Mansfield corridor. The extent of these external commuting flows is illustrated in Figure 5.

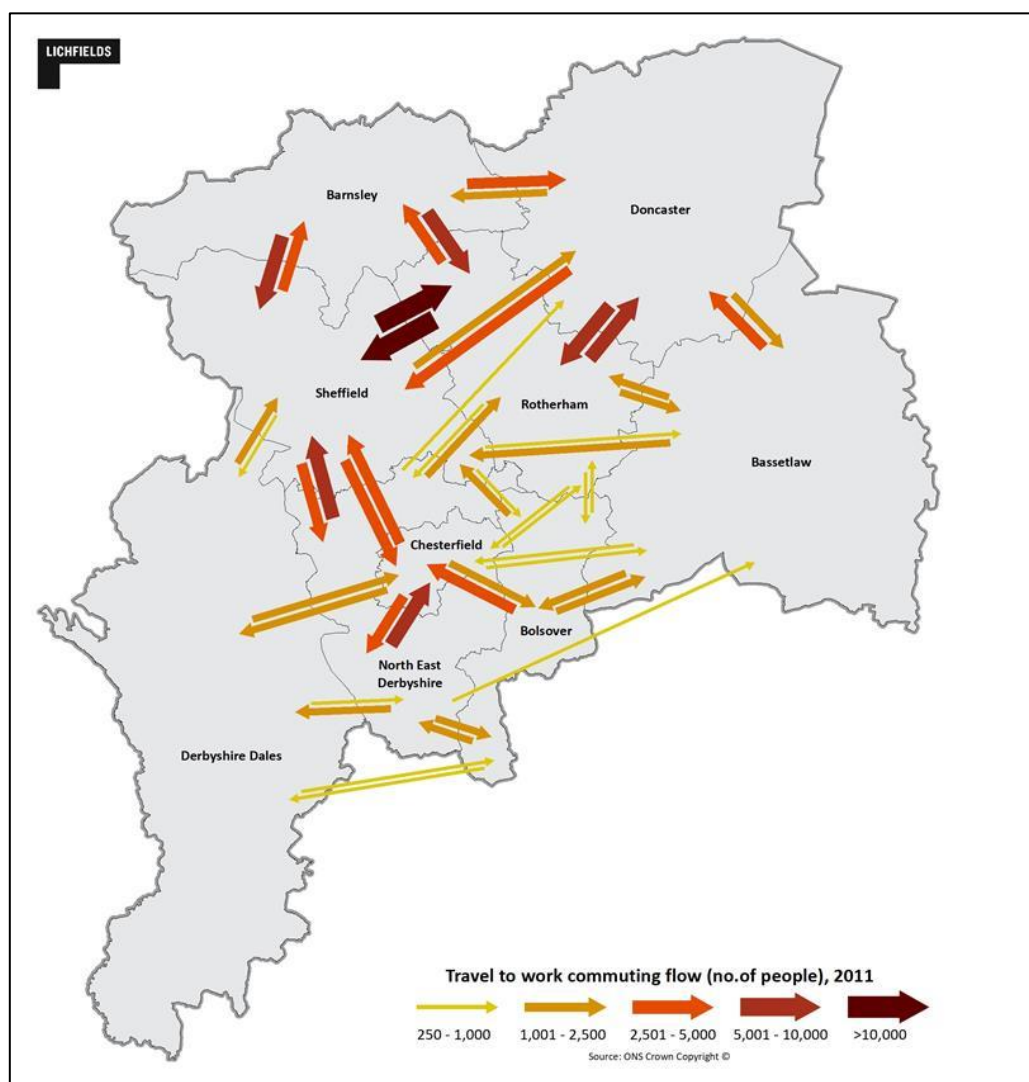
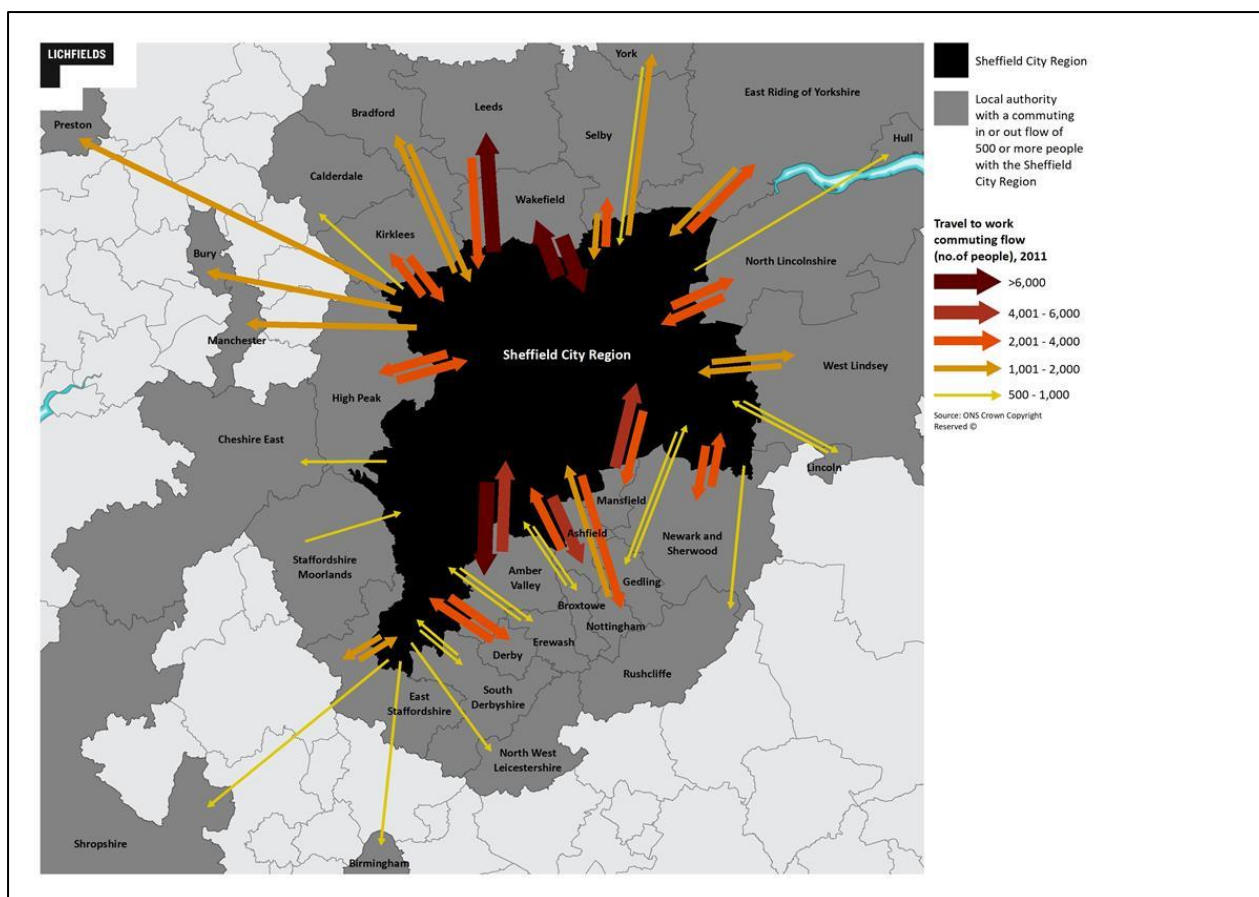


Figure 4: Travel to work commuting flows within SCR¹²

¹¹ Based on 2011 TTWA data (published by ONS in 2015), analysed for SCR by Lichfields (2019)

¹² Based on 2011 TTWA data (published by ONS in 2015), analysed for SCR by Lichfields (2019)



Based on the above, the current position is that we:

- Cumulatively, create the conditions in which at least 70,000 new jobs can be delivered through Local Plans
- Support employment growth in Key Urban Centres and Major Growth Areas
- Monitor delivery of employment land and ensure an appropriate supply of land in line with the SEP ambitions
- Monitor the loss of employment land to other uses, in particular residential use
- Share local evidence as appropriate and strengthen our collective evidence base
- Continue to work collaboratively to achieve the economic ambitions of the SEP, developing our evidence and giving further consideration to formalising a strategic FEMA at the SCR scale, and understanding the operation of it.

4.3 Planning for Transport in Sheffield City Region

Transport Strategy

4.3.1 The SCR Transport Strategy¹³ sets goals and policies for South Yorkshire but recognises the importance of the wider SCR economic geography. It was adopted by the Mayoral Combined Authority in January 2019 as a basis supporting the economic aspirations of the city region. Importantly, the strategy also looks beyond the immediate boundaries of SCR to include interventions that benefit the wider Northern Powerhouse and Midlands Connect sub-national areas, as well as the rest of the UK.

4.3.2 The Transport Strategy sets three specific goals for the SCR area:

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

4.3.3 Taken together, the Strategy is intended to ensure all parts of the City Region are well-connected, with journey times that connect every neighbourhood to a regional hub in 15 minutes; a regional hub to another regional hub in 30 minutes; and all regional hubs to a major centre in 75 minutes¹⁴.

4.3.4 We will work closely together on all relevant aspects of the SCR Transport Strategy, with Local Plans and planning decisions particularly helping to deliver priorities around economic growth, housing, health and air quality:

- Growth: improved transport network connectivity and greater capacity are vital in enabling economic growth, both in the SCR area and across the wider North of England.
- Housing: transport contributes to meeting our housing targets by helping to unlock new development sites and provide more sustainable modes of travel for residents.
- Health and Air Quality: provision for more active travel like walking and cycling as well as public transport alongside development enables more sustainable choices to be made, benefitting health and air quality.

National and pan-northern interventions

4.3.5 The SCR Transport Strategy defines a number of transport interventions that will have a national and pan-northern impact as they are progressed by SCR and partners such as Transport for the North, neighbouring authorities, the Highways Agency, public transport operators, businesses and Government.

¹³ See full strategy on the SCR website at https://d2xf5riab8wu0.cloudfront.net/wp-content/uploads/2019/03/SCR_Transport_Strategy_11.04.2019.pdf

¹⁴ The Transport Strategy defines a neighbourhood as the closest built up area to your home; it defines 11 regional hubs in SCR which are economic centres that people need to access quickly and easily for work, health services, education, shopping and leisure.

4.3.6 Local Plans in the SCR Transport Strategy area will seek to support the following:

- Major Rail Improvements: nine separate improvements including new infrastructure like HS2 and improvements to existing capacity;
- Integrated and smart travel programme: with multi-modal, integrated ticketing and real time information; and
- Strategic Road Network Improvements: seven improvements which will increase connectivity between SCR and neighbouring regions as well as movements within SCR itself.

4.3.7 Information in the annex lists these national and pan-northern interventions. Together they will improve SCR's links with other Northern towns and cities as well as with the East Midlands region. It will, therefore, be particularly important to work closely with bodies such as Transport for the North and East Midlands Connect so that people can commute between city regions more quickly and easily, ensuring the right people have access to the right jobs.

Local Interventions

4.3.8 Each part of the city region will have its own transport priorities and several local authorities have (or are developing) their own transport strategy, which are also used to inform Local Plans. At the city region scale, the SCR Transport Strategy identifies 11 key regional economic centres that need reinforcing with transport infrastructure and 20 priority transport corridors. These are set out in Figure 6.

4.3.9 We will work together and with other SCR partners to seek to deliver improvements to transport corridors and enhance the strategic transport network with a combination of bus, tram, bus rapid transit, heavy rail and tram-train.

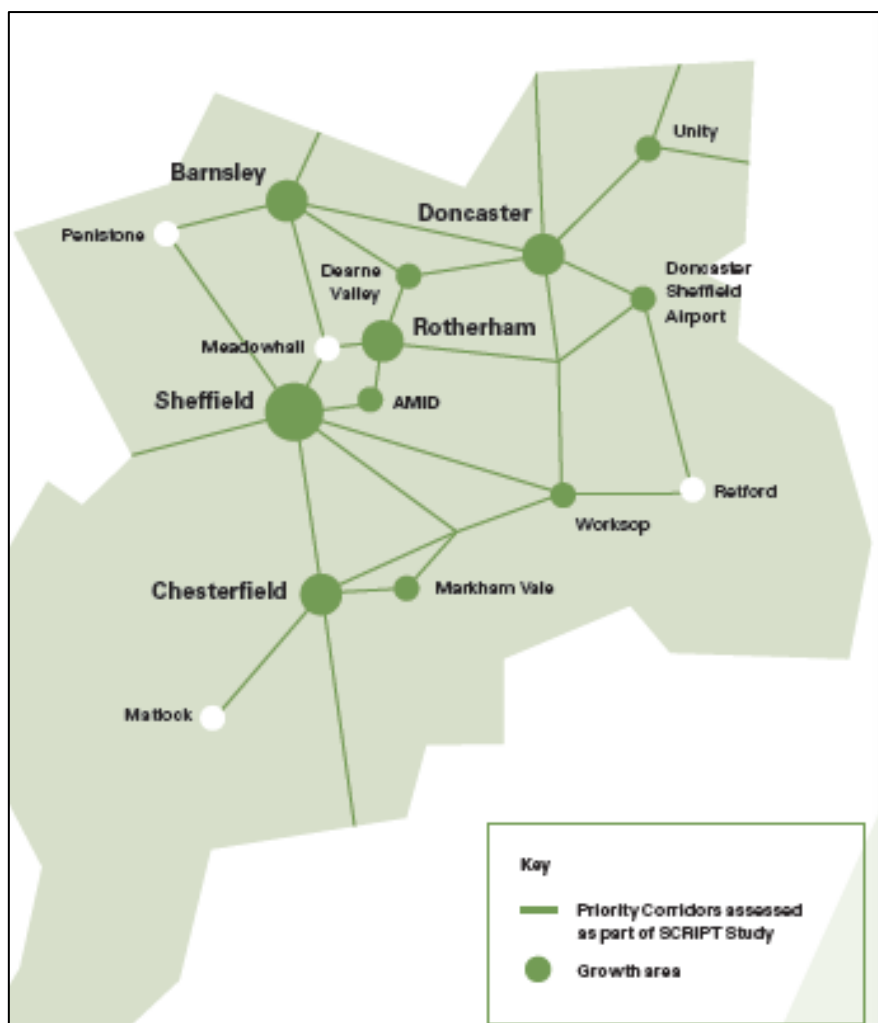


Figure 6: Transport Strategy Programme Corridors

Strategic Testing Tools

4.3.10 Since 2016, authorities across SCR have been working with the MCA to produce a region-wide computerised model of transport networks and demand (SCRTM1). Utilising the latest trip data, this will provide the evidence required to justify external and internal funding for improvements to the city region's transport infrastructure. In addition, work is also underway to update the existing model of land use, transport and the economy (FLUTE) to allow all schemes seeking funding, from local or national sources, to be justified in accordance with the Government's standards for assessing value for money.

4.3.11 We will use these city region wide models alongside local transport models, including in Nottinghamshire and Derbyshire, to ensure a complementary hierarchy of modelling is applied. Working at different scales, from strategic interventions of major schemes to micro-simulation of individual sites or junctions, this will ensure the impacts and value for money of projects are understood in a clear, consistent way.

Based on the above, the current position is that we:

- Support the implementation of policies in the SCR Transport Strategy
- Help to bring forward the national and pan-northern interventions agreed through the SCR Transport Strategy
- Work together to improve connectivity, particularly within and around the 20 regional transport corridors defined in the Transport Strategy.
- Support the safeguarding and delivery of critical transport routes (both existing and new) and collaborate across boundaries to make the best use of inter-regional rail, road and water transport networks.
- Secure financial contributions (through S106 obligations and Community Infrastructure Levy) wherever appropriate to help leverage funding for relevant transport interventions.
- Apply a complementary hierarchy of transport models to understand and assess the impact of projects and proposals on the transport network at appropriate scales

4.4 Planning for Digital Connectivity in Sheffield City Region

4.4.1 A Digital Action Plan for Sheffield City Region¹⁵ has been developed and implemented by a number of Local Bodies since the launch of the Government's Superfast Broadband Programme in 2013¹⁶. At that time, Broadband Delivery UK (BDUK) asked Local Authorities to group together and form local bodies to develop Local Broadband Plans and to bid for funding from the Superfast Broadband Programme in order to increase coverage from c80% to 95% of premises in their areas.

4.4.2 The Local Bodies in Sheffield City Region are:

- *'Superfast South Yorkshire' which covers the majority of the city region, that is, Barnsley, Doncaster, Rotherham and Sheffield;*
- *'Digital Derbyshire' which includes Chesterfield, North East Derbyshire, Bolsover, Derbyshire Dales; and,*
- *'Better Broadband For Nottinghamshire' which includes Bassetlaw.*

4.4.3 Overall, large parts of the city region are well served by current generation digital connectivity technology such as Superfast Broadband (fixed line broadband that is capable of download speeds of 30Mbps) and 4G (cellular broadband with average download speeds from 16 to 33Mbps), although this is not the case in more rural parts of SCR.

4.4.4 Coverage of superfast broadband in South Yorkshire has increased from 80% to over 95% and will reach around 99% by 2021.¹⁷ The take-up of superfast broadband in areas where the Superfast South Yorkshire programme has invested has increased from 18% to 45%, Enterprise Zones and business parks in South Yorkshire were amongst the first in the country to access gigabit full fibre broadband; and business development programmes have helped local SMEs understand how digital can sustain and grow their business as well as enabling them to access support for connection charges and innovation projects. At the same time, Sheffield City Centre now benefits from one of the best public access Wi-Fi networks.

4.4.5 However, both Superfast Broadband and 4G technologies are incapable of meeting future demands for speed, capacity, reliability, and responsiveness; and are fast approaching end of life.

4.4.6 The next generation of digital connectivity technology is full fibre networks and 5G cellular networks. Full fibre networks dispense with copper wire and traditional street cabinets, providing direct connection from a property to exchange using glass fibre with download speeds in excess of 1,000Mbps. 5G uses a new radio interface that enables much higher radio frequencies to

¹⁵ See full Action Plan at <https://d2xif5riab8wu0.cloudfront.net/wp-content/uploads/2018/09/SCR-Digital-Action-Plan-Strategic-Framework-and-Action-Plan.pdf>

¹⁶ See details at <https://www.gov.uk/guidance/building-digital-uk>

¹⁷ See current coverage at <https://labs.thinkbroadband.com/local/south-yorkshire> and future at <https://news.openreach.co.uk/pressreleases/ps10m-broadband-boost-for-south-yorkshire-2815397>

be used and significantly more data to be carried over the air for faster speeds.

- 4.4.7 The city region is not well served by this next generation of digital connectivity technology, although plans have been announced by mobile operator EE to start to roll out 5G in Sheffield from 2019. As SCR develops and grows over the next 3 years, there will be an increased demand for high speed, ubiquitous connectivity, especially in more rural areas.

Based on the above, the current position is that we:

- Support the implementation of policies in Local Broadband Plans.
- Help to bring forward a range of local and city region interventions to improve digital connectivity, improving speeds and addressing gaps in provision across the whole of SCR.
- Create a supportive planning framework for digital connectivity, including consistent planning conditions.

4.5 Planning for other Strategic Matters in Sheffield City Region

4.5.1 All nine Local Planning Authorities in SCR commit to work together at an SCR scale on other issues where we have a common interest and cross boundary work is required. These are defined around the following areas, with further information and evidence highlighted where this is available:

- Green Belt: Local Planning Authorities in SCR have agreed a common assessment method for reviewing Green Belt and will adopt this where appropriate to ensure a consistent approach across SCR¹⁸
- Energy and climate change: Local Planning Authorities in SCR have agreed to work together to develop and support the implementation of the SCR Energy Strategy and Delivery Plan
- Flood risk: Local Planning Authorities have agreed to work together on a catchment wide basis to reflect the natural geography of the city region and seek consistency in respect of permitted run off rates for greenfield and brownfield developments.
- Minerals: Local Planning Authorities in SCR have agreed to share evidence on minerals planning, working closely together and with Derbyshire and Nottinghamshire County Councils who are currently updating their own Minerals Plans. This includes evidence from Local Aggregates Assessments, exploring the benefits of undertaking joint assessments.
- Waste: Local Planning Authorities in SCR have agreed to share evidence on waste planning, with the four South Yorkshire authorities working together to develop a single evidence base before commencing a South Yorkshire wide waste plan. Districts in Nottinghamshire and Derbyshire are working with their respective County Councils to prepare or update county wide waste plans, ensuring these coordinate with the South Yorkshire plan.
- Natural Environment: Local Planning Authorities in SCR have agreed to share evidence and data on a city regional basis, particularly in areas where the local environment is sensitive or critical to the wider ambitions of the city region.
- Peak District National Park: Local Planning Authorities recognise the statutory purposes of the Peak District National Park and the special qualities which make it unique. The Park's Management Plan¹⁹ sets out these qualities, alongside areas of focus for management, so that they can be properly respected in decision making.

¹⁸ See detailed explanation at <https://www.barnsley.gov.uk/media/5273/sheffieldcityregiongreenbeltreviewacommonapproachaugust2014.pdf>

¹⁹ See <https://www.peakdistrict.gov.uk/looking-after/national-park-management-plan>

- Local Planning Authorities recognise the health and wellbeing challenges facing many areas of the city region and agree to share evidence to ensure that Local Plans are effective in addressing those challenges. This will be in terms of the provision of health services as well as tackling the wider determinants of health such as sub-standard housing, air pollution, social isolation and lack of access to green space. There will be an emphasis on creating environments that are conducive to people being able to be physically active as part of their daily life.

5. Governance Arrangements

- 5.1 This Statement of Common Ground has been prepared by the SCR Heads of Planning Group, which brings together senior planning managers across all nine local planning authorities as well as from Nottinghamshire and Derbyshire County Councils.
- 5.2 The Group meets on a 6-8 week basis and has responsibility for the Statement of Common Ground alongside other pieces of collaborative work including the preparation of new evidence and developing a shared planning approach on some service issues. The Heads of Planning Group will ensure that the Statement is consistent with local planning practice and is updated on an annual basis²⁰ in order to reflect any changes to local practice or arrangements at the city regional scale
- 5.3 Progress and oversight for the Statement and other joint planning work is the responsibility of the city region’s Infrastructure Board, which includes Cabinet Portfolio Holders from local districts as well as representatives from the LEP. The Infrastructure Board is accountable to the MCA and LEP through wider governance arrangements established for the city region²¹ (see Figure 7).

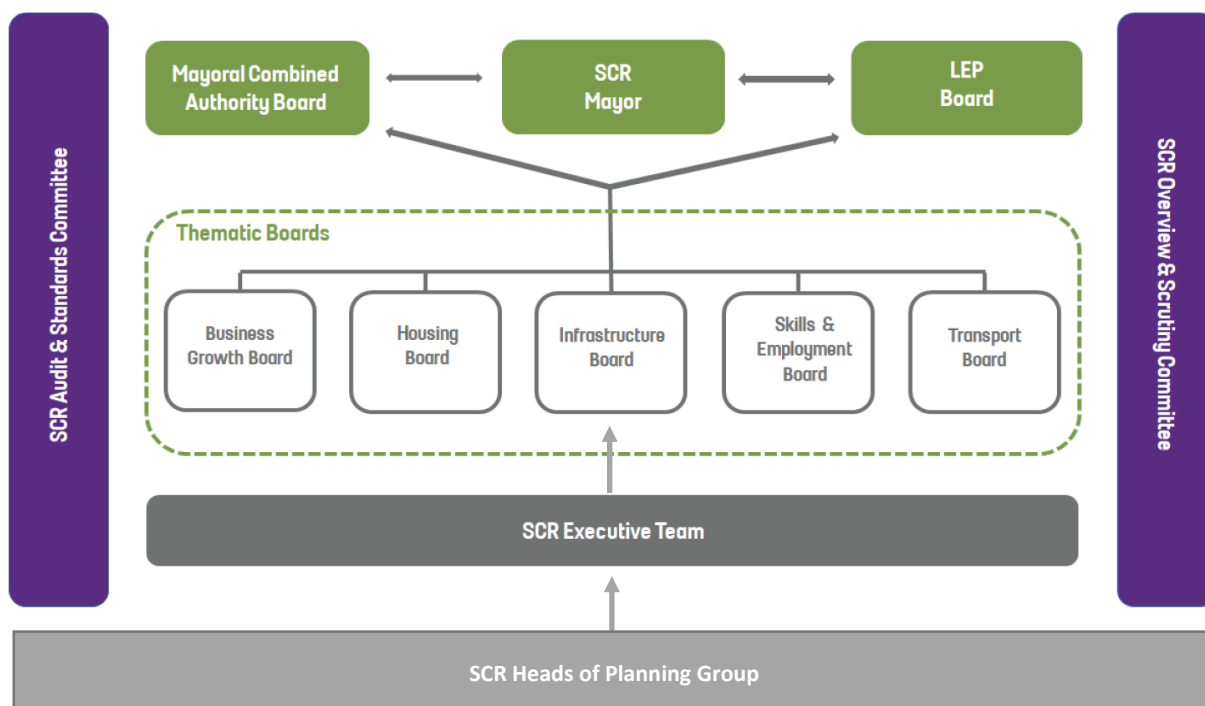


Figure 7: governance arrangements

²⁰ The next update of the Statement of Common Ground will be October 2020, or earlier should the Heads of Planning group identify the need for this.

²¹ A full account of SCR Governance arrangements is available in the SCR Assurance Framework at <https://d2xjf5riab8wu0.cloudfront.net/wp-content/uploads/2019/05/SCR-Assurance-Framework-2019-FINAL.pdf>

Annex

Table 1: Sheffield City Region – housing needs

| | 2019 Local Housing Need assessment | Local Plan target | Difference | Local Plan Status |
|-----------------------|------------------------------------|----------------------|--------------------|-----------------------------|
| Barnsley | 890 | 1,134 | 244 | Adopted January 2019 |
| Bassetlaw | 297 | 390 | 93 | Reg. 18 stage |
| Bolsover | 230 | 272 | 42 | Reg. 25 stage |
| Chesterfield | 240 | 247 | 7 | Reg. 22 stage |
| Derbyshire Dales | 229 | 284 | 55 | Adopted December 2017 |
| Doncaster | 550 | 920* | 370 | Reg. 19 stage |
| North East Derbyshire | 248 | 330 | 82 | Awaiting Inspector's report |
| Rotherham | 581 | 958 | 377 | Adopted 2014/2018** |
| Sheffield | 2,124 | 2,124*** | 0 | Reg 18 stage |
| SCR | 5,389 | 6,311 - 6,659 | 922 - 1,270 | |

*The emerging Local Plan presents the housing requirement as a range, the bottom of the range representing a Local Housing Need figure (as reviewed and updated) but with allocations for the top of the range in line with economic growth aspirations and planned infrastructure

** The Rotherham Local Plan is made up of a Core Strategy (adopted in 2014) and a Sites and Policies document (adopted 2018).

*** The local housing need assessment figure is within the range (2,000-2,300 per year) suggested by the City Council as the local plan target in the Reg 18 consultation in 2015.'

Table 2: Sheffield City Region – net completions*

| | 2015/16 | 2016/17 | 2017/18 | Total |
|-----------------------|--------------|--------------|--------------|-------|
| Barnsley | 706 | 850 | 1,009 | 2,565 |
| Bassetlaw | 338 | 462 | 551 | 1,351 |
| Bolsover | 325 | 290 | 248 | 863 |
| Chesterfield | 206 | 123 | 110 | 439 |
| Derbyshire Dales** | 130 | 173 | 295 | 598 |
| Doncaster | 1,170 | 1,057 | 1,173 | 3,400 |
| North East Derbyshire | 431 | 282 | 396 | 1,109 |
| Rotherham | 585 | 599 | 471 | 1,655 |
| Sheffield | 1,432 | 2,248 | 2,304 | 5,984 |
| SCR | 5,323 | 6,084 | 6,557 | |

*All data collected directly from local authorities (other than Derbyshire Dales), and in some cases varies slightly (1%) from the Housing Flows Reconciliation figure used to calculate the Housing Delivery Test²². Includes new build completions, change of use from non-residential to residential and conversions from one to multiple dwellings.

²² See <https://www.gov.uk/government/publications/housing-delivery-test-2018-measurement>

** Note discussions with MHCLG concluded that an additional 76 completions should be included in the Derbyshire Dales Housing Delivery Test for 2015/16 and 2017/18, representing completions within the Peak District National Park area. This takes the three year total for the district to 674.

Table 3: Sheffield City Region - housing land supply*

| | Annualised (net) requirement | Total (net) 5-year supply | Supply in years | Date of publication |
|-----------------------|-------------------------------------|----------------------------------|------------------------|----------------------------|
| Barnsley | 1,469 | 7,522 | 5.12 | Jan-19 |
| Bassetlaw | 324 | 2,681 | 7.90 | Oct-18 |
| Bolsover | 272 | 2,274 | 8.49 | Feb-19 |
| Chesterfield | 298 | 1,775 | 5.96 | Apr-18 |
| Derbyshire Dales | 357 | 2,056 | 5.75 | Jul-19 |
| Doncaster | 889 | 8,300 | 9.34 | Aug-17 |
| North East Derbyshire | 283 | 2,178 | 7.33 | May-18 |
| Rotherham | 958 | 6,655 | 5.80 | Apr-18 |
| Sheffield | 2,231 | 9,970 | 4.47 | Nov-17 |
| SCR | 7,081 | 43,411 | | |

* Figures taken from the most recently published 5-year supply statements, which allow for any backlog in delivery over recent years. As such annualised requirement figures may vary from Local Plan requirements set out in Table 1.

Table 4: Job Figures being planned for in Local Plans

| Local authority | Job target |
|------------------------|--|
| Barnsley | 28,840 (2014-2033) |
| Bassetlaw | 3400 (2018-2035) |
| Bolsover | A baseline jobs growth of 3,000 used in SHMA for OAN. No specific target set in Local Plan (2014-2033) |
| Chesterfield | 3,175 (2011-2036) |
| Derbyshire Dales | A need for 1,700 additional jobs calculated in employment land availability assessment. No specific target set in Local Plan (2013-2033) |
| Doncaster | Growth of 27,100 jobs being planned for. No specific targets set in Local Plan (2015-2032) |
| North East Derbyshire | 3,000 (2014-2034) |
| Sheffield | 25,550 (2015-2024, covering SEP period only) |
| Rotherham | 12,000 – 15,000 (2013-2028) |

Table 5: Distribution of additional jobs (Ekosgen 2014)*

| Sector Distribution (see Section 3) | | | Spatial Distribution (see Section 4) | | |
|-------------------------------------|---------------|------------|--------------------------------------|---------------|--------------|
| | Increase | % change | | Increase | % change |
| Logistics | 13,000 | 47% | Sheffield | 25,550 | 10.7% |
| Financial & Professional | 10,000 | 28% | Doncaster | 11,825 | 10.7% |
| Business Services | 10,000 | 31% | Rotherham | 9,125 | 9.8% |
| Adv. Manufacturing | 8,000 | 39% | Bamsley | 7,500 | 10.2% |
| CDI | 8,000 | 27% | Chesterfield | 4,900 | 9.9% |
| Tourism, Leisure, Sport | 8,500 | 16% | Bolsover | 4,100 | 13.6% |
| Retail | 8,000 | 11% | Bassetlaw | 3,700 | 8.3% |
| Health | 8,000 | 7% | NE Derbys | 1,900 | 7.5% |
| Construction | 4,000 | 13% | D Dales | 1,400 | 4.6% |
| Other | 4,000 | 4% | SCR Total | 70,000 | 10.0% |
| Education | 2,000 | 3% | | | |
| Low Carbon | 2,000 | 18% | | | |
| Med - Low Tech Manufacturing | -6,500 | -11% | | | |
| Public Admin | -9,000 | -23% | | | |
| SCR Total | 70,000 | 10% | | | |

* these figures show the increase in additional jobs anticipated by the SEP between 2015 and 2025, with a percentage change figure based on the job totals in 2015.

Table 6: Employment Land requirements in Local Plans

| Local authority | Employment Land |
|-----------------------|---|
| Barnsley | 297 ha (2014-2033) |
| Bassetlaw | 63 ha minimum (2018-2035) |
| Bolsover | Allocating 92ha in the Local Plan (2014-2033) |
| Chesterfield | Emerging Local Plan target = minimum 44ha employment land in B1, B2, B8 uses (2011-2026). Supply over emerging Local Plan period = 51.63ha Also approximately 20-30ha land at Staveley Works that can come forward dependent on final form of HS2 phase 2b IMD |
| Derbyshire Dales | At least 24 ha (2013 – 2033) |
| Doncaster | 481 ha (2015-2035) |
| North East Derbyshire | 25.3 – 38.3 ha (2014-2034) |
| Rotherham | 235 ha (2013-2028) |
| Sheffield | 152 ha (2015-2035) |

Summary of economic role of places in SCR

Local Plans across SCR describe the economic role of each area.

Barnsley

Barnsley has a growing economy, creating an M1 economic corridor, thriving town centre and some outstanding cultural heritage. In terms of current sectors, evidence from Mott Macdonald (2016) identified a higher proportion of employees in manufacturing and construction than comparator areas including the national average. In contrast, Barnsley has lower proportions of IT and finance professionals and a higher proportion of jobs in public administration, health and education (29% compared to a national average of 26%).

Bassetlaw

Bassetlaw's accessibility is the basis for an expanding economy, with a growing economic corridor stretching along the A1, direct access to the East Coast Main Line and close proximity to the M1 attracting business and investment to the main towns of Worksop and Harworth & Bircotes. The District's third main town of Retford has a quality urban core and opportunities for further growth as part of new development along its northern edge. In terms of current economic sectors, evidence from GL Hearn (2019) identifies a high proportion of jobs in manufacturing, transport distribution/logistics and storage. Looking forward, Bassetlaw's priority is to create quality jobs, support supply chains and promote growth in the construction industries, environmental and energy technologies, advanced manufacturing and technology.

Doncaster

Doncaster has a high quality urban centre with attractive retail opportunities within an expanding mixed-use offer. Doncaster's multi-modal connectivity offers access to major conurbations and coastal ports whilst the Doncaster-Sheffield Airport and iport areas provide an international gateway with growing engineering and logistics business base. A new National College for High Speed Rail and University Technical College are part of a growing vocational education offer.

Doncaster's Inclusive Growth Strategy identifies four broad industry specialisms with the potential to grow, create quality jobs and support supply chains: engineering and technology; digital and creative; future mobility (rail, road, air); and advanced materials. In addition a fifth, non-specialist platform is identified from growth: supporting Services.

Rotherham

Rotherham has developing strengths in new economic sectors, as part of SCR's wider regeneration agenda, with a particular specialism in manufacturing. The adopted Core Strategy identifies the priority of safeguarding this manufacturing base and targeting several priority sectors including Creative and Digital Industries; Advanced Manufacturing and Materials; Environmental and Energy Technologies; Construction Industries; Business, Professional and Financial Services; and Low Carbon Industries.

Bolsover

Bolsover is a rural area, with the need and ability to accommodate significant economic growth in key settlements, taking advantage of access to the M1. In the Bolsover Economic Development Needs Assessment (EDNA) (2015) competitive sectors identified were: Wholesale and Retail; Manufacturing; Transport & Storage; Construction; Information & Communication (knowledge-based activity); and Energy & Water.

North East Derbyshire

North East Derbyshire is a predominately rural area with the population concentrated in four towns, and the potential for growth along the A61. It has close links with Sheffield and Chesterfield. Key sectors are Digital and Creative Industries; Advanced Manufacturing; Food and Drink; Construction and Environmental Industries; and Health and Care.

Derbyshire Dales

The Derbyshire Dales economy is based on thriving micro businesses and SMEs with manufacturing the largest employment sector. Pay in the Derbyshire Dales is amongst the lowest in Sheffield City Region and England. Businesses in the Dales want to grow but can't find the space locally, and provision of new employment space in the district is the highest priority.

Chesterfield

Chesterfield is a key market town and the sub-regional economic centre for Northern Derbyshire, with a high quality urban core and opportunities for further growth in the Staveley and A61 corridors. Along the M1, Markham Vale is an area recently developed with plans to establish itself as a major employment hub, supporting activity elsewhere in the City Region. The area includes Enterprise Zone sites.

Chesterfield's key sectors are Public administration ; Wholesale/retail; Financial and business services and Manufacturing.

Sheffield

Sheffield is the fourth largest city in England and a major centre of engineering, creative and digital industries, with a wide range of culture and retail facilities. Sheffield City Centre will be the primary office location in the City Region, providing a high proportion of the City Region's jobs in business, financial and professional services, higher education and health and wellbeing services. The retail and leisure offer in the City Centre is expected to grow through the Heart of the City 2 development but will be complemented by that provided at Meadowhall and by other built leisure facilities in the Lower Don Valley.

The Lower Don Valley and Advanced Manufacturing Research Centre (in the Advanced Manufacturing Innovation District) are important employment areas, focused on advanced manufacturing. The area includes an Enterprise Zone at Sheffield Business Park.

Sheffield's key sectors are Advanced Manufacturing and Health.

Summary of Functional Economic Market Areas within SCR

Local Plans across the SCR define their Functional Economic Market Areas in line with national planning guidelines.

- Barnsley: part of a wider area of a single Sheffield and Leeds City Region FEMA.
- Bassetlaw: sits between several larger, dominant centres and takes a pragmatic approach which considers multiple linkages and influences on the district's economy from these centres.
- Bolsover: a wide FEMA made up of Amber Valley; Ashfield; Bassetlaw; Chesterfield; Mansfield; and North East Derbyshire DC authority areas.
- Doncaster: defines a standalone FEMA along its own administrative boundary.
- Derbyshire Dales: is divided between surrounding areas, with the southern part of the District in a wider Derby focused FEMA; the Northern area in a Sheffield focused FEMA; and the central part of the district falling in an overlap with influences from Sheffield, Chesterfield and Derby.
- NE Derbyshire and Chesterfield: share an employment market and FEMA
- Sheffield and Rotherham: share a single FEMA, consistent with a single travel to work area.

SCR Transport Strategy: national and pan-northern interventions

The following schemes are being progressed by our partners or are included in Transport for the North's initial investment programme for a start by 2027. As such they form a baseline for the City Region's interventions.

MAJOR RAIL IMPROVEMENTS

- HS2 – SCR supports the principles of high speed rail services across the North to the rest of the UK, radically reducing journey times and providing enhanced connectivity beyond the HS2 network. We need to maximise the benefit of HS2, exploring all options for a parkway in South Yorkshire and minimise the impact on local communities and the environment
- Hope Valley line capacity improvements – initial capacity improvements to allow a frequency of three fast trains in addition to one stopping train per hour and freight trains
- Sheffield to Hull – journey time improvements to achieve a frequency of two trains per hour and capacity enhancements at Doncaster station to accommodate Northern Powerhouse Rail services
- Sheffield to Leeds – improvements to the Northern Loop from Sheffield station to HS2, including new stations in South Yorkshire, along with journey time and reliability improvements via Barnsley
- Doncaster to Leeds – capacity, journey time and reliability enhancements
- South Trans Pennine Line – capacity and journey time improvements between Doncaster and Cleethorpes
- East Coast Main Line power upgrade
- Improvements to allow wider/higher freight trains on the Doncaster to Immingham route
- Electrification works in the Sheffield area to support other major rail investment programmes

INTEGRATED AND SMART TRAVEL PROGRAMME

- Multi-modal, integrated, contactless ticketing across the North
- Enhanced real time customer information
- Smart ticketing on rail

STRATEGIC ROAD NETWORK IMPROVEMENTS

- Trans Pennine upgrade programme – a package of improvements including Mottram Moor link road and the A616/A61 Westwood roundabout
- Trans Pennine Tunnel and wider connectivity package – a feasibility study into a new route to improve the resilience of Trans Pennine road links, including a new or upgraded route from the M1 to M18 and A1(M)
- M1 Junctions 35A to 39 – upgrade to smart motorway
- A1 Redhouse to Darrington – upgrade to motorway standard
- A1(M) Doncaster bypass – widening to a three-lane motorway
- Hollingworth to Tintwistle bypass and M56 capacity improvements, which are both outside of SCR but included due to the benefits they can bring SCR.
- A1 junction improvements with A46 in Bassetlaw.

Glossary of abbreviations

BDUK – Broadband Delivery UK, now called Building Delivery UK, the Government programme to deliver superfast broadband and local full fibre networks.

D2N2 – the Local Enterprise Partnership for the Derby, Derbyshire, Nottingham and Nottinghamshire area.

FEMA – Functional Economic Market Area, the spatial level at which economies and markets operate.

FLUTE – Forecasting Land Use, Transport and Economy, a forecasting model used across South Yorkshire.

HDT – Housing Delivery Test, an annual measurement of housing delivery across relevant plan making authorities.

HS2 – High Speed 2, the new rail line proposed between the south and north of England.

LEP – Local Enterprise Partnership, a partnership between local authorities and businesses to set economic priorities for an area and negotiate growth deals with Government.

LIS – Local Industrial Strategy, strategy to promote the coordination of local economic policy and national funding streams and establish new ways of working between national and local government, the public and private sectors.

MCA – Mayoral Combined Authority, a corporate body enabling two or more local councils to collaborate and take collective decisions, established with a directly elected Mayor.

NPPF – National Planning Policy Framework, sets out the Government's planning policies and how these are expected to be applied.

OECD – Organisation for Economic Collaboration and Development, an international organisation set up to promote world trade and stimulate economic progress.

ONS – Office for National Statistics, executive office of the UK Statistical Authority responsible for collecting and publishing statistics related to the economy, population and society of the UK

SCR – Sheffield City Region

SEP – Strategic Economic Plan, setting out the city-region's plan to transform the economy, create jobs and encourage new businesses.

SCRTM1 – Sheffield City Region Transport Model version 1, a model of transport networks and demand across for the SCR area.

TTWA – Travel to Work Area, a geography created by the ONS to approximate labour market areas.

This page is intentionally left blank

27th JANUARY 2020

P8 REVENUE BUDGET & CAPITAL PROGRAMME REPORT

Purpose of Report

This report provides the position as at the end of November 2019 (Period 8) for the revenue and capital programme of the Sheffield City Region (SCR) Mayoral Combined Authority (MCA) for the financial year 2019/20.

Thematic Priority

Cross cutting – financial

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

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

Recommendations

SCRMCA are asked to:

- consider and note the 2019/20 Period 8 position for the Mayoral Combined Authority's and LEPs revenue budget and capital programme
- approve the proposed variations to the South Yorkshire Transport capital programme as set out in paragraph 2.5
- approve the acceptance of Sustainable Transport Access Fund grant extension as per paragraph 2.6.

1. Introduction

- 1.1** The Mayoral Combined Authority operates a number of revenue budgets, as well as capital and revenue programmes, some on behalf of the LEP. This paper summarises the Period 8 (P8) position of those budgets and programmes for the financial year 2019/20.
- 1.2** The report is structured to provide Members with an early indication of the forecast outturn position in relation to:
 - South Yorkshire Transport Revenue budget
 - MCA / LEP Revenue budget
 - Revenue Programme activity, and the
 - South Yorkshire Transport Capital Programme
- 1.3** The approved budget in respect of the above revenue and capital programmes incorporate the budget variations to revenue programme activity already approved by the MCA up to and including its meeting on 18 November 2019.

2. Proposal and justification

2.1 The key issues regarding the financial performance of the SCRMCAs are set out below.

2.2 South Yorkshire Transport Revenue Budget

Currently a £289k underspend is anticipated on the SYPTE operational budget. The key elements are: a significant increase in spending on child concessions (£799k); a reduction in income from departure charges (£237k) offset by an underspend on statutory concessions (£919k) as a result of decreasing patronage and some operation savings; and, underspending in operational departments of £406k.

These savings have masked the adverse consequence of patronage decline, i.e. reducing viability of the regional bus network, to which operators have been responding by cutting services along unprofitable routes and seeking increased reimbursement rates for concessionary fares.

See **Appendix 1** for further detail.

2.3 MCA/LEP Revenue Budget

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

The 2019/20 P8 outturn position on the core activities funded through the revenue budget is shown in the table below.

| | Budget | Outturn | Variance | Variance % |
|-------------------------|-----------|----------------|----------------|---------------|
| Expenditure | £'000 | £'000 | £'000 | £'000 |
| Net Revenue Expenditure | £6,506 | £6,206 | -£300 | -4.6% |
| Non-specific Income | -£6,506 | -£7,228 | -£722 | -11.1% |
| | £0 | -£1,022 | -£1,022 | -15.7% |

There is currently an anticipated underspend of £300k in net revenue expenditure. The major factors of this is a saving of £323k on salaries and a £100k reduction in planned expenditure on Trade and Investment. Both have been identified as part of the budget review instigated in light of the income reduction that has been identified for 2020/21. This saving is partly offset by an increase in vacant property management costs. Additional income of £722k will be delivered in year from additional LEP grant, treasury management and investment income. Further information on the revenue budget's P8 outturn position can be found in **Appendix 2**.

2.4 Revenue Programme activity

As at P8 all the revenue programmes are forecast to spend to budget. The overall budget for revenue programmes in 2019/20 is now £9.755m.

See **Appendix 3** for further detail.

2.5 South Yorkshire Transport Capital Programme

The budget for the South Yorkshire Capital Programme at P8 of £43.3m is a little lower than the £43.8m reported at Q2. This is mainly due to a reduction in the ITB budget of £0.714m.

There is currently a forecast underspend of £1.258m. This comprises an underspend of £0.215m relating to ITB and slippage of £1.043m in relation to the BDR pot.

Approval is sought to re-profile the BDR budget by transferring the £1.043m into 2020/21 as follows:

| Programme | Managing Agent | 2019/20 budget | 2019/20 Forecast Outturn | Variance |
|---------------------------|----------------|----------------|--------------------------|----------|
| | | £'000 | £'000 | £'000 |
| BDR Transport Capital Pot | SCR Executive | £3,079 | £2,036 | -£1,043 |

Further details on the capital programme and how it is being financed are contained in **Appendix 4**.

2.6 Sustainable Travel Access Fund (STAF) grant extension

In early November, DfT invited the Mayoral Combined Authority (as accountable body) to apply for a one-year extension to the Sustainable Travel Access Fund (STAF). The STAF programme is currently in the final year of the three-year settlement period and the funding expires in March 2020.

The MCA submitted an application for £2.5m on 27th November 2019 which, if successful, will see the continuation of all existing work packages from the original Access Fund bid. The STAF schemes were considered by Transport Board on 25th October 2019 in anticipation of any confirmation of any additional funding from the Government. The MCA's Appraisal Panel has considered the proposed extension to the programme. Each current project allocation had been reviewed with the lead sponsor, considering performance over the STAF period to date, the consequences of discontinuing funding, any potential alternative funding sources and the potential to scale the project in response to different funding levels being available.

It is proposed that the schemes will be delivered in the same arrangements as currently operating. A minimum local match contribution of 10% is required, to date a total of £644k (25.8%) has been identified and there is still the possibility of further match being secured. DfT has indicated that it will confirm successful applications in late December.

3. Consideration of alternative approaches

3.1 The Authority's constitution requires that the Annual Revenue Budget is subject to monitoring to ensure that expenditure remains within the overall resources available and that any change to the overall level of resources are referred to the Authority for consideration.

It similarly requires the Capital Programme is subject to monitoring (schemes promoted by the Authority and those directly managed by SYPTTE) to ensure that it remains within approved funding and that variations in excess of £250,000 or which require additional borrowing are approved by the Authority.

This report fulfils these responsibilities. Hence, no alternative course of action considered.

4. Implications

4.1 Financial

This paper provides information on the MCA's revenue budget and capital programme at P8.

There is no financial risk for MCA in terms of 2019/20 budget. Positive steps have been taken in the year to prepare for the challenges for the 2020/21 budget. A budget review has identified some staffing savings and fine tuning of other revenue budget as well as a review of cash flow and treasury management. These positive actions have reduced

the challenges to services for 2020/21. Development of 2020/21 budget proposals is being done in consultation with the LEP, MCA and Leaders to ensure effective scrutiny.

4.2 Legal

This report supports the MCA meeting its responsibility under the Financial Regulations 2018 to ensure that the Authority's expenditure remains within the resources available to it.

4.3 Risk Management

The main financial risk, as set out in paragraph 4.1 (ensuring that MCA / LEP revenue budgets are managed within budget) is being mitigated through the robust process for developing the 2020/21 budget proposals.

4.4 Equality, Diversity and Social Inclusion

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

5. Communications

5.1 None

6. Appendices/Annexes

- 6.1 List any relevant appendices/annexes here:
Appendix 1 – South Yorkshire Transport Revenue Budget
Appendix 2 – MCA / LEP Revenue Budget
Appendix 3 – Revenue Programme activity
Appendix 4 – South Yorkshire Local Transport Capital Programme

Report Author Mike Thomas
Post Senior Finance Manager
Officer responsible Noel O'Neill
Organisation Sheffield City Region Mayoral Combined Authority
Email noel.oneill@sheffieldcityregion.org.uk
Telephone 0114 220 3443

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

Other sources and references: None

South Yorkshire Transport Revenue Budget

The South Yorkshire Transport revenue budget as originally approved when the 2019/20 transport levy was agreed was £62.8m made up of £59.7m of SYPTE operational expenditure and SCRMCAs transport revenue expenditure of £3.1m.

The following table shows the forecast position of SYPTE operational expenditure budget as at P8, a forecast underspend of £289k.

| SYPTE Operational Budget | Budget approved by MCA | Current budget | Outturn | Variance |
|---|------------------------|------------------|------------------|------------------|
| | 2019/20 £'000 | 2019/20 £'000 | 2019/20 £'000 | 2019/20 £'000 |
| <u>SYPTE: Mandatory Expenditure</u> | | | | |
| ENCTS / Mobility Concessionary Travel | £25,438 | £24,869 | £23,950 | £-919 |
| | | £24,869 | £23,950 | £-919 |
| <u>SYPTE: Financial Obligations</u> | | | | |
| Capital Financing | £10,797 | £10,797 | £10,797 | £0 |
| Tram Access Agreement | £1,500 | £1,500 | £1,500 | £0 |
| Depreciation | £2,389 | £2,389 | £2,389 | £0 |
| Pensions | £2,256 | £2,256 | £2,256 | £0 |
| | | £16,942 | £16,942 | £0 |
| <u>SYPTE: Discretionary Expenditure</u> | | | | |
| Discretionary Concessions | £1,689 | £1,689 | £2,488 | £799 |
| Departure Charges | £-1,183 | £-1,183 | £-946 | £237 |
| Tendered Bus Services | £5,649 | £5,649 | £5,649 | £0 |
| Community Transport | £1,657 | £1,657 | £1,657 | £0 |
| | | £7,812 | £8,848 | £1,036 |
| <u>SYPTE: Operational Departments</u> | | | | |
| Customer Services | £1,874 | £1,788 | £1,728 | £-60 |
| Public Transport | | £5,568 | £5,392 | £-176 |
| Support Departments | | £2,759 | £2,589 | £-170 |
| Interchanges & Sites | £2,310 | | | |
| Infrastructure (on street) | £978 | | | |
| Planning & Support Depts | £4,384 | | | |
| | | £10,115 | £9,709 | £-406 |
| | | | | |
| TOTAL SYPTE EXPENDITURE | £59,738 | £59,738 | £59,449 | £-289 |

The main reasons for the forecast underspend are:

- Concessionary fares (mandatory) – Concessions remains the area most sensitive to fluctuations in activity and therefore budget variances. The P8 forecast makes allowance for updated 2019/20 patronage and reimbursement rates for all operators. It should be noted that negotiations with one of the major bus operators are ongoing over future reimbursement rates but as the existing arrangement continues until the end of the 2019/20 financial year it has been assumed that the current negotiations will not impact on the current year. This is the basis on which the forecast underspend of £919k has been determined.

- Discretionary concessions – Expenditure on child concessions is under significant cost pressure, in particular, due to the fact that fares have increased with inflation but the child concessionary fare has remained fixed at its 2016 level and further to a review of the model used for calculating the child reimbursement. The total impact of these forecast changes is a projected full year overspend of £799k on child concessions across all operators.
- Departure charges - As part of the negotiations noted within Concessionary fares, the Operator has requested a review of Departure charges which it pays to SYPTE. It is prudent to include this in the full year forecast as a risk, but the final agreement has yet to be reached.
- Public Transport – forecast saving of £176k due to planned vacancy management.
- Support Departments – the main reason for the favourable variance of £170k is that, at the time of setting the 2019/20 budget, DfT indicated that the amount of Rail Admin Grant likely to be awarded in 2019/20 would be reduced from the amount awarded in 2018/19. In the event there was no such reduction.

In terms of the SCR managed budgets, there is an anticipated saving of £117k consisting of additional investment income (£181k) that is partly offset by an increase in the transport admin budget (£64k) as shown below.

| ITA - Revenue | Budget | Forecast | Variance |
|---------------------------|---------------|---------------|--------------|
| | £'000 | £'000 | £'000 |
| Levy payments | -£54,363 | -£54,363 | £0 |
| Investment income | -£1,819 | -£2,000 | -£181 |
| SYPTE Levy Grant Spend | £57,347 | £57,347 | £0 |
| Debt Costs | £4,583 | £4,583 | £0 |
| Transport Admin | £328 | £392 | £64 |
| Total | £6,076 | £5,959 | -£117 |

Core Operational Revenue Budget

2.1 Income

There is an additional £722k in anticipated income from the budget approved by the MCA on the 25 March 2019. The following table provides a breakdown of the sources of income.

| | Budget | Outturn | Variance |
|--|---------------|---------------|--------------|
| Income Stream | £'000 | £'000 | £'000 |
| EZ Business Rates | £3,023 | £3,038 | -£15 |
| Traded Income - AMP | £1,428 | £1,619 | -£191 |
| Transport Hub Subscriptions | £1,000 | £1,000 | £0 |
| Base LEP Subscriptions | £204 | £204 | £0 |
| LEP Grants | £500 | £725 | -£225 |
| Investment Income - Treasury | £195 | £479 | -£284 |
| Investment Income - Property Portfolio | £155 | £162 | -£7 |
| | £6,506 | £7,228 | -£722 |

2.1.1 EZ Rates

The EZ business rates growth for the year is based on the estimates provided by each authority to Government prior to the start of the financial year capped at £1m in Chesterfield's case.

2.1.2 LEP Grants

£200k has been awarded by government for compliance with the LEP review. In addition, a 1% administration fee (£25k) of the £2.5m Sustainable Transport Access Fund (STAF) has been agreed as a contribution to revenue towards the programme management costs.

2.1.3 Investment Income – Treasury

Treasury investment income comprises interest receivable from cash invested in accordance with the MCA Group's treasury management strategy. The MCA/LEP takes a low-risk approach in terms of its investment strategy in order to provide a secure source of income to the authority. The actual investment income forecast in 2019/20 exceeds budget due to slippage on delivering the LGF programme resulting in higher cash balances being held by the MCA yielding greater interest (£184k) together with interest on LGF loans advanced to third parties where we now have greater certainty that interest will be received (£100k).

2.1.4 Traded Income – AMP

The second largest source of income comes from the tenants who occupy workspace at the AMP Technology Centre. Occupancy levels in 2019/20 are exceeding budgeted levels, thus yielding an expected income surplus.

2.2 Expenditure

The main costs of running the MCA/LEP include staffing, accommodation, business support, international marketing and the commissioning of specific pieces of work as part of implementing the Strategic Economic Plan (SEP), Local Industrial Strategy (LIS) and Shared Prosperity Fund (SPF). At the end of P8, a saving of £300k is anticipated. The table below provides a breakdown of these costs.

| | Revised | Outturn | Variance |
|---------------------------------------|---------------|---------------|--------------|
| Expenditure | £'000 | £'000 | £'000 |
| Staffing | £2,519 | £2,196 | -£323 |
| SEP, LIS and SPF Development | £1,160 | £1,160 | £0 |
| AMP | £1,022 | £1,040 | £18 |
| Business Support, Supplies & Services | £975 | £982 | £7 |
| Trade and Investment | £601 | £501 | -£100 |
| Other Property Costs | £229 | £327 | £98 |
| | £6,506 | £6,206 | -£300 |

2.2.1 Staffing

Since the start of the financial year, the SCRMCAs have taken the opportunity to manage vacancies that have arisen as officers have left the organisation and not been replaced. On the assumption that the current vacancy management policy is maintained the estimated staffing costs are forecast to reduce to £2.2m net of recharges, a net saving of £323k or 13%.

2.2.2 SEP, LIS and SPF Development

The £1.16m budget has been allocated to the following activities for 2019/20.

| | Forecast |
|---|---------------|
| SEP, LIS and SPF Development | £'000 |
| SEP/LIS development | £190 |
| Business Growth programme | £180 |
| Research & Evaluation programme | £100 |
| Transport strategy implementation | £190 |
| Infrastructure plan implementation | £100 |
| Skills | £50 |
| Corporate communications | £160 |
| Governance and organisational development | £190 |
| | £1,160 |

2.2.3 Trade & Investment

The £601k budget has allocated to the following activities for 2019/20. However, it is forecasted that a saving of £100k will be achieved in the year.

| | Budget | Forecast | Variance |
|----------------------------------|---------------|-----------------|-----------------|
| Trade and Investment | £'000 | £'000 | £'000 |
| MIPIM 2020 | £155 | £95 | -£60 |
| Trade missions – China and India | £131 | £131 | £0 |
| Other Trade and Investment | £197 | £167 | -£30 |
| Corporate Marketing | £118 | £108 | -£10 |
| | £601 | £501 | -£100 |

2.2.4 Other Property Costs

These represent a combination of the share of the Broad Street West premises costs apportioned to the LEP and property costs associated with the investment property portfolio.

The forecast overspend has arisen due to:

- The tenant vacating Midland Road bus depot, and the SCRMCA, as a consequence, becoming liable for premises costs, the principal one being Business Rates of £80k
- A reduction in recharges to revenue programmes

This page is intentionally left blank

Revenue Programme

1.1 Total spend across all 16 revenue programmes for 2019/20 is £9.755m. This has increased slightly due to a small budget variation of £31k on the Growth Hub programme.

1.2

| Programme Activity | Thematic Area | 2019/20 | | 2019/20 | | |
|--------------------------------|---------------------|----------------------------|---------------------|----------------|---------------|-----------|
| | | Budget originally approved | Approved Variations | Revised Budget | Outturn | Variance |
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| Skills Bank | Skills & Employment | £1,082 | £75 | £1,157 | £1,157 | £0 |
| Health Led Employment Trial | Skills & Employment | £2,179 | £0 | £2,179 | £2,179 | £0 |
| Enterprise Advisor Pilot | Skills & Employment | £180 | £0 | £180 | £180 | £0 |
| Hub enhancement | Business Growth | £34 | £0 | £34 | £34 | £0 |
| Growth Hub | Business Growth | £829 | £31 | £860 | £860 | £0 |
| Access to Finance | Business Growth | £126 | £0 | £126 | £126 | £0 |
| One Public Estate | Assets | £330 | £88 | £418 | £418 | £0 |
| Planning Delivery Fund | Planning | £162 | £0 | £162 | £162 | £0 |
| Sustainable Travel Access Fund | Transport | £2,500 | £0 | £2,500 | £2,500 | £0 |
| Energy & Sustainability | Infrastructure | £59 | £0 | £59 | £59 | £0 |
| Key Account Management | Trade & Investment | £102 | £0 | £102 | £102 | £0 |
| HS2 Growth | Transport | £298 | £55 | £353 | £353 | £0 |
| Mayoral Capacity Fund | Mayor's Office | £1,376 | -£74 | £1,302 | £1,302 | £0 |
| EU Exit Fund | Skills & Employment | | £182 | £182 | £182 | £0 |
| Transforming Cities Fund | Infrastructure | | £50 | £50 | £50 | £0 |
| Supporting Homeless Veterans | Skills & Employment | | £91 | £91 | £91 | £0 |
| Total | | £9,257 | £498 | £9,755 | £9,755 | £0 |

1.3 Skills & Employment

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

Health led trial – The Trial referral window closed on 31 October 2019, and the focus until the end of the Trial (31 October 2020) moves to supporting participants to make progress and achieve job outcomes. Participants continue to be entitled to up to 12 months' support from SYHA's Employment Specialists. Throughout the duration of the referral window, a total of 2944 participants have been randomised to receive this support. Monitoring and performance management activities continue to be carried out to ensure the continued success of the

Trial. Feedback from the Work and Health Unit is positive and indicates that the number of participants give a solid basis for the upcoming evaluation process.

Skills Bank - as we approach the end of this financial year focus is on performance and in particular the application pipeline in order to ensure we maximise draw down of funds into the region. 91 skills deals have been approved (end November 2019) which will support 1014 learner starts with applications received and in appraisal for another 400+ learners (target 1975).

Skills Bank has also been working with McLaren to develop and deliver a series of workshops aimed at encouraging businesses to think about upskilling their workforce in order to support business growth.

Tranche 3 of the 'Provider Capacity Fund' was released at the end of November. This fund is designed to be used by training providers from the Sheffield City Region to upskill their own staff so that they, in turn, can then meet employer demand for training.

Business Growth

A budget variation of £31K has been approved for the Growth Hub programme. This funding has been awarded by BEIS to Growth Hub for the provision of additional face-to-face EU exit advisory support.

Trade & Investment

Key Account Management (KAM) – This programme continues to perform strongly, delivering above targets set by Department for International Trade (DIT). The KAM Programme has recorded 6 registered project wins to date for 19-20 with a further 17 projects anticipated to land before the end of the financial year and it maintains engagement with 80 foreign-owned companies in the SCR. The programme funding currently runs until March 2020 however early discussions with DIT have given the SCR Executive Team confidence this is likely to continue into 2020-21.

Transport

The Department for Transport (DfT) allocated £7.5m revenue funding in 2017 for a 3-year programme that aims to assist local growth by supporting access to employment, education and training, and increasing levels of physical activity through walking and cycling.

The programme has 73 separate outcomes categorised across 10 work packages, due to be delivered by 31st March 2020. A selection of outcomes summarised below:

- Cycle loans (regular or electric) – 2,080
- Schools engaged in Active Travel sessions - 426
- Wheels to Work scooter loans – 450
- Passengers on Job Connector bus services (per week) – 36,300
- Number of vehicles receiving ECO Stars rating – 500
- Learning disabled young people and adults receiving independent travel training – 240
- Number of individuals engaged at cycle safety event – 9,850

There is strong delivery overall however there is a fair risk of performance reducing over the remainder of the final year. This risk is mitigated significantly should the proposed funding extension of up to £2.5m for 2020/21 be formally awarded.

South Yorkshire Transport Capital Programme

The South Yorkshire Transport Capital Programme comprises the capital programmes of the MCA, SYPTE and the programmes managed centrally by the LTP team.

The latest position including how it is being financed is summarised in the table below.

| 2019/20 approved Programme | | | | | |
|------------------------------|----------------|-------------------------------|----------------|------------------|----------------|
| Programme | Managing Agent | Budget as originally approved | Current budget | Forecast Outturn | Variance |
| | | £'000 | £'000 | £'000 | £'000 |
| Highways Capital Maintenance | SY partners | £11,791 | £13,668 | £13,668 | £0 |
| SYPTE (excluding ITB) | SYPTE | £8,754 | £10,326 | £10,326 | £0 |
| Integrated Transport Block | LTP team | £8,428 | £9,834 | £9,619 | -£215 |
| Transforming Cities Fund | SCR Executive | £0 | £4,244 | £4,244 | £0 |
| BDR Transport Capital Pot | SCR Executive | £2,693 | £3,079 | £2,036 | -£1,043 |
| Low Emission Buses | SCR Executive | £0 | £1,293 | £1,293 | £0 |
| National Pothole Fund | SY Partners | £0 | £723 | £723 | £0 |
| Mass Transit | SCR Executive | £0 | £127 | £127 | £0 |
| | | £31,666 | £43,294 | £42,036 | -£1,258 |

| | £'000 |
|---------------------|---------------|
| DfT capital grant | 33,345 |
| Other contributions | 1,508 |
| Capital receipts | 1,464 |
| Borrowing | 5,719 |
| | 42,036 |

Highways capital maintenance and National Pothole funding

The overall amount of local roads funding held by the MCA is £14.391m (Highways Capital Maintenance of £13.668m and National Pothole funding of £0.723m).

A further £1.688m of grant distributed by the MCA to delivery partners in 2018/19 is being carried forward into 2019/20 within the accounts of the partners concerned.

This means that the overall level of local roads funding for which the SCR is ultimately accountable in 2019/20 is £16.079m (unchanged from Q2).

The forecast outturn position at P8 is as reported in Q2. This is because the LTP team who oversee the programme had not yet completed the process of collating and validating Q3 returns from delivery partners at the time of the writing of this report.

SYPTE

The overall SYPTE capital programme (excluding ITB) at Q2 was £10.352m.

The overall programme at P8 has changed only marginally at £10.326m.

The current forecast is that the programme as revised at P8 will be spent in full although there is a risk that the tram / train allocation will not be spent in full in year. An update will be reported to SYPTE's Management Board early in 2020. However, DfT have agreed to fund the actual outturn cost of the pilot to October 2020, so there is no risk to funding.

Integrated Transport Block

The original budget for the ITB programme as a whole was £10.548m comprising the current year allocation of £8.428m and carry forward of underspend from 2018/19 of £2.120m.

Following a review of the ITB programme commissioned by the Transport Executive Board and presented to Transport Board on 25 October 2019, Transport Board agreed to several schemes being deferred into 2020/21. Accordingly, the ITB budget for 2019/20 has been revised downwards by the aggregate value of the deferred schemes of £0.714m. The revised budget for 2019/20 now stands at £9.834m.

A summary of the revised allocations by delivery partner is provided in the table below.

| | Funding available |
|------------|-------------------|
| | £'000 |
| Barnsley | 938 |
| Doncaster | 1,833 |
| Rotherham | 1,296 |
| Sheffield | 3,082 |
| SYPTE | 2,337 |
| Countywide | 348 |
| | 9,834 |

The forecast outturn position at P8 against the revised budget is an underspend of £0.215m. This is based on the Q2 position, as the LTP team who oversee the programme had not yet completed the process of collating and validating Q3 returns from delivery partners at the time of the writing of this report. The Transport Board at its meeting on 25 October 2019 requested that specific proposals be developed for further consideration on how the £215k should be spent. No decision has yet been made. An update on the projected year-end position is due to be presented to Strategic Transport Group in January 2020.

Transforming Cities Fund (Tranche 1)

The MCA received £4.244m of Transforming Cities Funding at the end of March 2019. This allocation was in respect of the following schemes, all of which are to be delivered by the end of 2019/20:

- £2m Sheffield Package of Cycling Infrastructure improvements
- £1.264m River Don Corridor Active Travel Package
- £0.980m Rotherham Town Centre Active Travel Package

Funding agreements are now in place for each of the above. Of the 11 active travel projects that have been signed, 1 is complete, 1 is on target and 9 are delayed in the commencement of works. 3 out of the 9 delayed projects are considered high risk and may not be completed by 31 March 2020. The change control process is underway for the 3 high risk projects and DfT are being consulted accordingly.

BDR transport capital pot

The BDR transport capital pot is being used to fund a package of schemes in Barnsley, Doncaster and Rotherham.

Rotherham and Doncaster have advised that they expect to spend their allocations in full in 2019/20.

As previously reported, Barnsley are using their £1.043m allocation as an additional contribution to the overall funding package for the M1 Junction 37 Phase 1 Highway Improvement Scheme. Due to slippage, this scheme is now scheduled to be completed in 2020/21. Accordingly, a budget variation has been requested in para 2.5 for this funding to be transferred to 2020/21.

Low Emission Buses

The requirements for paying out this grant have now been met. The Grant of £1.293m is now also paid out in full.

This page is intentionally left blank

27th January 2020

PROPOSED 2020/21 SOUTH YORKSHIRE TRANSPORT REVENUE BUDGET

Purpose of Report

To seek approval from the MCA for the proposed 2020/21 South Yorkshire Transport Revenue Budget.

Thematic Priority

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

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

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

Recommendations

That members:

- Note the contents of the draft 2020/21 South Yorkshire Transport Revenue Budget report;
- Consider and approve the proposal to retain the Levy at 2019/20 levels, and;
- Consider the two options presented in Section 3 on how to use the funding.

1. Introduction & Context

- 1.1** This paper presents the proposed 2020/21 South Yorkshire Transport Revenue Budget (which comprises the net expenditure of SYPTE and the transport related costs managed directly by the Mayoral Combined Authority) and sets out some of the current and future challenges.
- 1.2** During consultation with local authority leaders the possibility of leaving the Levy at 2019/20 level was discussed. 2 options for this funding not included within the detailed budget are identified in section 3. Members are asked to consider which of the options should be approved.
- 1.3** Since April 2010, the annual Levy has been reduced by £40.3m (42.5%) from £94.7m in financial year 2010/11 to £54.4m for financial year 2019/20 in the context of significant budget challenges faced by the constituent Authorities. To achieve these levy reductions, SYPTE has cut costs and is now a smaller organisation in both scale and scope of activity.
- 1.4** Over the same period, patronage on bus and trams in the region has faced steady decline. On the one hand, this has generated savings on the concessionary fares budget due to the fall in demand for subsidised travel passes. On the other hand, these savings have masked the adverse consequence of patronage decline such as reducing viability of the

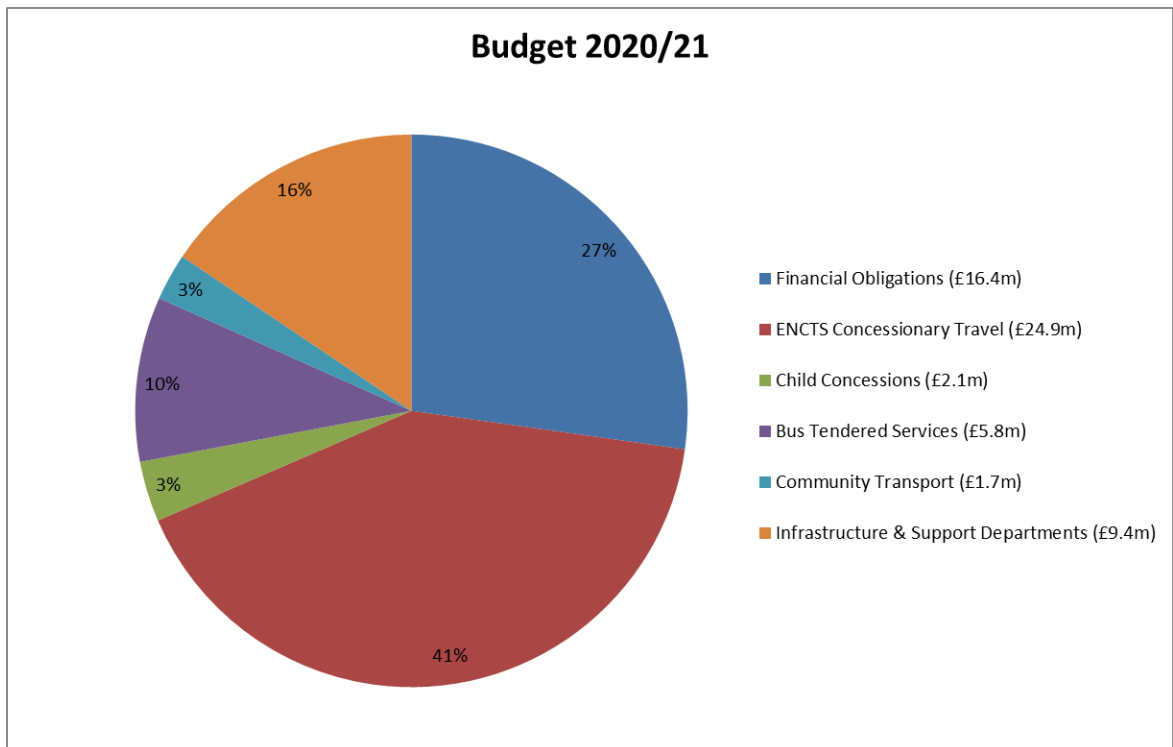
regional bus network. Operators have been responding by cutting services along unprofitable routes and seeking increased reimbursement rates for concessionary fares. This inevitably puts greater pressure on the bus tendered services budget, as the PTE will have to intervene where bus network coverage is deemed inadequate.

- 1.5 This situation is likely to be compounded by the fact that First Group being put up for sale has led to its regional financial performance being reviewed as unprofitable, which could lead to substantial bus service reductions without significant public subsidy. The outcome of the sales process remains uncertain at the time of writing. It has therefore reached a point where there are limited options as to how to absorb the aforementioned pressures and deliver further savings without compromising the quality of public transport services in the region.
- 1.6 In 2019, the Mayor asked Clive Betts to undertake a review of bus services in South Yorkshire. This was as a direct response to these challenges being faced. The scope of that review is to examine the reasons for patronage decline, options for arresting that decline and the potential operating model for the network moving forward. The review is due to report back to the MCA in March 2020. The MCA's response to this will be in the form of the Public Transport Implication Plan, which is part of a suite of documents which sits underneath the Transport Strategy. The date to produce the Public Transport Implementation Plan will be determined once the review is concluded.
- 1.7 Furthermore, public opinion on climate change is shifting toward a greater expectation that local authorities will take more radical steps to embrace clean energy technology and improve air quality. This is captured in the recent climate emergency declaration by MCA and the pending response due at the January 2020 Board.
- 1.8 A paper on the draft budget 2020/21 and financial strategy was received by Transport Board in October and approved for consultation with the Constituent Authorities. These meetings took place in October and early November and the issues raised have now been incorporated into this budget paper and the proposals before Members. Specifically, some options have been included on how to utilise the additional £1.1m generated from leaving the levy at the 2019/20 level rather than reducing it as originally proposed within the MTFS.

2. Proposal and justification

2020/21 Proposed Budget

- 2.1 The proposed revenue budget for 2020/21 has been compiled and the underpinning assumptions are shown in **Appendix C**. It identifies total SYPTTE revenue expenditure of £60.4m including the implications of capital spending in the Capital Programme and debt repayments. The chart below illustrates the areas of spending and the relative sizes of each budget heading.



A summary of the draft 2020/21 Budget compared to the current year budget is provided in **Appendix A**. It identifies the changes between years. The next section of the report looks at the major changes, impact on the budget and the on-going challenges to future SYPTTE revenue budgets.

2.2 Concessions

41% of SYPTTE's expenditure relates to 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. In recent years patronage has fallen, in part influenced by state pension age equalisation, and has fallen further in the current year. On the one hand this fall in patronage has reduced the prima facie costs. However, inflationary pressure on the reimbursement rates has meant that this budget will need to increase marginally by £22k. 2020/21 also sees the end of the current three-year deals in place with the two main bus operators in the region which results in changes to the reimbursement approach and assumptions therefore made in the budget.

The emerging pressure of falling patronage in this category is that the operators will see further falls in revenue and more routes becoming less financially viable. Operators may then cease to operate routes that are deemed essential and increase demand on the already stretched tendered services budget.

2.3 Child Concessions

On a positive note child patronage is increasing. However, that has financial consequences from increased usage as the notified fare for children remains fixed at £0.80. Reimbursement rates to operators are increasing as fares rise and the factors affecting reimbursement change such as schools finishing earlier. The implication for 2020/21 budget is an increase of £446k.

2.4 Tendered Services

This budget funds services that are deemed essential in terms of previously defined criteria that operators will not run on a commercial basis. They tend to be for a 3-year period and the retendering is phased to spread the incidence of tendering. 2.5% inflation

has been applied to the elements of service that are due to re-tendering this year which gives an increase of £170k for 2020/21.

Every effort has been made to minimise the impact of service contraction on this budget over the past 4 years. However, it remains under severe pressure. Costs of retendered services are increasing significantly ahead of the budget provision and therefore routes have had to cease or be substantially reduced. The inflationary pressures will further impair services in the future. A further demand for new tendered services could arise with the impact of falling patronage across the network.

2.5 On-street Advertising

The contractor that previously provided the on-street advertising gave notice to terminate their agreement on 1st October 2018, and the contract has now been re-tendered and subsequently awarded. This activity is budgeted to provide income of £625k in the current year but the expiry of the notice period in 2019/20 is currently assumed to impact on future income levels. Income will reduce in 2020/21 to £450k before climbing to higher levels over the 10-year contract term.

2.6 Financial Obligations

Around 27% of SYPTE's expenditure relates to so-called 'financial obligations', which includes costs such as pensions, debt interest repayments and depreciation of SYPTE assets. A major change in 2020/21 is a reduction in debt interest of £3.6m as a result of debt repayments in the year of £53m. This is the major factor to the reduction in the costs and bridge the gap between levy and expenditure.

The other element is depreciation charges. However, this has no impact upon the revenue position because it is met from reserves earmarked specifically for depreciation created as part of a debt review previously.

2.7 Rail Administration Grant

Department for Transport (DfT) funding for heavy rail related activity is currently £1.2m p.a. It likely to remain available in 2020/21. However, it is at high risk for reduction or withdrawal in the future, as DfT review their own budgets. Although some savings in direct costs would accrue as a result of withdrawal of funding, this would create further budgetary pressure due to the contribution it makes to overall SYPTE resources.

2.8 MCA transport related expenditure

The proposed South Yorkshire Transport revenue budget for 2019/20 includes an allocation of £3.1m to cover staff and accommodation overheads, plus capital financing costs in relation to the restructuring of the financial group's debt and more recently for borrowing undertaken on behalf of SYPTE for capital schemes such as the refurbishment of Rotherham Interchange. The budget for 2020/21 will increase to £4.6m primarily due to costs of debt for Rotherham Interchange and reducing investment interest as a direct result of the debt repayment discussed in paragraph 2.6.

2.9 Funding and Levy

The principal funding source for this budget is the annually agreed Transport Levy on the four South Yorkshire Local Authorities. In presenting budget proposals, SYPTE and the MCA as a financial group should have regard to the financial pressures faced by the partner Authorities.

As partner budgets have come under increasing pressure, the Levy has been reduced. Since April 2010, the annual Levy has fallen by £40.3m (42.5%) from £94.7m in financial year 2010/11 to £54.4m for financial year 2019/20. To achieve these levy reductions, SYPTE has cut costs and is now a smaller organisation in both scale and scope of activity.

As part of the 2017/18 South Yorkshire Transport Revenue Budget and Medium-Term Financial Strategy (MTFS) approved by the Mayoral Combined Authority in January 2017,

Levy reductions of 2.5%, 2.5% and 2% per annum were agreed for 2018/19, 2019/20 and 2020/21 respectively, as illustrated in the table below.

| Year | Saving % | Saving £m | Cumulative Saving £m |
|---------|----------|-----------|----------------------|
| 2018/19 | 2.5 | 1.4 | 1.4 |
| 2019/20 | 2.5 | 1.4 | 2.8 |
| 2020/21 | 2.0 | 1.1 | 3.9 |

2.10 Medium Term Outlook

2020/21 is the final year of the current Medium-Term Financial Strategy and a 2% levy reduction has been identified. The impact of implementing this reduction on each authority is shown in the table below.

| Authority | Population | % Share | Levy 2019/20 £'000 | Levy 2020/21 £'000 | Variance £'000 |
|-----------|------------------|---------|-----------------------|-----------------------|-------------------|
| Barnsley | 245,199 | 17.5% | 9,494 | 9,312 | -182 |
| Doncaster | 310,542 | 22.1% | 12,053 | 11,793 | -260 |
| Rotherham | 264,671 | 18.9% | 10,275 | 10,051 | -224 |
| Sheffield | 582,506 | 41.5% | 22,542 | 22,121 | -421 |
| | 1,402,918 | | 54,364 | 53,277 | -1,087 |

Work needs to start early in 2020 to develop the strategy for the next 5 years recognising the increasing pressures on the SYPTTE revenue budget and demands of bus service provision. This will be developed in line with the emerging public sector spending plans from central government and the impact upon constituent authority budgets.

2.11 Levy Reduction Reserve

A Levy Reduction Reserve was created as part of a financial review some years ago. The purpose of this reserve was to help manage the transition to a balanced budget position through peak debt periods.

Appendix B includes forecasts for the next 5 years, which are indicative and subject to further work. The assumptions used are based on what is the current scenario for SYPTTE expenditure in the future without the impact of the pressures described in paragraphs 2.2 to 2.4. If the strategy is to reduce in 2020/21 with no further increases then, even with this favourable outlook of expenditure assumptions, the Levy Reserve is completely utilised by 2024.

2.12 Conclusions

The proposed budget for 2020/21 has been prepared based upon current activity and known inflation and services will be provided within that budget. However, it must be acknowledged that there are impending future financial pressures that will put pressure on services and costs in 2021 and beyond. Work on the next Medium-Term Financial Plan needs to examine the impact and reflect the changes in future budgets.

- 2.13** Reserves have been used to help smooth impact of the necessary reductions in Levy over the past 8 years. However, the resources available to do this are diminishing and will cease to exist in 2024. Whilst the medium-term scenario shows that future levy will match expenditure, there is increasing pressures on that expenditure that needs to be recognised and further analysed in developing the next medium-term plan. A review of Levy policy will also need to be undertaken to ensure funding of future service provision.
- 2.14** Maintaining the Levy at 2019/20 levels will generate an additional £1.1m for service delivery not included in the budget. During the consultation process there was much discussion on the level of funding and how future funding must be reviewed in the light of the wider public sector spending reviews in the coming months. However, it was suggested that there may be an opportunity to maintain the 2019/20 Levy level, but Members would need to be clear what this funding would be earmarked for. Two options are examined in section 3 of this report.

3. Consideration of alternative approaches

- 3.1** Keeping the Levy at 2019/20 level will generate £1.1m of funding not considered in the budget presented in **Appendix A**. Some options for utilising this funding are considered below.

3.1.1 Route Mapping and Tendered Services

As stated throughout this report more services are becoming a challenge to deliver commercially. Therefore, there will be increasing pressure on developing tendered services as well as large inflationary pressure on existing services. This option looks to allocate funding, perhaps up to £400,000, to develop further detailed analysis as part of an Implementation Plan following the Bus Review on what are the essential routes in each district and, equally important, what are the emerging essential routes as the demographic changes and location of employment opportunities and essential services develop. This work will help define what is supported in future. Any funding not used in 2020/21 for this will be earmarked to support the Tendered Services budget.

Undertaking this option would identify resources to undertake some necessary forensic analysis that can be used to shape future service delivery and funding decisions. It would also help protect the current essential services from potential cessation.

3.1.2 Tendered Services

This area of service is currently under increasing pressure due to inflation and bus operator costs. The additional funding could be earmarked to specifically support this area of activity in 2020/21 and the future.

Implementing this option would enable protection of the current essential services from potential cessation and give additional headroom.

4. Implications

4.1 Financial

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

4.2 Legal

In setting the South Yorkshire Transport Revenue Budget for 2020/21, the MCA must have regard to the Transport Levying Bodies Regulations 1992. In particular, it must ensure that the transport levy for the forthcoming financial year is agreed by 15th February 2020 in order to allow enough time for the constituent authorities to set their council tax levels by early March.

4.3 Risk Management

Although by its nature the budget is always based on assumptions, for 2020/21 there is considerable uncertainty in some of the key variables which increases risk. The budget assumptions are set out in **Appendix C** of this report.

This is mitigated to a degree by using prudent assumptions, and carefully assessing the level of reserves which should be held. The MCA group's reserves strategy, which outlines this approach in more detail, will be presented to the MCA alongside the 2020/21 MCA/LEP revenue budget and LGF capital programme reports at the next meeting on 23rd March 2020.

4.4 Equality, Diversity and Social Inclusion

The principles of equality, diversity and social inclusion are built into the annual budget-setting process and are taken into consideration when assessing budget pressures and savings proposals. Any equality implications that members must have regards to under s.149 Equality Act 2010 will be set out in detail in the report that accompanies any recommendation about specific proposals.

5. Communications

- 5.1 Consultation with the Leaders, Chief Executives and Directors of all four levy-paying authorities was undertaken in November 2019.

6. Appendices/Annexes

- 6.1 Appendix A – Budget Summary
Appendix B – Medium Term Forecast
Appendix C – Budget Assumptions

Report Author **Mike Thomas**
Post **Senior Finance Manager**
Officer responsible **Noel O'Neill, Group Chief Financial Officer**
Organisation **Sheffield City Region Mayoral Combined Authority**
Email Noel.ONeill@sheffieldcityregion.org.uk
Telephone 0114 2211454

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: n/a

This page is intentionally left blank

| Transport Revenue Budget - Option 1 - Reduce levy by 2% | 2019/20 | 2020/21 | |
|--|-----------------|-------------------|-----------------|
| | Budget £'000 | Forecast £'000 | Change £'000 |
| <u>Mandatory Expenditure</u> | | | |
| Support for Concessionary Travel | 25,438 | 25,460 | 22 |
| <u>Financial Obligations</u> | | | |
| Debt Interest | 10,797 | 7,202 | (3,595) |
| Tram Access | 1,500 | 1,500 | 0 |
| Depreciation | 2,389 | 6,475 | 4,086 |
| Pensions | 2,256 | 1,256 | (1,000) |
| <u>Transport Operator Discretionary Expenditure</u> | | | |
| Discretionary Concessions | 1,689 | 2,136 | 446 |
| Departure Charges | (1,183) | (946) | 237 |
| Bus Tendered Services | 5,649 | 5,821 | 173 |
| Community Transport | 1,657 | 1,657 | 0 |
| <u>Operational Departments</u> | | | |
| Customer Group | 1,874 | 1,945 | 72 |
| Interchanges & Sites | 2,310 | 2,422 | 112 |
| Infrastructure (On Street) | 978 | 1,247 | 269 |
| Planning & Support Departments | 4,384 | 4,187 | (198) |
| Total SYPTE Expenditure | 59,737 | 60,361 | 624 |
| Depreciation which will be matched by Grant release | (1,977) | (6,063) | (4,086) |
| Excess depreciation over historic cost depreciation transferred from Revaluation Reserve | (412) | (412) | 0 |
| Grant from MCA to PTE | 57,348 | 53,886 | (3,462) |
| Combined Authority operational Net Expenditure | 328 | 466 | 138 |
| MRP - existing | 3,097 | 3,115 | 18 |
| External interest | 1,388 | 1,388 | 0 |
| Investment income | (1,819) | (1,274) | 545 |
| Interest + MRP (Unfunded capital schemes) | 98 | 907 | 809 |
| Total MCA Expenditure | 3,092 | 4,602 | 1,510 |
| PTE & MCA Base Cost | 60,440 | 58,488 | (1,952) |
| | 0.6% | -3.2% | |
| Levy reduction reserve | (6,076) | (5,211) | 865 |
| Transport Levy | 54,364 | 53,277 | (1,087) |
| | -1.1% | -2.0% | |
| Use of reserves: | | | |
| <u>Levy reduction reserve</u> | | | |
| Balance b/f | 24,437 | 18,361 | |
| Planned use | (6,076) | (5,211) | |
| Balance c/f | 18,361 | 13,150 | |

This page is intentionally left blank

Appendix B

| Transport Revenue Budget - Option 1 - Reduce levy by 2% | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Budget £'000 | Forecast £'000 | Forecast £'000 | Forecast £'000 | Forecast £'000 | Forecast £'000 |
| <u>Mandatory Expenditure</u> | | | | | | |
| Support for Concessionary Travel | 25,438 | 25,460 | 25,958 | 26,477 | 27,007 | 27,547 |
| <u>Financial Obligations</u> | | | | | | |
| Debt Interest | 10,797 | 7,202 | 6,020 | 5,421 | 3,200 | 2,200 |
| Tram Access | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 0 |
| Depreciation | 2,389 | 6,475 | 6,372 | 6,355 | 3,556 | 3,534 |
| Pensions | 2,256 | 1,256 | 1,256 | 1,256 | 1,256 | 1,256 |
| <u>Transport Operator Discretionary Expenditure</u> | | | | | | |
| Discretionary Concessions | 1,689 | 2,136 | 2,154 | 2,154 | 2,154 | 2,154 |
| Departure Charges | (1,183) | (946) | (946) | (946) | (946) | (946) |
| Bus Tendered Services | 5,649 | 5,821 | 5,821 | 5,821 | 5,821 | 5,821 |
| Community Transport | 1,657 | 1,657 | 1,657 | 1,657 | 1,657 | 1,657 |
| <u>Operational Departments</u> | | | | | | |
| Customer Group | 1,874 | 1,945 | 1,995 | 2,045 | 2,095 | 2,145 |
| Interchanges & Sites | 2,310 | 2,422 | 2,447 | 2,472 | 2,497 | 2,522 |
| Infrastructure (On Street) | 978 | 1,247 | 955 | 663 | 663 | 780 |
| Planning & Support Departments | 4,384 | 4,187 | 4,212 | 4,237 | 4,262 | 4,287 |
| Total SYPTE Expenditure | 59,737 | 60,361 | 59,401 | 59,112 | 54,722 | 52,957 |
| Depreciation which will be matched by Grant release | (1,977) | (6,063) | (5,960) | (5,943) | (3,144) | (3,122) |
| Excess depreciation over historic cost depreciation transferred from Revaluation Reserve | (412) | (412) | (412) | (412) | (412) | (412) |
| Grant from MCA to PTE | 57,348 | 53,886 | 53,029 | 52,757 | 51,166 | 49,423 |
| Combined Authority operational Net Expenditure | 328 | 466 | 466 | 466 | 466 | 466 |
| MRP - existing | 3,097 | 3,115 | 3,096 | 3,052 | 3,014 | 3,010 |
| External interest | 1,388 | 1,388 | 1,388 | 1,388 | 1,388 | 1,153 |
| Investment income | (1,819) | (1,274) | (1,032) | (952) | (396) | (658) |
| Interest + MRP (Unfunded capital schemes) | 98 | 907 | 1,119 | 1,119 | 1,119 | 1,119 |
| Total MCA Expenditure | 3,092 | 4,602 | 5,037 | 5,073 | 5,591 | 5,089 |
| PTE & MCA Base Cost | 60,440 | 58,488 | 58,066 | 57,830 | 56,756 | 54,513 |
| | 0.6% | -3.2% | -0.7% | -0.4% | -1.9% | -4.0% |
| Levy reduction reserve | (6,076) | (5,211) | (4,789) | (4,553) | (3,480) | (1,236) |
| Transport Levy | 54,364 | 53,277 | 53,277 | 53,277 | 53,277 | 53,277 |
| | -1.1% | -2.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Use of reserves: | | | | | | |
| <u>Levy reduction reserve</u> | | | | | | |
| Balance b/f | 24,437 | 18,361 | 13,150 | 8,361 | 3,808 | 328 |
| Planned use | (6,076) | (5,211) | (4,789) | (4,553) | (3,480) | (1,236) |
| Balance c/f | 18,361 | 13,150 | 8,361 | 3,808 | 328 | (908) |

This page is intentionally left blank

Budget Assumptions

1.1 The following section provides an overview of the specific areas of expenditure within the SYPTE Budget for 2020/21.

1.2 Payroll

As in previous years, the gross payroll budget comprises of a fully costed structure less £250k allowance for vacancies in the year. It has been assumed that, in line with the local government pay settlement, all staff will receive a 2% cost of living increase and any spinal point increases as required. The net increase to the PTE's budget is c.£200k for the full year. The number of posts on the establishment has been reduced from 189 as at December 2018 to 182 as at September 2019, of which 11 posts are currently vacant.

The 2020-23 triennial valuation by South Yorkshire Pensions Authority's Actuary has resulted in the level of future service rate (FSR) increasing from 14% to 16.4% including the future effect of McCloud Review. However, on a positive note, the fund is no longer in deficit. Therefore, the deficit payments of £1m pa will no longer be required.

1.3 Rotherham Interchange

Rotherham Interchange officially re-opened towards the end of April 2019.

As a result of the refurbishment work, which was largely funded through prudential borrowing, there will be an increase in capital financing costs which will appear in the MCA transport related expenditure budget for 2020/21. This will be covered from the levy reduction reserve. There is the further impact of depreciation, which is covered in paragraph 1.7 below.

1.4 Inflation

Specific contract inflation has been applied to contracts. Inflation has been assumed at 2.5% for all other contracts.

1.5 Concessions

Mandatory concessions make up 41% of the SYPTE budget. Whilst SYPTE is constantly refining the model to better forecast the costs of concessionary travel, this process is complicated by the number of factors that impact on patronage. Some variables can be easily identified, including:

- entitlement (most notable of which is the change in the state pension age);
- changes in the network; and
- how passes are issued.

Other variables, however, including the impact of social and economic factors (for instance, how people choose to shop) are more difficult to predict and model.

Elderly patronage continues to decline. However, the resulting saving is being offset by inflationary increases in reimbursement rates. The current assumption is that this will lead to a net increase in cost of £22k for the 2020/21 budget, offset by savings on the issue of passes.

Child patronage is increasing. The reimbursement rate is also increasing as fares rise and the child fare remains fixed at 80p. Overall this results in an increased cost of child concessions by £446k.

1.6 Tendered Bus Services

As with the other contracts it has been assumed a contractual, inflationary increase of 2.5% will apply to all contracts for the renewals that fall within the 2020/21 financial year. The net result of these changes is a £173k increase against 2019/20 whilst managing the impact on the customer offer.

These assumptions are based on Option 1 (2% reduction in transport levy).

1.7 Financial Obligations

The 2020-23 triennial valuation by South Yorkshire Pensions Authority's Actuary have recently been published. The results show that SYPTE's share of the pension fund is now in surplus. It has therefore been assumed that the annual deficit recovery contribution will cease with effect from 2020/21, thus yielding an annual saving of £1m.

Depreciation is assumed to increase due to the revaluation of land and buildings, in particular as a result of the recent refurbishment of Rotherham Interchange, but the excess is fully funded by the Revaluation Reserve.

For 2020/21 interest payments are forecast to reduce by £3.595m due to the repayment of loans in line with the MTFS. Opportunities for early repayment to yield further interest savings will continue to be assessed, but none have presently been included in the proposed budget on the basis that the cost of implementing such measures such as early redemption penalties will outweigh the benefits.

1.8 Operational Expenditure Not Included Elsewhere

Finance officers worked with all budget holders across SYPTE and the MCA to identify the pressures and potential savings for 2020/21 for each of their operational areas. There is one main factor which will have an adverse impact on SYPTE's budget for 2020/21.

In an effort to offset the running costs of on-street furniture (bus stops and shelters) SYPTE has a long-standing contract for advertising displays on some shelters. The company providing the advertising sought to reduce the payment being made to SYPTE, and served notice on the contract, which has now expired on 1st October 2019. A new provider has now been appointed but the net reduction on SYPTE's income is assessed at £175k for 2020/21. The income generated by the new contract increases significantly in future years and has been included in the MTFS.

Savings have been secured across all operational areas of the business that have helped to offset the inflationary and incremental pressures in payroll costs. Only savings that do not have a detrimental impact on services have been included in the proposed budget. After accounting for the points noted above, the overall increase in Operational Expenditure is £255k.

27th January 2020

PROPOSED 2020/21 SOUTH YORKSHIRE TRANSPORT CAPITAL PROGRAMME

Purpose of Report

To seek approval from the MCA of the proposed 2020/21 South Yorkshire Transport Capital Programme.

Thematic Priority

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

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

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

Recommendations

That Members:

- Consider and approve the proposed 2020/21 South Yorkshire Transport Capital Programme report.

1. Introduction

- 1.1** This paper presents the proposed 2020/21 South Yorkshire Transport Capital Programme, including indicative figures for the following 4 years 2021-25.

On 10th January, members of the Transport Board considered and endorsed the proposed capital programme for submission to the MCA for approval on 27th January 2020.

- 1.2** The South Yorkshire Transport Capital Programme includes projects managed by the South Yorkshire Passenger Transport Executive (SYPTe), as well as programmes commissioned by the MCA as the accountable body for central government grant.

- 1.3** It is important to note that there are no new scheme proposals within the proposed 2020/21 capital programme that will have an impact on the revenue budget due to the costs of borrowing required to fund such schemes.

2. Proposal and justification

- 2.1** It is proposed to invest £60.3m in the South Yorkshire Transport capital programme in 2020/21, as summarised in the following table. Taking into account indicative figures for the 4 years 2021-25, the total investment in the capital programme would reach £273.4m, on the assumption that the MCA's bid in November 2019 for Tranche 2 of the Transforming Cities Fund (TCF) will be successful at the higher end of its bid.

| 2.2 | 2019/20 Forecast £'000 | 2020/21 Proposed £'000 | 2021/22 Indicative £'000 | 2022/23 Indicative £'000 | 2023/24 Indicative £'000 | 2024/25 Indicative £'000 |
|--|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| South Yorkshire Transport Programmes: | | | | | | |
| Transforming Cities Fund - Tranche 1 | 4,300 | | | | | |
| Transforming Cities Fund - Tranche 2 | | 30,400 | 109,000 | 90,100 | | |
| Highways Capital Maintenance Integrated | 11,901 | 12,219 | | | | |
| Transport Block SYPTe | 8,428 | 8,428 | | | | |
| | 8,754 | 9,250 | 6,056 | 4,179 | 3,800 | |
| BDR Transport Capital Pot | 2,693 | | | | | |
| Pothole Fund | | | | | | |
| Total | 36,076 | 60,297 | 115,056 | 94,279 | 3,800 | 0 |

2.3 The South Yorkshire Transport Capital Programme is limited geographically to the area covered by the four constituent member authorities and also funds programme activity undertaken by SYPTE. The programme largely comprises:

- Transforming Cities Fund
- SYPTE's capital programme (covering both small and large scale projects)
- Highways Capital Maintenance (HCM) (mainly carriageway resurfacing projects carried out by 3 of the 4 constituent member authorities)
- Integrated Transport Block (ITB) (a range of schemes designed to meet local transport needs and priorities)
- Ongoing work to develop the Mass Transit scheme beyond outline business case (OBC) stage.

2.4 The vast majority of funding for the South Yorkshire Transport Capital Programme comes from central government grants, but as shown in the following table the funding mix also includes borrowing for one scheme in next year's proposed programme: Supertram Re-railing Phase 2. This method of financing was approved as part of the 2018/19 capital programme. No borrowing is planned for any other schemes, now that Rotherham Interchange has been completed, and it is expected that the BDR pot will be fully spent in 2019/20.

2.5 When assessing the borrowing requirement, finance officers have had regard to the Prudential Code and built assumptions around capital financing costs into the South Yorkshire Transport revenue budget.

2.6 Of total funding (£60.3m) for the proposed 2020/21 capital programme, central government grant accounts for £54.8m (91%), borrowing £4.2m (7%) and revenue £1.2m (2%).

| | 2020/21 Proposed £'000 |
|--|---------------------------------------|
| South Yorkshire Transport Programmes: | |
| Transforming Cities Fund | 30,400 |
| Highways Capital Maintenance | 12,219 |
| Integrated Transport Block | 8,428 |
| Borrowing | 4,236 |
| Tram-Train grant | 1,890 |
| Mass Transit grant | 1,000 |
| Use of reserves | 664 |
| Revenue contributions to capital | 588 |
| Capital grants unapplied | 772 |
| Better Bus Area grant | 100 |
| Total | 60,297 |

Transforming Cities Fund

- 2.7** The figures in the table above assume that the MCA will be successful in securing funding at the higher end of its bid, i.e. £230m. The announcement from DfT is expected in late February or early March 2020, i.e. after the MCA on 27 January. **Appendix A** shows the split of proposed programme by corridor and sources of funding.
- 2.8** If the outcome of the bid differs from what has been assumed in this report, a report seeking approval to vary the programme will be submitted to the next available MCA meeting.
- 2.9** It is assumed for the purposes of this report that the £4.3m of TCF Tranche 1 funding will be fully defrayed by the end of 2019/20.

SYPTE

- 2.10** SYPTE's proposed capital programme for 2020/21 amounts to £20.1m, an increase of £9.2m compared to the 2019/20 original budget. This increase is primarily driven by the anticipated TCF Tranche 2 programme, as can be seen in the table at paragraph 2.12.
- 2.11** A breakdown of each project within the proposed SYPTE capital programme is shown in **Appendix B**, totalling £20.1m as noted above. This is £10.9m higher than the figure of £9.2m as per the table in paragraph 2.2 because SYPTE's proposed programme includes projects which are funded by TCF (£8.9m) and ITB (£2m). TCF and ITB are separately identified at programme level in the table at paragraph 2.2, thus avoiding double-counting.
- 2.12** Within SYPTE's element of the overall programme is the Mass Transit post-OBC scheme. A separate report on this scheme is on the agenda for the MCA in January. The latest estimated cost for 2020/21 of continuing to develop this scheme after the OBC has been submitted is c.£2.5m, of which DfT has already committed to fund £1m, thus underlining the Department's confidence that this scheme will gain programme entry. The proposed funding mix is shown in the table below:

| Funding source | £'000 |
|----------------|---------------|
| DfT | £1,000 |
| Reserves | £664 |
| SYLTE Revenue | £400 |
| ITB | £200 |
| SCR Revenue | £160 |
| SCC | £50 |
| Total | £2,474 |

Of the above, £2.26m will pass through SYLTE accounts whilst the remaining £210k represents the estimated cost of time worked on the project by officers from the SCR Executive Team and Sheffield City Council.

Highways Capital Maintenance

- 2.13** HCM accounts for 20% of the overall programme, and it is proposed to retain the current methodology for allocating funding to the three constituent member authorities. In other words, the DfT formula will be applied and the grant will be passported accordingly to Barnsley, Doncaster and Rotherham, split £3.7m, £4.9m and £3.6m respectively. Sheffield does not receive an allocation because of its Streets Ahead programme which is part-funded by PFI credits from central government.
- 2.14** A breakdown of the proposed HCM programme for 2020/21 is shown in **Appendix C**.
- 2.15** The future of HCM beyond 2020/21 is currently uncertain. The Mayor will continue to lobby central government on behalf of the MCA for the continuation of HCM. Representations have already been made in readiness for the Spending Review in 2020, although this approach may need to be revisited due to the political uncertainty at a national level.
- 2.16** A bid has been submitted for 2019/20 HCM Challenge funding which could see individual authorities granted additional funding, via the MCA, before the end of the current financial year. The bid allocation is as follows: Barnsley £1.08m, Doncaster £4.9m and Rotherham £0.8m. Notification of the outcome of the bid is due before the end of December 2019, however this date was set prior to the General Election being called, so there is a reasonable chance that any announcement will be delayed. The second part of the Challenge Fund was submission of an expression of interest against a larger pot of funding to be allocated during 2020/21. A single regional bid has been submitted, led by Doncaster but still through the MCA, for £10.25m. The due date for announcing if the bid will proceed to the next stage is also end of December 2019.

Integrated Transport Block

- 2.17** ITB accounts for 14% of the overall programme, and it is used by the four constituent member authorities and SYLTE to deliver schemes which meet local transport needs and priorities. It is currently delivered as a single fund and not disaggregated into five individual pots; this enables the funding to be flexibly deployed to meet fluctuating needs and to provide the best investment for the region. However, to facilitate the initial development of the programme, partners are given approximate values to work towards, using population estimates as part of the methodology.
- 2.18** Each partner then develops and submits a provisional programme in line with its local priorities and the LTP team then review this against regional strategic priorities, including

the Mayor's SCR Transport Strategy. If any of these priorities are revised prior to adoption, the relevant areas of the ITB programme will be re-assessed.

- 2.19** Each partner's draft programme still needs to go through full board/cabinet approval. This will not be completed until later in Q4 2019/20, so it needs to be noted that the current proposed allocations could still be subject to change. The 'shares' of the programme are not fixed though; this is a single fund which can be re-allocated when appropriate to deliver the best possible return for the region.
- 2.20** A breakdown of the ITB programme is shown in **Appendix D**. As reported at Q2, it is expected that there will be some slippage in the 2019/20 programme, partly due to the fact that local transport officers have prioritised resources towards the development of the TCF Tranche 2 bid, submitted on 28 November 2019. At this stage it is too early to say what the level of slippage is likely to be, so it has been disregarded for the purposes of setting the 2020/21 capital programme. Requests for slippage will be brought back to the MCA as part of the 2019/20 outturn report.
- 2.21** As with HCM, the future of ITB beyond 2020/21 is currently uncertain. The loss of £20m per annum of transport capital funding (HCM & ITB combined) would significantly impair the region's ability to respond to local transport needs and priorities.

ITB is used as a means of funding feasibility work as preparatory activity leading up to grant approval for full scale schemes, for instance those schemes in the proposed TCF Tranche 2 programme. ITB is also to be used as match funding for the proposed TCF programme.

Hence, the loss of ITB in particular would increase delivery risk of the TCF programme not only in SYPTÉ's case as the primary source of funding for the local contribution but also because it provides capacity to develop schemes at feasibility stage.

As noted in the 2020/21 revenue budget report, work on the medium term financial strategy will be starting early in the new year, and the identification of the future funding model or alternative options for local transport activity will be considered as a priority.

3. Consideration of alternative approaches

- 3.1** Do nothing – the option of not developing a proposed capital programme for 2020/21 has been disregarded because the MCA has a statutory duty to set its capital programme in advance of the forthcoming financial year.

Do more – the option of developing a larger scale capital programme has been dismissed because it would be imprudent to set a programme without the means to fund that programme.

4. Implications

4.1 Financial

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

4.2 Legal

There are no legal implications arising directly from this report.

4.3 Risk Management

Although by its nature the capital programme for the forthcoming year is always based on assumptions, for 2020/21 there is considerable uncertainty in terms of the largest element of the programme, i.e. Transforming Cities Fund. The outcome of the MCA's bid will not be known until late February or early March. The programme will need to meet an aggressive timescale if it is to avoid the risk of grant clawback by DfT. For some schemes within the TCF programme, the delivery risk presents a considerable challenge.

This risk can be mitigated to a certain degree by spending at risk (using local contribution) on resourcing up, proceeding with design, feasibility and OBC work now in anticipation of a successful outcome.

There are further risks around future funding beyond 2020/21, especially re: HCM & ITB. ITB is of particular concern, as noted in paragraph 2.21. These risks will be taken into consideration as part of medium term financial planning.

4.4 Equality, Diversity and Social Inclusion

The principles of equality, diversity and social inclusion are built into the annual budget-setting process, and are taken into consideration when assessing budget pressures and savings proposals. Any equality implications that members must have regard to under s.149 Equality Act 2010 will be set out in detail in the report that accompanies any recommendation about specific proposals.

5. Communications

- 5.1 Consultation with transport officers of all four constituent member authorities has been undertaken in the process of developing the various elements of the capital programme.

The TCF bid was presented to the MCA at its previous meeting in November 2019.

6. Appendices/Annexes

- 6.1 Appendix A – Transforming Cities Fund capital programme 2020-23
Appendix B – SYPTE capital programme 2020/21
Appendix C – Highways Capital Maintenance programme 2020/21
Appendix D – Integrated Transport Block programme 2020/21

Report Author **Mike Thomas**
Post **Senior Finance Manager**
Officer responsible **Noel O'Neill, Group Chief Financial Officer**
Organisation **Sheffield City Region Mayoral Combined Authority**
Email **Noel.ONeill@sheffieldcityregion.org.uk**
Telephone **0114 2211454**

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: n/a

Proposed Transforming Cities Fund Programme – split by corridor and sources of funding (£m)

| HIGH (£ million) | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Total |
|-------------------------------|------------|-------------|-------------|-------------|--------------|
| <i>River Don Corridor</i> | | | | | |
| DfT capital | 0 | 4 | 18.6 | 24.1 | 46.8 |
| Local contribution | 0.5 | 0.7 | 1 | 1.5 | 3.6 |
| Private contribution | 1.6 | 0.6 | 0.8 | 0.1 | 3.1 |
| Total | 2 | 5.3 | 20.4 | 25.7 | 53.5 |
| <i>Dearne Valley Corridor</i> | | | | | |
| DfT capital | 0 | 12.4 | 51.1 | 21.2 | 84.6 |
| Local contribution | 4.7 | 4.7 | 1.2 | 0.3 | 11 |
| Private contribution | 0 | 0 | 2 | 0 | 2 |
| Total | 4.7 | 17.1 | 54.3 | 21.5 | 97.6 |
| <i>AMID Corridor</i> | | | | | |
| DfT capital | 0 | 14 | 39.3 | 44.8 | 98.1 |
| Local contribution | 6.1 | 6.1 | 0.3 | 2.9 | 15.5 |
| Private contribution | 0.4 | 0.9 | 0 | 0 | 1.3 |
| Total | 6.5 | 21 | 39.6 | 47.8 | 114.8 |

This page is intentionally left blank

2020/21 Capital Programme

V2.5 DRAFT 29 November 2019

| Project Number | Project Name | FUNDING 2020/21 | | | |
|--|--|-----------------|----------|------------|------------|
| | | TOTAL | ITB | TCF | Other |
| Committed Schemes | | | | | |
| 91813 | Tram Train | £1,889,523 | | | £1,889,523 |
| 91878 | Rotherham Interchange Refurbishment | £188,000 | | | £188,000 |
| 91910 | Supertram Rail Replacement | £4,235,508 | | | £4,235,508 |
| 91906 | SCR Mass Transit FBC | £2,264,000 | £200,000 | | £2,064,000 |
| 91801 | BRT North | £20,000 | £20,000 | | £0 |
| 91950 | Meadowhall Toilet Refurbishment | £5,000 | £5,000 | | |
| Schemes with no Contractual Commitments at Present | | | | | |
| Transforming Cities - Schemes included in Bid (EFC's and 2020/21 funding reflect the HIGH bid at present) | | | | | |
| 91884 | A18 Bus Priority | £240,000 | | £240,000 | |
| 91851 | A61 Wakefield Road Bus Corridor | £1,616,496 | £150,000 | £1,466,496 | |
| 91960 | A638 / Warning Tongue Lane Signalisation | £52,000 | | £52,000 | |
| 91961 | A638 / Gliwice Way Bus Imps | £500,000 | | £500,000 | |
| 91893 | Barnsley Doncaster Key Route | £867,837 | | £867,837 | |
| 91963 | A630 Bus Improvements | £535,000 | | £535,000 | |
| 91893 | BRT (S) | £1,914,000 | £0 | £1,914,000 | |
| 91955 | Iport Bridge | £401,358 | £150,000 | £251,358 | |
| 91819 / 91675 | Magna Tram Train Stop and P&R | £288,682 | | £288,682 | |
| 91417 | Parkgate P&R | £169,281 | £100,000 | £69,281 | |
| 91790 | Parkgate Link Road | £1,631,794 | £50,000 | £1,581,794 | |
| 91962 | Taylor's Lane Roundabout | £303,000 | | £303,000 | |
| 91959 | Hatfield and Stainforth Station | £54,436 | | £54,436 | |
| 91959 | Kirk Sandall Station | £51,978 | | £51,978 | |
| 91959 | Bolton Station | £23,051 | | £23,051 | |
| 91959 | Goldthorpe Station | £16,247 | | £16,247 | |
| 91959 | Thurnscoe Station | £11,086 | | £11,086 | |
| 91959 | Wombwell Station | £16,230 | | £16,230 | |
| 91959 | Elsecar Station | £38,700 | | £38,700 | |
| 91959 | Barnsley Station | £49,796 | | £49,796 | |
| 91959 | Mexborough Station | £90,652 | | £90,652 | |
| 91959 | Conisborough Station | £60,763 | | £60,763 | |
| 91959 | Bentley Station | £27,753 | | £27,753 | |
| 91959 | Adwick Station | £37,173 | | £37,173 | |
| 91959 | Darnall Station | £100,000 | | £100,000 | |
| 91964 | Zero Emissions Bus Trial | £200,000 | | £200,000 | |
| Bus Network Investment - To support bus partnerships | | | | | |
| - | Bus Lanes Review - Sheffield | £50,000 | | | £50,000 |
| | Bus Lanes Review - Barnsley | £25,000 | £25,000 | | |
| | Bus Lanes Review - Doncaster | £25,000 | £25,000 | | |

| | | | | | |
|-------------------------------------|---|--------------------|-------------------|-------------------|-------------------|
| | Bus Lanes Review - Rotherham | £25,000 | £25,000 | | |
| | Electric Bus - Implementation Doncaster | £50,000 | £50,000 | | |
| | Bus Lane on Market Road | £25,000 | £25,000 | | |
| | Bus Stop Rationalisation | £50,000 | | | £50,000 |
| Integrated Rail Plan | | | | | |
| | Park & Ride Penistone | £5,000 | £5,000 | | |
| | Expansion of Meadowhall Park & Ride | £10,000 | £10,000 | | |
| | Feasibility of Tram/Tram-Train Extensions | £20,000 | £20,000 | | |
| | Feasibility of a New Station at Waverley | £20,000 | £20,000 | | |
| Design Work for Future Years | | | | | |
| 91897 | Design Work for Future Years | £73,500 | £73,500 | | £0 |
| Others | | | | | |
| | Mexborough Market Gateway | £300,000 | | | £300,000 |
| 91716 | Smart Ticketing | £613,325 | £180,000 | | £433,325 |
| | IT Spend | £40,000 | £0 | | £40,000 |
| Annual Programmes | | | | | |
| - | Shelter Programme | £100,000 | £100,000 | | £0 |
| - | CT Vehicle Replacement | £150,000 | £150,000 | | £0 |
| 91774 | Programme Wide Costs | £394,000 | £394,000 | | £0 |
| Life Cycle Works | | | | | |
| - | Park & Ride - Refurbishment | £70,000 | £70,000 | | £0 |
| - | Car Park Equipment | £180,000 | £180,000 | | £0 |
| Grand Total | | | | | |
| | | £20,127,169 | £2,027,500 | £8,847,313 | £9,252,356 |

Highways Capital
Maintenance Programmes -
Draft Allocations for
2020/21 December 3rd

| Category of Activity | 2020/21 Prospective Allocation | Summary Description |
|--------------------------------------|--------------------------------------|---|
| BMBC Programme | <i>Total Settlement - £3,690,000</i> | |
| Carriageway resurfacing | £1,845,000 | |
| Principal Road Network | £922,500 | |
| Cycleways & Footways | £332,100 | |
| Bridges | £516,600 | |
| Street Lighting | £73,800 | |
| Current BMBC Programme Totals | £3,690,000 | BMBC have not yet approved an overall capital programme for 20/21, of which, the Maintenance Block grant will fund part, so at this point cannot give any indicative outputs. This detail will be developed further on finalisation of programme allocations. |
| DMBC Programme | <i>Total Settlement - £4,910,000</i> | |
| HCM Needs & Incentive - Carriageways | £3,979,000 | Carriageway resurface 5.5km Carriageway surface dress 28km Carriageway Micro Asphalt 3.1km Carriageway Patching 29,000m ² |

| | | |
|---|--|---|
| HCM Needs & Incentive - Footways | | Footway Resurface 2.5km Footway Slurry 17.8km |
| Street Lighting | £81,000 | Street lighting maintenance works. |
| Bridges | £850,000 | Principal Inspections of Highway Structures. Repair, strengthening or replacement of Highway Structures |
| Current DMBC Programme Totals | £4,910,000 | |
| RMBC Programme | <i>Total Settlement - £3,619,000</i> | |
| HCM - Highway Repair Programme | £2,500,000 | 15 potential indicative sites for carriageway surface dressing 8 potential indicative sites for carriageway resurfacing |
| HCM - Footway Repair | £500,000 | Indicative allocation, further development of profile to be completed |
| HCM - Street Lighting | £290,000 | 8 separate locations planned for improvement |
| HCM Bridge Maintenance | - | |
| To be allocated | £329,000 | The full implications of the November 2019 flooding are currently being assessed, this portion of the 2020/21 allocation has been held back as a contingency and decisions on distribution will be made once the impact of the flooding is known. |
| Current RMBC Programme Totals | £3,619,000 | |
| Current South Yorkshire Programme Totals | £12,219,000 | |

2020-21 IT Block Programme Development - Draft v4 Nov 22nd 2019

| Partner | Assigned LTP Strategic Investment Theme | Project name | High level description | Strategic Goal Alignment | Mayoral Transport Vision - Commitment Alignment | Strategic Policy Alignment | Indicative allocation |
|---------|---|--------------------------------|---|--------------------------|---|----------------------------|-----------------------|
| BMBC | Active Travel | ITB Cycling Package Match | ITB allocation to provide match funding for BMBC's TCF programme. The specific distribution of the match will be defined once a final TCF award and programme is known. Based on current proposals it is ear-marked for use against the Bar Lane to Royston cycle route (improvements and extension to Smithies Lane) and the route options for A61 River Dearne cycle route. | 1,2,3 | 1,3,8,9 | 1,4,8,9 | £500,000 |
| DMBC | Active Travel | Transforming Cities Fund Match | ITB allocation to provide match funding for DMBC's TCF programme. The match will be applied against Active Travel schemes, the specific distribution will be defined once final TCF award and programme is known. | 1,2,3 | 1,3,8,9 | 1,4,8,9 | £186,000 |
| DMBC | Active Travel | Cycling Infrastructure | A package of cycling infrastructure improvements across the borough (e.g. signage, surfacing, route enhancements, etc.), in order to improve cycle safety, increase accessibility and encourage cycling uptake. Interventions will capture requirements not included within the TCF bid. | 2,3 | 9,10 | 4,7,8,9 | £160,000 |

| | | | | | | | |
|------|---------------|--|---|-------|----------|-----------|----------|
| DMBC | Active Travel | Cycle Parking | A package of cycle parking installations and improvements across the borough, to improve accessibility, increase bike security and encourage more cycling. | 2,3 | 9 | 4,7,8,9 | £20,000 |
| RMBC | Active Travel | Connectivity | Allocation for small scale interventions improving locations where there are obstacles to movement around the network. | 3 | 8,9 | 7,8,9 | £75,000 |
| RMBC | Active Travel | A6109 Meadowbank Road Cycle Infrastructure | ITB match to TCF scheme. Traffic light controlled toucan crossing, linking two sections of existing cycle infrastructure on the route which extends through Kimberworth - town centre - canal - Sheffield Road. | 1,3 | 1,8,9,10 | 1,4,7,8,9 | £50,000 |
| RMBC | Active Travel | Smarter Choices | Additional cycle parking in Rotherham town and district centres. Also includes provision for Electric Vehicle charging points. | 2,3 | 9 | 5,8 | £25,000 |
| SCC | Active Travel | PROW 20/21 | Delivering the PROW improvement plan as well as maintaining the network to an acceptable standard. Improvement of PROW's can include: <ul style="list-style-type: none"> • Maintaining and improving bridges, gates and stiles • Signing and way marking • Improving path surfaces • Tree management – pruning, clearing and felling to ensure safety • Vegetation management – cutting and spraying | 2,3 | 8,9,10 | 4,7,8,9 | £146,000 |
| SCC | Active Travel | Cycling - Supporting Infrastructure | Provision of cycle parking, public tyre pumps, etc. | 2,3 | 9 | 4,5,8 | £50,000 |
| SCC | Active Travel | Cycling - Vaughton Hill Crossing | New crossing on the Little Don Link, connecting two sections currently severed by road. | 1,2,3 | 1,9,10 | 1,5,7,8,9 | £100,000 |

| | | | | | | | |
|---------------|------------------------------------|-------------------------------------|--|--|--|--|----------|
| SCC | Active Travel | Cycling Interventions | Options still being fully developed, looking at off-road cycle routes. | 3 | 9 | 8,9 | £87,001 |
| C/Wide (RMBC) | Air Quality and Climate | Air Quality Monitoring | Countywide scheme involving roadside monitoring of pollution associated with transport emissions. The monitoring assesses changes in air pollution concentration in the region including those as a result of LTP interventions to reduce emissions. | 2 | 6 | 4,5 | £20,000 |
| C/Wide (RMBC) | Air Quality and Climate | Air Quality Modelling | Countywide scheme involving roadside modelling of air quality pollutants associated with transport emissions, along with the greenhouse gas carbon dioxide. South Yorkshire local authorities use a shared "Airviro" system to model emissions (and their dispersal) from road transport, and have developed a very detailed transport emissions database covering all of South Yorkshire. | 2 | 6 | 4,5 | £20,000 |
| SCC | Air Quality and Climate | Air Quality Monitoring Equipment | Replacement and new installation of equipment, to enable increased monitoring and provision of data to inform progress and future investment needs. | 2 | 6 | 4,5 | £12,516 |
| SCC | Air Quality and Climate | ULEV Charging Network Match Funding | Contribution towards the ULEV Taxi Charging Point Fund. | 2 | 6 | 4,5 | £140,000 |
| BMBC | Major Schemes & Scheme Development | Preliminary Scheme Design | Planning for potential future schemes. | Dependent on subsequent type of scheme | Dependent on subsequent type of scheme | Dependent on subsequent type of scheme | £50,000 |
| DMBC | Major Schemes & Scheme Development | Minor Works Development Package | Allocation for small scale ad-hoc activities to support and enhance development of the wider transport | Dependent on subsequent | Dependent on subsequent | Dependent on subsequent type of scheme | £135,388 |

| | | | programmes, e.g. additional survey requirements for TCF. | type of scheme | type of scheme | | |
|------|------------------------------------|--|---|----------------|----------------|-------------|----------|
| DMBC | Major Schemes & Scheme Development | West Moor Link | ITB match funding to the major scheme. Following completion of the bridge works this will be used for feasibility of the key junction improvements. | 1,3 | 2,3 | 1,2,3,8 | £100,000 |
| SCC | Major Schemes & Scheme Development | Network Management Scheme Development | Developing the requirements and interventions for the next round of Intelligent Transport System activity. | 1 | 1,4 | 2,4 | £29,000 |
| SCC | Major Schemes & Scheme Development | IRR Medium Term Congestion Schemes (NTH) | ITB match for the SCRIF scheme at Bridgehouses, road widening and inclusion of cycling facilities. | 1,3 | 1,8,9 | 1,2,4,7,8 | £211,000 |
| SCC | Major Schemes & Scheme Development | Broadfield Road Improvement Scheme | ITB match for NPIF scheme. Junction improvement, widening, bus lane provision, adjacent cycle scheme and pedestrian bridge. | 1,2,3 | 1,2,8,9 | 1,2,4,5,8,9 | £300,000 |
| SYPT | Major Schemes & Scheme Development | Public Transport - Design Work for Future Years | Preparatory work for schemes to be implemented in future years. 2020/21 projects to include; Park & Ride Penistone, Expansion of Meadowhall Park & Ride, Feasibility of Tram/Tram-Train Extensions, Feasibility of a New Station at Waverley. | 1,3 | 1,3,8 | 1,3,6,8,9 | £196,500 |
| SYPT | Major Schemes & Scheme Development | SCR Mass Transit | ITB match funding for the 2020/21 works on developing the business case for the Large Majors scheme (total scheme allocation for 2020/21 is £2m) | 1,2,3 | 1,3,6,8 | 1,4,5,8,9 | £260,000 |
| BMBC | Network Management | Traffic Management - Upgrade of existing signal infrastructure | Laithes Lane A61 Wakefield Rd junction, signal upgrade. | 1,2 | 1 | 2,4 | £300,000 |
| BMBC | Network Management | Traffic Management - Upgrade of existing signal infrastructure | Doncaster Road / Neville Avenue junction, signal upgrade. | 1,2 | 1 | 2,4 | £88,086 |

| | | | | | | | |
|------|--------------------|---|--|-------|-------|---------|----------|
| DMBC | Network Management | Dropped Crossings | A package of pedestrian dropped kerb provision across the borough, assessed on the basis of accessibility, mobility and connectivity. | 3 | 8,9 | 7,8,9 | £40,000 |
| DMBC | Network Management | Footways 20-21 | Installation of footways and footway enhancement works across the borough to improve safety and increase accessibility for pedestrians. | 3 | 8,9 | 7,8,9 | £45,000 |
| DMBC | Network Management | Doncaster Bus Partnership Infrastructure/Activities | A package of bus related infrastructure improvements to enhance accessibility, connectivity and journey reliability. | 1,3 | 1,6,8 | 1,5,8,9 | £60,000 |
| DMBC | Network Management | Travelwise Commuter Plan | Installation of small scale capital items to enable uptake of revised travel plans, in support of STAF behaviour change activities. | 3 | 9 | 8 | £20,000 |
| DMBC | Network Management | Direction Signing - Boroughwide | A package of direction signing enhancements based around improving accessibility, connectivity and journey reliability. | 1,2 | 1,3 | 2,4 | £60,000 |
| DMBC | Network Management | Traffic Management Measures - Boroughwide | A package of minor traffic management interventions across the borough (signing, road markings, bollards, parking control, Traffic Regulation Orders etc.) targeted at areas of concern, in order to improve accessibility, connectivity, and aid the flow and movement of traffic, including pedestrians. | 1,2,3 | 1,3 | 2,4,8 | £100,000 |
| DMBC | Network Management | Local Signing Schemes | Ongoing network management programme to review and improve/install signing and lining around the transport network. | 1 | 1 | 2 | £50,000 |
| DMBC | Network Management | Enforcement Scheme | TRO's to support the design, delivery and implementation of local transport schemes. | 1 | 1 | 2 | £50,000 |

| | | | | | | | |
|------|--------------------|--|--|-------|--------|---------|----------|
| DMBC | Network Management | CCTV Scheme | Ongoing programme of renewal and installation of CCTV equipment for monitoring and managing traffic flow. | 1 | 1 | 2 | £20,000 |
| RMBC | Network Management | Manvers Way Capacity Improvements | Widening scheme to increase flow and reduce congestion delay. | 1,3 | 1,8 | 2,4,7 | £197,509 |
| RMBC | Network Management | Rother Way Metering | Managing the traffic flow on the approach to the three arm roundabout (A631/A630). Currently this approach is causing peak time queues back to Whiston Crossroads. | 1,3 | 1,8 | 2,4,7 | £50,000 |
| SCC | Network Management | Streets Ahead Accessibility Opportunities | Piggybacking PFI work to implement changes in "one go". Common small scale interventions include reducing street clutter, new dropped crossings, handrails and lining. | 3 | 8,9,10 | 7,8,9 | £80,000 |
| SCC | Network Management | Double Yellow Lines (incl. pavement parking) | Addressing requests for loading & waiting facilities across Sheffield - currently there is a list with over 1000 requests submitted by residents and businesses. | 1,2,3 | 1,10 | 2,6,7,9 | £70,000 |
| SCC | Network Management | Taxi Rank Improvements | Rolling programme of improvements to taxi rank facilities derived through consultation with drivers and operators. Reduces congestion hotspots and safety risks. | 1,3 | 1,8,10 | 2,4,7,8 | £50,000 |
| SCC | Network Management | Midland Station Congestion | Feasibility of improvements around the taxi rank and pick up/drop off point. Road space is currently limited and results in difficult movement of vehicles through this area. | 1,3 | 1,8 | 2,4,8 | £200,000 |
| SCC | Network Management | Streets Ahead Enhancements | Project to provide pedestrian improvements and facilities at the same time as the Streets Ahead intensive core investment programme - specific schemes being agreed with cabinet member. | 3 | 8,9,10 | 4,7,8,9 | £325,000 |

| | | | | | | | |
|-----------------|----------------------|---------------------------------------|---|---|-----|-------|----------|
| C/Wide (SYLTP) | Programme Management | LTP Central Team Programme Management | Delivering ITB as a single consolidated programme, enabling delivery and creating increased regional benefits. STAF management to maximise the benefits delivered through the revenue programme and improving regional opportunities for future funding rounds. Management of HCM to provide transparency of the works delivered through the designated DfT annual allocations. SRP management to deliver educational & behaviour change activities on behalf of South Yorkshire LA's and emergency services. Co-ordination of activities and priorities across the local transport partnership. Provision of countywide casualty data service. | Enabling the contribution to all commitments, goals and policies as provided by the individual schemes within each programme. | | | £208,000 |
| C/Wide (SYPTTE) | Public Transport | Wheels to Work | Continuation of scheme loaning scooters to people who have difficulties getting to work, training or college due to a lack of suitable public transport. Allocation to provide the capital vehicle purchase. | 1 | 8 | 1 | £70,000 |
| SCC | Public Transport | Bus Hotspots | Package of schemes to address bus delay hotspots, extension from Better Bus programme. | 1,3 | 1,8 | 2,4,8 | £50,000 |
| SYPTTE | Public Transport | CT Vehicle Replacement | Ongoing programme of Community Transport vehicle replacement. Continuation of annual replacement programme. | 1,3 | 8 | 1,9 | £152,000 |
| SYPTTE | Public Transport | Shelter Programme | Ongoing programme of life cycle works (repairs, improvements, replacements). Continuation of annual replacement programme. | 1,2,3 | 1,8 | 2,6,7 | £102,000 |

| | | | | | | | |
|------|------------------|---------------------------------|--|-------|---------|-----------|----------|
| SYPT | Public Transport | A61 Wakefield Road Bus Corridor | ITB match for the TCF scheme providing bus priority interventions and upgraded bus infrastructure on the corridor. | 1,2,3 | 1,2,4,8 | 1,2,4,8,9 | £200,000 |
| SYPT | Public Transport | Smart Ticketing | Delivery of the 2020/21 (year 3 of 5) smart ticketing and integration programme. The ITB request for funding is part of a larger package of works in relation to the smart ticketing programme. Other elements are being funded separately. The aims of the project as part of the ITB funded deliverables are to help facilitate an increase in patronage, improve business efficiencies and improve customer accessibility and satisfaction. | 1,3 | 4,8 | 2,8 | £220,000 |
| SYPT | Public Transport | Parkgate Link Road | TCF Match. Provision of an alternative route into Parkgate from Aldwarke Lane to remove traffic from the A633, a key public transport route and currently affected by significant congestion. | 1,2,3 | 1,2,8 | 1,2,4,8,9 | £60,000 |
| SYPT | Public Transport | Electric Bus - Doncaster | Identifying the infrastructure requirements to enable a test route to be implemented for electric bus. Previous study has identified positive options for this in Doncaster, specific route to be identified. | 1,2 | 1,4,6 | 4,5,8 | £60,000 |
| SYPT | Public Transport | BRT North | Completion of BRT North. Contribution to completed major project. | 1,2,3 | 1,3 | 1,2,5,8 | £21,000 |
| SYPT | Public Transport | Bus Network Investment | Investing in bus network to help deliver partnership and strategy goals. Actions resulting from bus lanes review in Barnsley, Doncaster and | 1,2,3 | 1,6,7,8 | 1,2,5,8 | £120,000 |

| | | | | | | | |
|------|------------------|---------------------|--|-------|---------|-----------|----------|
| | | | Rotherham. Bus lane works on Market Rd. | | | | |
| SYPT | Public Transport | Life Cycle Works | Capital maintenance and upgrades to existing infrastructure. Works to include Meadowhall Toilet Refurbishment, Park & Ride Refurbishment (e.g. ticket machines), Car Park Equipment (e.g. replacement barriers). | 1,2,3 | 1,7,8 | 1,4,7,8 | £316,000 |
| SYPT | Public Transport | lport Bridge | ITB match for the TCF scheme to provide an active travel and public transport only bridge over the River Torne linking West End Lane with the lport. | 1,2,3 | 1,6,8,9 | 1,3,7,8,9 | £200,000 |
| SYPT | Public Transport | Parkgate P&R | TCF match. Currently a temporary P&R is being completed, but this will design a new, larger, permanent P&R facility to accommodate tram/train. | 1,2 | 1,3,8 | 1,3,6,8 | £120,000 |
| BMBC | Safer Roads | Collision analysis | Devising schemes to address collision cluster sites and lengths, which have been identified and prioritised by data analysis. | 3 | 10 | 7 | £10,000 |
| BMBC | Safer Roads | School Safety Zones | Targeted improvements around primary schools, addressing both safety and the perception of safety. | 3 | 8,9,10 | 7,9 | £10,000 |
| BMBC | Safer Roads | Identified Schemes | Minor improvements to current infrastructure; lining, signing & lighting. | 3 | 10 | 7 | £30,000 |
| BMBC | Safer Roads | SIDS | Installation of additional Speed Indicator Devices (SIDs) to influence driver behaviour, four locations to be identified. | 3 | 10 | 7 | £5,000 |
| BMBC | Safer Roads | VAS | Installation of Vehicle Activated Signs (VAS) to influence driver behaviour, some replacements and some upgrades. | 3 | 10 | 7 | £20,000 |

| | | | | | | | |
|------|-------------|------------------------------------|--|-----|------|---------|----------|
| BMBC | Safer Roads | New Footways | Installation of new footway adjacent to Cannon Hall to improve safety and perception of safety for pedestrians. | 3 | 8,9 | 7,9 | £25,000 |
| BMBC | Safer Roads | Social Inclusion | Programme of dropped crossings at locations (to be determined) providing safer crossing facilities in areas where safety is perceived to be an obstacle. | 3 | 8,9 | 7,9 | £25,000 |
| DMBC | Safer Roads | Targeted Casualty Reduction scheme | Analysis of the annual STATS19 road casualty data to identify areas/locations requiring attention and develop 3/4 schemes on a 'Worst First' basis. | 3 | 8,10 | 7 | £175,000 |
| DMBC | Safer Roads | Safer Communities - Boroughwide | A package of minor road safety interventions across the borough (signing, road markings, pedestrian enhancements, surface treatments etc.) targeted at areas of concern, in order to improve road safety, reduce danger and the occurrence of road casualties. | 3 | 9,10 | 7,9 | £75,000 |
| DMBC | Safer Roads | Reduced Speed Limits | The provision of 20mph speed limits in residential areas, prioritised on road safety, public health, levels of deprivation and air quality information, in order that the greatest potential benefits can be delivered to the worst affected communities. | 2,3 | 8 | 4,7 | £50,000 |
| RMBC | Safer Roads | LSS & Crossings | Continuation of the current 'Worst First' programme with specific interventions defined on a rolling basis. | 1,3 | 8,10 | 2,7,8,9 | £200,000 |
| RMBC | Safer Roads | A6109 Meadowbank Road crossing | Additional crossing to provide improved and safer accessibility of public transport service. | 1,3 | 8,10 | 2,7,8,9 | £100,000 |

| | | | | | | | |
|------|-------------|---|--|-----|----------|---------|----------|
| RMBC | Safer Roads | A6123 Great Eastern Way crossing | TCF Match. New crossing on dual carriageway, location currently ranked 1st (PV ² data) for pedestrians wanting to cross. | 1,3 | 8,10 | 2,7,8,9 | £350,000 |
| RMBC | Safer Roads | A629 Upper Wortley Road crossing | TCF Match. Long-standing request for additional crossing facility, location currently ranked 2nd (PV ² data) for pedestrians wanting to cross. | 1,3 | 8,10 | 2,7,8,9 | £100,000 |
| SCC | Safer Roads | Sheffield Accident Savings | Range of small scale works to help prevent accidents; including Sheaf Street pedestrian crossing improvement, development of new schemes for delivery and school keep clear works. | 1,3 | 9,10 | 2,7 | £45,000 |
| SCC | Safer Roads | Sheffield Accident Savings Abbeydale / Wolseley Rd Jn | Junction and crossing improvement to reduce risk and perception of risk for all road users. | 1,3 | 1,8,9,10 | 2,7,8,9 | £80,000 |
| SCC | Safer Roads | Sheffield Accident Savings Ecclesall / Greystones Rd Jn | Junction and crossing improvement to reduce risk and perception of risk for all road users. | 1,3 | 1,8,9,10 | 2,7,8,9 | £80,000 |
| SCC | Safer Roads | Sheffield Accident Savings Oughtibridge Accident Savings | Amendments to traffic flow to reduce instances of cyclist injuries, requirement identified through cycle casualty data. | 1,3 | 1,8,9,10 | 2,7,8,9 | £88,000 |
| SCC | Safer Roads | Citywide 20mph schemes | Continuation of SCC's programme to establish 20mph zones distributed across the city. Delivery of locations developed through 19/20 ITB; Fox Hill, Hillsborough and Sharrow Vale. | 2,3 | 9,10 | 4,7,8 | £337,000 |
| SCC | Safer Roads | 20mph Feasibility (Hutcliffe Wood East, Farleigh & Crosspool) | Continued preparation of future schemes to maintain the delivery of the 20mph programme. | 2,3 | 9,10 | 4,7,8 | £45,000 |

£8,428,000

Key to Goals, Policies and Commitments

| Goal | Mayoral Vision Commitments | Policy |
|---|---|--|
| <p>1. Residents and businesses connected to economic opportunity.</p> | <p>1. I will invest in tram-train, bus rapid transit, bus networks, active travel and tackle our congestion hotspots.</p> | <p>1. Improve the existing transport network to enhance access to jobs, markets, skills and supply chains adopting technology solutions to support this.</p> |
| | <p>2. I will develop a plan for road investment that takes a co-ordinated and long term perspective.</p> | <p>2. Enhance productivity by making our transport system faster, more reliable and more resilient, considering the role of new technologies to achieve this.</p> |
| | <p>3. I will ensure that local, regional and national road and rail investment delivers for this region.</p> | <p>3. Invest in integrated packages of infrastructure to unlock economic growth and support Local Plans, including new housing provision.</p> |
| | <p>4. I will ensure that new technology improves the customer experience of travelling in and around the Sheffield City Region.</p> | |
| | <p>5. I will actively support improved public transport connections to Doncaster Sheffield Airport and ensure that regional rail investment delivers fast and efficient rail links to major airports.</p> | |
| <p>2. A cleaner and greener Sheffield City Region.</p> | <p>6. I will work with partners to deliver a zero-emissions public transport network and we will eliminate the need for AQMAs.</p> | <p>4. Improve air quality across our City Region to meet legal thresholds, supporting improved health and activity for all, especially in designated AQMAs and CAZs.</p> |

| | | |
|--|---|---|
| | <p>7. I will undertake a review of the bus network in South Yorkshire, to look at all options for improving local bus services.</p> | <p>5. Lead the way towards a low carbon transport network, including a zero-carbon public transport network.</p> |
| | | <p>6. Work in tandem with the planning and development community to create attractive places.</p> |
| <p>3. Safe, reliable and accessible transport network.</p> | <p>8. I will invest in services to ensure that residents with disabilities, young people, the elderly and those who are isolated economically and geographically are able to travel easily, confidently and affordably.</p> | <p>7. Ensure people feel safe when they travel and invest in our streets to make them more attractive places.</p> |
| | <p>9. I will put pedestrians and cyclists at the centre of our transport plans.</p> | <p>8. 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.</p> |
| | <p>10. I will ensure that safety is planned into all future transport investment and that road safety education initiatives are prioritised.</p> | <p>9. Ensure our transport network offers sustainable and inclusive access for all to local services, employment opportunities and our green and recreational spaces.</p> |

This page is intentionally left blank

27th January 2020

LGF PROGRAMME MONITORING UPDATE PAPER

Purpose of Report

This report provides an update on the 2019/20 LGF current forecast outturn position and an update of the current LGF programme commitments over the life of the LGF programme. The report asks the MCA to approve one scheme (Little Kelham) to be returned to the pipeline due to significant delays in confirming other sources of funding, and for two further schemes (360 Degrees Media and Foxhill Crescent) approve that they will not be counted towards the over programming position.

The report shows there have been significant fluctuations in year from the predicted spend at the start of the year. Action is required to accelerate spend to mitigate the current position where we are currently forecasting a potential underspend.

The totality of the position for the LGF programme is a significant reduction in the over programming position due to the withdrawal of a number of schemes. Further movement is likely to reduce this further and may create additional headroom for schemes to progress.

Thematic Priority

Cross cutting - financial

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

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

Recommendations

Members are asked to

1. Consider the predicted 2019/20 LGF outturn position, and any remedial action it would wish to see to mitigate negative impact on the LGF spend in 19/20.
2. Approve the movement of the Little Kelham scheme from approval back into the pipeline, until it can satisfy the conditions of approval.
3. Discount two schemes 360 Degrees Media and Foxhill Crescent from the over programming position, whilst retaining them in the pipeline for future funding, due to a high probability of not completing business planning and delivery within the life of the LGF window.

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 £377.6m.

- 1.2 LGF is allocated to LEPs on an annual basis based upon the profile of the original deal done with government. The annual allocation must be spent within the relevant financial year or the LEP faces risk of loss of funds as there is no permitted roll over. SCR commenced the 19/20 year with a high degree of certainty of spend and an active pipeline, however scheme slippage into the final year of LGF and proposed scheme slippage highlights a significant drop in certainty of spend, such that SCR may be in an underspend position.

2. Proposal and justification

2.1 The LGF programme

The cumulative LGF position is:

- £123.1m of projects have now completed
- £159.2m of projects are currently in delivery
- £26.3m has been approved for projects which are in the process of satisfying conditions prior to contract.

Cumulatively this gives a total commitment of £308.6m

There are, in addition, two ringfenced schemes within the programme pipeline totalling a further £45.1m.

Collectively, **the total commitment is £353.7m**

When set against the total programme value of £377.6, the available programme headroom is £23.9m.

- 2.2 Three schemes presented today for approval at agenda item 18 total £12.61m and if approved the headroom position will be £11.29m. All schemes within the programme are being closely monitored and reviewed in order to increase the headroom available and further reduce the pipeline.
- 2.3 The MCA are asked to approve action to return one scheme (Little Kelham) with £1m LGF funding approved to the pipeline. The scheme has been unable to confirm their other sources of funding, the original milestone for this condition to be met was June 2019. The scheme remains a viable pipeline scheme and could come back for funding, if available, when it has met the outstanding condition. With a little over one year of the LGF programme remaining this action will enable us to progress other viable schemes which could deliver.
- 2.4 In addition, there are a further two schemes in our pipeline (360 Degrees Media and Foxhill Crescent) which are being calculated in the over-programming position. The recommendation is that both of these schemes remain in the pipeline but are no longer calculated in the over programming position.
- 360 Media – the scheme promotor had funding approval but asked for the scheme to be returned to the pipeline as they wanted to rescope and redesign the scheme. Whilst the scheme remains a priority to secure, the potential for this redesign work, business case development, securing external funding and delivery will not happen within the window of this LGF programme, where funding needs to be defrayed by March 2021.
 - Foxhill Crescent – as yet this scheme has not made progress to satisfy assurance requirements, particularly that a case can be made for the need for grant intervention. Our assessment is currently that this scheme will not progress. If the case can be made, there remains funding available and a strong likelihood that the scheme could deliver prior to March 2021, the scheme would be brought forward for a funding decision.
- 2.5 Five additional schemes are currently classified as high risk due to delays potentially impacting on spend. Meetings are arranged with senior members within the project sponsors organisations in the coming weeks to consider mitigating or remedial actions.

These projects will be monitored on a weekly basis and any changes will be reported back, in full to the MCA.

2.6 The LGF Annual Position 19/20

Quarter 3 claims have been received for £3.6m worth of expenditure.

The year to date total is £11.1m.

There are a small number of late claims due which will marginally improve progress towards year end targets, but we remain behind profile

£22m or 60% of 19/20 expenditure will need to be spent during Q4 to achieve the annual target and ensure no loss of LGF funding.

2.7 At the start of the 19/20 year we were predicting a high certainty of spend to target as:

- £38.09m of projects were already approved, with a further
- £30.1m forecasting 2019/20 spend in the pipeline (excluding the retained major).

Within year however:

- £4.9m slippage has already been made
- £4.39m slippage has been requested as part of the Q3 return
- 1 scheme in delivery has been halted pending project issues
- 10 schemes with funding approved have not progressed to contract

Considering the slippage already made we are currently predicting a deficit of £1.63m

Factoring the recent requests to slip funds this will give a deficit of £6.02m

Without remedial action to maximise claims and accruals and bring forward any activity possible, achieving the 19/20 financial target is challenging and further slippage of any Q4 expenditure could result in an end of year deficit.

2.8 Proposed management actions

- Approval of schemes presented for decision and rapid progress to contract;
- More frequent claiming on a monthly basis
- Communication and support for Scheme promoters to maximise accruals at year end
- The weekly report on progress on a scheme by scheme basis, utilised in each of the last three years, to be reintroduced for CEX, Directors of Finance and Economic Development Directors to increase communication and oversight of performance of the schemes

3. Consideration of alternative approaches

3.1 The LEP Board, in considering the lifetime programme discounted a do nothing approach.

Prioritisation of available headroom of £9.5m for inward investment, was made in November 19 but subsequent work with Scheme Promoters has increased the headroom.

The LEP agreed not to extend the prioritisation of the increased headroom for Inward Investment projects over and above the initial £9.5m, due to the high risk of schemes in the pipeline. A position was agreed where the remaining infrastructure/skills/transport schemes could progress.

3.2 In year spend

In previous years a time limited call for schemes was released. We have discounted this as do not believe it can be achieved in Q4 and it will have a negative impact on the available headroom and planned pipeline.

4. Implications

4.1 Financial

This paper set out the financial position of the LGF Capital Programme. The total expenditure of the LGF programme will continue to be managed so that it will not exceed the financial resources available. This paper highlights however a potential underspend of available funds.

4.2 Legal

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

4.3 Risk Management

The current risks affecting the programme is scheme slippage as set out in section 2.7. This will continue to be closely monitored and addressed through SCR's standard programme and performance arrangements.

High risk schemes will continue to be monitored and any changes in the high-risk project pipeline reported back to the LEP and MCA.

A report on progress on a scheme by scheme basis will be shared weekly with CEX, Directors of Finance and Economic Development Directors to increase communication and oversight of performance of the schemes and slippage

4.4 Equality, Diversity and Social Inclusion

None as a direct result of this paper.

5. Communications

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

6. Appendices/Annexes

6.1 NONE

REPORT AUTHOR

Sue Sykes

POST

AD – Programme and Performance

Officer responsible

Ruth Adams

Organisation

SCR Executive

Email

Ruth.adams@sheffieldcityregion.org.uk

Telephone

0114 220 3442

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

27th January 2020

LGF CAPITAL PROGRAMME APPROVALS

Purpose of Report

The paper seeks approval of three schemes with a total value over all years of £12.61m Local Growth Fund (LGF) and seeks delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

Thematic Priority

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

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

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

Recommendations

The SCR MCA consider and approve:

1. Progression of Doncaster Sheffield Airport Passenger Capacity Expansion to full approval and award of £5.02m loan to Doncaster Sheffield Airport Limited subject to the conditions set out in the Appraisal Panel Summary Table attached at **Appendix A**
2. Progression of A630: Westmoor Link Road to full approval and award of up to £5m grant to Doncaster Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary Table attached at **Appendix B**
3. Progression of Digital Innovation Hub to full approval and award of up to £2.59m grant to Barnsley College subject to the conditions set out in the Appraisal Panel Summary Table attached at **Appendix C**
4. Delegated authority be given to the Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements for the schemes covered in 1-3 above.

1. Introduction

- 1.1** This paper requests approval for three schemes with a total value over all years of £12.61m. This includes £8.24m of expenditure which is profiled to contribute towards the 2019/20 LGF annual spend target.

2. Proposal and justification

2.1 Doncaster Sheffield Airport Passenger Capacity Expansion
 (Infrastructure/Transport Scheme)

Appendix A provides a summary of the scheme appraisal and the suggested conditions of award.

2.1.1 Background - The DSA (Doncaster Sheffield Airport) Partnership Board identified that driving growth in passenger numbers is critical to the long-term success of the airport, and to enable it to contribute towards the SCR's long-term economic strategy.

2.1.2 The Project – This investment is for a £5.02m loan with interest charged at market rates, fully repaid after 5 years. The SCR loan will be backed by a guarantee from DSAL's parent company.

The loan will enable increased passenger capacity and the attraction of new carriers through:

- a new enlarged and relocated central search area at the northern end of Level 3 of the terminal including 'smart lane' technology to improve processing;
- reconfiguration of Level 3 departure lounge, linking with the exit from the new central search area, including improved passenger service facilities;
- two new departure gates with link bridges to the apron (including one for passengers with reduced mobility);
- a scheme of internal reconfiguration to enlarge the existing Level 1 International arrivals and immigration area; and
- a lightweight single storey extension to the terminal building to further enlarge the International arrivals area.

2.1.3 The benefits and outcomes - The scheme aims to:

- generate 233 fte gross additional jobs by 2029/30. Of this, 100 jobs are to be created by March 2025 when the loan will be repaid.
- deliver an estimated GVA benefit of £35.6m over 10 years. This is equivalent to £48.04 for every £1 LGF invested.

The project is assessed as offering good value for money for the LGF investment.

2.2 A630: West Moor Link (Transport Scheme)

Appendix B provides a summary of the scheme appraisal and the suggested conditions of award.

2.2.1 Background - The A630: West Moor Link project is the final pipeline project which formed part of the SCR first Growth Deal submission, announced by Government in July 2014. The project area is a 400m length of road including both the A630 and the A18 which links Doncaster town centre and the M18. The road goes under a railway bridge which has height restrictions and suffers from congestion which is stifling growth and impacting on future housing and employment development in the area.

2.2.2 The Project - The scheme aims to improve journey times on the A630/A18 corridor in Doncaster by replacing the A18 Thorne Rd railway bridge with a widened and deepened prefabricated bridge to allow a second outbound lane, cycleway, more headroom for HGVs, reduced bridge maintenance costs and future twin tracking of the railway. SCR's funding is towards the additional junction improvement works that are proposed at the nearby roundabouts intended to save time for road users.

The widening of the bridge will allow an additional lane to be constructed underneath along with pedestrian and cycling improvements as the width of the current footway

is not suitable to allow cycling which therefore leaves a gap in the national cycle network.

- 2.2.3 The benefits and outcomes** - The preferred option has a very high BCR of 12.8. The relatively high BCR value is reflective of the nature of modelling undertaken on the scheme. Benefits are mainly in the peaks, for cars travelling short distances outside the town centre. A larger modelling area is likely to have resulted in a lower BCR but still offering good value for money.

The project is assessed as offering good value for money for the LGF investment.

2.3 Barnsley Digital Innovation Hub (Skills Scheme)

Appendix C provides a summary of the scheme appraisal and the suggested conditions of award.

- 2.3.1 Background** - The scheme is to create a Digital Innovation Hub in the centre of Barnsley to work alongside the existing Digital Media Centre and the refurbished Digital Media Centre 2 (a previous LGF investment £2.1m).

- 2.3.2 The Project** - The project is seeking a LGF grant of £2.59m (total capital investment of £5.796m) and will reconfigure and refurbish Barnsley College's existing *Sci Tech Campus building* into the Digital Innovation Hub (DIH).

This will deliver 3,723 m2 of learning and teaching space designed to ensure learners have access to high-quality facilities and industry standard equipment to gain the skills and knowledge employers demand.

The Hub will support the creation of a talent pipeline through the delivery of the Government's flagship T-levels as well as a wider technical/vocational offer to support progression for learners on Level 2 programmes into Level 3 and apprenticeships, other classroom-based activity and up-skilling for adults and those already currently in employment.

2.3.3 The benefits and outcomes

Over a period of 10 years, the project is estimated to support

- 3,435 learners (gross additional)
- 1,239 of the net additional learners moving into employment.

This indicates a potential cost equivalent of £2,091 per job to LGF and is estimated to generate benefits of £7,894,878 of GVA over this period.

This project therefore offers good value for money for LGF with a Benefit Cost Ratio (BCR) of 4.23.

3. Consideration of alternative approaches

- 3.1** Options have been considered as part of the business case process for all projects. For the DSAL loan extensive work has been undertaken to explore options to invest LGF for the project proposed. A grant has been discounted as it did not meet state aid rules.
- 3.2** Similarly, A630: West Moor Link have considered a 'do minimum' and 'do more' option. The assessment has taken place on the £10.65m scheme, if any further

work is planned for this area then it is recommended that a larger scheme undertakes full strategic modelling.

4. Implications

4.1 Financial

The projects presented for approval today are profiled to contribute £8.24m towards the 2019/20 annual financial target of £35.5m. Therefore, expenditure within the projects presented for approval in this paper will assist towards meeting the annual financial target.

4.2 Legal

The legal implications of each project have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed by the Appraisal Panel as presented in the supporting information.

4.3 Risk Management

Risk management is a key requirement for each of the submissions and is incorporated into the FBC submissions. Where weaknesses have been identified in the FBCs in terms of risk management, further work to capture and mitigate these risks is included as a condition of award in the appraisal panel summary sheets. Risks and Issues management is reported quarterly to the SCR Executive as part of contract monitoring.

4.4 Equality, Diversity and Social Inclusion

Appropriate equality and diversity considerations are taken into account as part of the assessment of the project business case.

5. Communications

5.1 The business case for these LGF schemes presents opportunities for positive communications; officers from the SCR Executive Team will work with the relevant officers on joint communications activity at the appropriate time.

6. Appendices/Annexes

- 6.1 Appendix A: Appraisal Panel Summary Doncaster Sheffield Airport Passenger Capacity Expansion
Appendix B: Appraisal Panel Summary A630: West Moor Link
Appendix C: Appraisal Panel Summary Barnsley Digital Innovation Hub

Report Author **Carl Howard**
Post **Senior Development Manager**
Officer responsible Ruth Adams
Organisation Sheffield City Region
Email Ruth.adams@sheffieldcityregion.org.uk
Telephone 0114 220 3442

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

Appraisal Panel Summary

| | | | |
|----------------------------|--|---------------------------|------------|
| Project Name | Doncaster Sheffield Airport Passenger Capacity Expansion | | |
| Grant Recipient | Doncaster Sheffield Airport Limited (DSAL) | | |
| SCR Executive Board | Infrastructure | SCR Funding (Loan) | £5,020,600 |
| % SCR Allocation | 100% | Total Scheme Cost | £5,020,600 |

Project Description

This Scheme requests a £5.02m loan from SCR' LGF to deliver increased passenger capacity via an extension and internal reconfiguration of the existing terminal building. The loan will be fully repaid after 5 years. The project will deliver:

- a new enlarged and relocated central search area at the Northern end of Level 3 of the terminal including 'smart lane' technology to improve processing;
- reconfiguration of Level 3 departure lounge, linking with the exit from the new central search area, including improved passenger service facilities;
- two new departure gates with link bridges to the apron (including one for passengers with reduced mobility);
- a scheme of internal reconfiguration to enlarge the existing Level 1 International arrivals and immigration area; and
- a lightweight single storey extension to the terminal building to further enlarge the International arrivals area.

The investment will enable the Airport to continue growth towards a critical mass of passengers, including business, leisure and inbound visitors, ensuring national and regional passenger growth opportunities are not inhibited by 'on airport' infrastructure.

A further second £5m phase of enhancement will be fully funded by Peel Group once passenger footfall grows sufficiently, but this is anticipated to be 2022/23 at the earliest. This second stage is only triggered if/when passenger numbers reach 2.5m, but the employment impact from this are included within the value for money calculation for this application.

Strategic Case

The scheme aligns with national and regional transport strategies, and its promoters base the rationale for public sector support on the assumption of demand suppression – evidenced by an average trip rate of 5 per person per annum (pppa) compared to Yorkshire and Humber's 2 pppa and capacity constraints at southern airports leading to increasing numbers of passengers per departure elsewhere.

The government's 2013 Aviation Policy supports making better use of runways subject to the UK's climate change commitments. The scheme involves expanding terminal capacity and therefore making DSA more attractive to new airlines and flights. The clear aim of the scheme is to double passenger numbers over the next 10 years in line with growth over the last 5 years.

Value for Money

This investment will support the first phase of infrastructure expansion and reconfiguration at DSA which will generate an estimated 233 fte gross additional jobs by 2029/30. Of this, 100 jobs will be created by March 2025. The LGF loan will deliver an estimated GVA benefit of £35.6m over 10 years. This is equivalent to £48.04 per every £1 of LGF.

The project will return good value for money for SCR investment.

Risk

The following risks have been identified:

| Risk | Mitigation | Owner |
|---|--|----------------------|
| 1. Not securing private sector match funding. High impact. Low likelihood. | The Peel Group have confirmed they will provide this match funding if LGF investment is secured. Peel Group have already demonstrated a long-standing commitment to DSA, investing £200m to date. | The applicant (DSAL) |
| 2. Not securing planning permission. High impact. Low likelihood. | Planning consent secured for all but one element of the scheme which may need a minor amendment to the consent and the Scheme aligns directly with the objectives of planning and economic policy. | The applicant (DSAL) |
| 3. Rate of passenger growth low/ lower than anticipated. High/ Medium impact. Low likelihood. | Given DSAL's track record of delivering 25% per annum passenger growth, the national context (of overcapacity within southern airports and the anticipated growth demand highlighted by the Government) and current levels of airline engagement - lower than anticipated passenger growth is considered highly unlikely. | The applicant (DSAL) |
| 4. DSA destination offer not improved - Airlines do not respond to DSA route development and airline incentivisation. Medium impact. Low likelihood. | There is significant scope to grow passenger traffic based on the existing destination portfolio as evidenced by the high levels of surface leakage to other competing airports and the relatively constrained levels of provision at DSA. It is envisaged that the forecast traffic growth is delivered by a mix of both expansion of the route network and continued capacity growth on existing routes. This risk will be mitigated through significant route development investment which DSAL is committed to. Soft market testing has indicated there is appetite within the market for new based operators to come to DSA following the capacity expansion. | The applicant (DSAL) |
| 5. The Scheme is not delivered within the outlined time-scale. Risk that the Phase 1 works are not completed in their entirety by the end of FY 2020/21, 2020/21 Medium impact. Low likelihood. | DSAL have a long track record of successful delivery of complex projects in a live operational, safety critical, high security environment within tight timescales. To mitigate DSAL is already planning procurement with commencement planned as soon as LGF investment is confirmed. DSAL anticipate procurement will be complete by July 2020. | The applicant (DSAL) |
| 6. Environmental emissions. High impact. Medium likelihood | Aviation emissions, overall, are only a relatively small proportion of total transport emissions, the bulk of which are caused by road transport. Secondly, DSA argues that a key part of their approach is to reduce vehicle mileage arising from passengers no longer travelling to Manchester and other more distant UK airports. If a rail station is delivered near DSA, (a key part of the SCR Transport Strategy), this could have an even greater impact. Finally, DSA have committed to reaching zero carbon for ground operations by 2030 and have shared their high-level plans as part of the application for this loan. | The applicant (DSAL) |

DSAL have provided assurance that they can manage any capital work risks that materialise however it is also unclear whether the works timeframe includes scope to mitigate any adverse weather conditions or delays to loan funding approval.

An updated risk log where risks have been costed should be provided for additional comfort.

Delivery

Project management will be delivered by DSAL under the approval and oversight of the Peel Group and its construction project management team. These management resources are in place and the team have delivered many similar capital investments at the DSA Estate in recent years. Subject to the agreement of final scheme scope, DSAL will ensure that it has enough resources in place to ensure the efficient and effective delivery of the project.

The overall timescales appear realistic. Further certainty is necessary over any remaining statutory approvals which need to be in place before commencement of works, but this may be possible to monitor through agreeing milestones.

SCR can take confidence from DSAL's commercial imperative to deliver these works before the summer 2021 season which, in practical terms, commences April-May.

Legal

The applicant has requested the loan at market rates so the offer will not represent a state aid.

| | |
|-----------------------|--|
| Recommendation | Full loan award at a commercial rate of return |
|-----------------------|--|

| | |
|----------------------|-------------------------|
| Payment Basis | Repayment after 5 years |
|----------------------|-------------------------|

Conditions of Award (including clawback clauses)

The following conditions must be satisfied before contract execution.

1. Evidence of internal Board approval to proceed.
2. Receipt of latest (18/19) accounts from parent company.
3. Receipt of suitable parent company guarantee covering 100% of the £5m LGF loan value.
4. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.

The conditions above should be fully satisfied by **28th February 2020**. Failure to do so could lead to the withdrawal of approval.

The following conditions must be satisfied before drawdown of funding.

5. A complete risk log which includes cost estimates if risks materialise, should be provided.

The following conditions should be included within the loan agreement

6. Within 12 months of reaching 2.5m passengers per annum, the recipient will fully fund phase 2 works as set out in the business case.
7. Fully costed scheme to be submitted prior to commencement of works, if costs are lower than the £5m loan agreement value then the difference should be returned to SCR.

Record of Recommendation, Endorsement and Approval

Doncaster Sheffield Airport Passenger Capacity Expansion

| Appraisal Panel Recommendation | | Board Endorsement | | MCA Approval | |
|---|-------------------------------------|---|--|----------------------------------|--|
| Date of Meeting | | Date of Meeting | | Date of Meeting | |
| Head of Paid Service or Delegate | Ruth Adams Deputy CEX | Endorsing Officer (Board Chair) | | Approving Officer (Chair) | |
| Signature | | Signature | | Signature | |
| Date | | Date | | Date | |
| S73 Officer or Delegate | Simon Tompkins Finance Manager | Statutory Finance Officer Approval | | | |
| Signature | | | | | |
| Date | | | | | |
| Monitoring Officer or Delegate | Steve Davenport SCR CA Solicitor | | | | |
| Signature | | | | | |
| Date | | | | | |
| | | | | | |
| | | Date: | | | |

Appraisal Panel Summary

Scheme Details

| | | | |
|----------------------------|----------------------------|--------------------------|--|
| Project Name | A630 West Moor Link | | |
| Grant Recipient | DMBC | | |
| SCR Executive Board | Transport | SCR Funding | £10.650m comprising £5m SCR LGF grant |
| % SCR Allocation | 46.9% | Total Scheme Cost | £10,650,000 (LGF plus £3.324m NPIF, £0.752m own funds, £1.5m s106) |

Appraisal Summary

| |
|---|
| Project Description |
| <p>The scheme aims to improve journey times on the A630/A18 corridor in Doncaster by replacing the A18 Thorne Rd railway “over” bridge with a widened and deepened prefabricated bridge to allow a second outbound lane, cycleway, more headroom for HGVs, reduced bridge maintenance costs and future twin tracking of the railway. SCR’s funding is solely for the additional junction improvement works that are proposed at the nearby roundabouts intended to save time for road users. In headline terms the proposal is:</p> <ol style="list-style-type: none"> 1. Widening of the A18 Thorne Road between Shaw Lane and Sainsbury’s roundabouts 2. Widening at westbound A18 Thorne Road entry lane to Sandal Park roundabout to two lanes; 3. Widening of westbound A630 to two lanes for 1km; 4. A southbound left turn slip lane from A630 at Shaw Lane Roundabout; 5. Widening of the southern part of Shaw Lane roundabout to three lanes; 6. Updated lane configuration on the exit to Shaw Lane. 7. Improvements to the Clay Lane Roundabout. |
| Strategic Case |
| <p>The West Moor Link scheme will resolve an existing transport problem as well as opening up land to unlock investment and generate employment opportunities for a range of businesses, new and existing, in the area.</p> <p>The scheme will support the SEP objective of “providing the conditions that businesses need to prosper and become more resilient” through securing investment in infrastructure where it will do most to support growth. The A630 West Moor Link could help deliver 2,000 new houses, strengthen connectivity to the DN7 Hatfield development as well as the future aspirational vision to provide an additional link to Doncaster Sheffield Airport.</p> <p>The scheme links into DMBC Action Areas relating to External Connectivity, Transformational City Region Schemes and Enabling Infrastructure, unlocking investment that supports an attractive an environment for people to live work, visit and invest.</p> |
| Value for Money |
| <p>The preferred option has a very high BCR of 12.8 (according to the forecasts of delay reduction and traffic flows in the peak hours.</p> <p>The relatively high BCR value is a function of the nature of modelling undertaken. Benefits are mainly in the peaks, for cars travelling short distances outside the town centre.</p> <p>Notwithstanding the modelling challenges, SCR assurance concludes that the preferred option offers good value for money.</p> |
| Risks |
| <p>The top five risks have been presented in the application. However, more detail is needed to show the, cost, likelihood of occurrence and impact.</p> |

| Risk | Mitigation | Owner |
|--|---|---------------|
| Statutory diversion requirements may be complex and take longer than anticipated to complete, leading to significant road closures, congestion, increased journey times and delays and costs to programme. | Identify works required and programme in at earliest opportunity. Allocate sufficient time & identify slack, in case of slippage. | The applicant |
| Timescales for Network Rail bridge widening approvals extend beyond time allocated in our programme, overall programme delays, impact on milestones, spend and project completion. | Ensure ARUP complete the design promptly. Continued engagement and liaison with Network Rail. Ensure all areas of programme with slack in them are identified, in case of slippage *Forms 001 and 002 submitted 15th March 2019. Continuous monitoring to ensure all preparatory activities are completed in advance to reduce impact of other works/factors. | The applicant |
| The latest bridge designs may bring higher construction costs that could exceed the project budget. | Continue to work through & monitor costs with Balfour Beatty, to try to reduce overspend; | The applicant |
| Additional statutory undertakers' diversions required, due to the highway widening works. | Programme in at earliest opportunity to reduce impact on project timeline. | The applicant |
| Delay to securing additional funding leads to work needing to be phased so that bridge and highways works are completed at different times. | Programme in at earliest opportunity to reduce impact on project timeline. | The applicant |

The environmental assessment undertaken for this scheme has concluded that there will not be any significant negative impacts.

Delivery

The designer/contractor (Balfour Beatty) has been procured using the SCAPE framework. DMBC will use its in-house team for the highway works. DMBC has extensive experience with similar schemes.

Legal

As a public sector funded transport scheme favouring no particular person, firm or State, the four tests for State Aid are passed.

Recommendation and Conditions

| | |
|---|---------------------|
| Recommendation | Full grant award |
| Payment Basis | Payment on defrayal |
| Conditions of Award (including clawback clauses) | |
| <p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Submission of formal evidence of DMBC Cabinet approval to proceed. 2. Formal confirmation that all other funding approvals required to deliver the project are in place. 3. Detailed milestones to be provided for the delivery of the scheme. Contract to include suitable clauses that non achievement of delivery milestones will result in an event of default. 4. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. 5. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes. 6. Formal confirmation all relevant statutory requirements, if applicable (including any planning permissions) are in place and have been satisfied | |

The conditions above should be fully satisfied by 29th February 2020. Failure to do so could lead to the withdrawal of approval.

The following conditions must be satisfied before drawdown of funding.

7. A complete risk log which includes cost estimates if risks materialise, should be provided.

The following conditions must be included in the contract

8. Clawback on outputs (physical works only)

Record of Recommendation, Endorsement and Approval

Project Name

Appraisal Panel Recommendation

Board Endorsement

MCA Approval

Date of Meeting

Date of Meeting

Date of Meeting

**Head of Paid Service
or Delegate**

Ruth Adams
Deputy CEX

**Endorsing Officer
(Board Chair)**

**Approving Officer
(Chair)**

Signature

Signature

Signature

Date

Date

Date

**S73 Officer or
Delegate**

Simon Tompkins
Finance Manager

Statutory Finance Officer Approval

Signature

Name:

Date

**Monitoring Officer or
Delegate**

Steve Davenport
SCR CA Solicitor

Signature:

Signature

Date

Date:

Appraisal Panel Summary

Scheme Details

| | | | |
|----------------------------|---|--------------------------|---------|
| Project Name | Barnsley College Digital Innovation Hub | | |
| Grant Recipient | Barnsley College | | |
| SCR Executive Board | Skills | SCR Funding | £2.59m |
| % SCR Allocation | 44.7% | Total Scheme Cost | £5.796m |

Appraisal Summary

| | | | | | |
|---|---|---|---|---|--|
| Project Description | | | | | |
| <p>Investment in this proposal will create a Digital Innovation Hub in the centre of Barnsley.</p> <p>This project will reconfigure and refurbish Barnsley College's existing Sci Tech Campus building into the Digital Innovation Hub (DIH) through a total capital investment of £4.946m (LGF grant £2.59m). This will deliver 3,723 m² (GIA) of learning and teaching space designed to ensure learners have access to high-quality facilities and industry standard equipment to gain the skills and knowledge employers demand.</p> <p>The Hub will support the creation of a talent pipeline through the delivery of the Government's flagship T-levels as well as a wider technical/vocational offer to support apprenticeships, other classroom-based activity and up-skilling for adults and those already currently in employment.</p> | | | | | |
| Strategic Case | | | | | |
| <p>The strategic case is sufficiently robust and shows good alignment with SCR objectives. In particular, it:</p> <ul style="list-style-type: none"> • Demonstrates the alignment of the scheme to Sheffield City Region Growth Plan, particularly the "Better Skills" theme. It aims to address recognised skills shortages and support the workforce needs of industry for digital expertise. • Illustrates the wider community value, by providing opportunities for those who are currently economically inactive • Is aligned to national and local policies • Presents the options available for extending the facilities and explains the rationale for the short list and the preferred option. • Demonstrates the need for digital skills from local employers. This includes some vacancies from employers and expectations in terms of the development of the workforce in the coming years, based on forecast business growth. | | | | | |
| Value for Money | | | | | |
| <p>Over a period of 10 years, the project is estimated to support 3,435 learners (gross additional) with an estimated 1,239 of the net additional learners moving into employment subsequently. This indicates a potential cost equivalent of £2,091 per job to SCR and is estimated to generate benefits of £7,894,878 of GVA over this period. This project therefore offers good value for money for SCR with a benefit cost ratio of 4.23.</p> | | | | | |
| Risk | | | | | |
| <p>The top risks and mitigations identified are:</p> <table border="1"> <tr> <td>1. Unable to deliver the specified Capital project within the set budget for the build of £4.946m. – Med-Low/Med-High</td> <td>Development of a budget strategy and budget options to maintain budget spending to £4.946m for all building works and additional £850k for specialist equipment for completion to September 2020, with a draft project plan including efficiency plan to SLT and Governors by July 2019. Estates are required by the budget framework to bring forward mitigating measures where practical to address adverse budget variances– at each budget monitoring review meeting.</td> </tr> <tr> <td>2. Unable to source/acquire funding to support all aspects of the redevelopment of the building</td> <td>Strategic Business Case has been submitted and feedback received detailing support in principle. Maintain open dialogue and good relations with BMBC and Sheffield City Region LEP in continuation of Business</td> </tr> </table> | | 1. Unable to deliver the specified Capital project within the set budget for the build of £4.946m. – Med-Low/Med-High | Development of a budget strategy and budget options to maintain budget spending to £4.946m for all building works and additional £850k for specialist equipment for completion to September 2020, with a draft project plan including efficiency plan to SLT and Governors by July 2019. Estates are required by the budget framework to bring forward mitigating measures where practical to address adverse budget variances– at each budget monitoring review meeting. | 2. Unable to source/acquire funding to support all aspects of the redevelopment of the building | Strategic Business Case has been submitted and feedback received detailing support in principle. Maintain open dialogue and good relations with BMBC and Sheffield City Region LEP in continuation of Business |
| 1. Unable to deliver the specified Capital project within the set budget for the build of £4.946m. – Med-Low/Med-High | Development of a budget strategy and budget options to maintain budget spending to £4.946m for all building works and additional £850k for specialist equipment for completion to September 2020, with a draft project plan including efficiency plan to SLT and Governors by July 2019. Estates are required by the budget framework to bring forward mitigating measures where practical to address adverse budget variances– at each budget monitoring review meeting. | | | | |
| 2. Unable to source/acquire funding to support all aspects of the redevelopment of the building | Strategic Business Case has been submitted and feedback received detailing support in principle. Maintain open dialogue and good relations with BMBC and Sheffield City Region LEP in continuation of Business | | | | |

| | |
|---|--|
| and specialist equipment purchases. – Med-Low/High | Case with feedback from LEP on further information to support a successful business case. Develop project plan to achieve submission timescales for acquisition of funding. |
| 3. Cashflow based on project cost profile and the requirement for the college to pay upfront before drawing down funding – Med-High/Low | Financial plans are in place to deliver the capital project. The college will utilise its cash reserves to support the cashflow of the project and is not reliant on external loans. |
| 4. Potential loss of income through full implementation of T Levels – Low/Low | The college's performance-based systems ensure budget holders reduce costs in line with income levels. This is monitored through performance review undertaken quarterly and business planning annually with additional review meetings. |
| 5. Decanting of building and capacity in other facilities – Low/Low | Identification of underutilised buildings have been established and agreed locations for relocating students to available teaching and learning spaces. |

Funding risks will be cleared through securing LGF Grant. Some additional conditions have been included to monitor satisfactory delivery of the project through key contractual milestones. There is reasonable assurance that the project will be deliverable.

Delivery

The management case provides reasonable assurance that the project will be well managed and controlled and the realisation of expected benefits monitored.

A high-level project plan / Gantt chart has been provided for the duration of the project development, moving from January 2019 to August 2020. This includes relevant RIBA stages associated with the refurbishment aspects of the project, and procurement aspects.

The business case also includes a project team structure for the development and operational phases.

Key tasks and milestones are in place, but the timescales are tight. The project has met key milestones at the end of last year including completing procurement and starting on site so work is progressing well. There is limited allowance for slippage.

Legal

Based on a self-assessment of State Aid requirements, the college considers that it is not relevant as it will not:

- favour certain undertakings or the production of goods
- distort or threatens to distort competition
- affect trade between member states.

The College argues that, in the main, it delivers publicly funded education and training activities and is not deemed to be an “economic undertaking”. It is regarded to be a constituent non-economic organisation, within a publicly funded education and training system, established through national public policy.

Recommendation and Conditions

| | |
|--|----------------------------------|
| Recommendation | Full award subject to conditions |
| Payment Basis | Payment on defrayal |
| Conditions of Award (including clawback clauses) | |
| <p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation of all other funding approvals required to deliver the project. 2. Confirmation that the profiled LGF spend can be defrayed in year, as SCR is unable to guarantee that this will be reprofiled beyond year end, and/or that the applicant will cover any unfunded works from alternate sources. 3. Agree detailed schedule of appropriate inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. | |

4. Formal confirmation all relevant statutory requirements, if applicable (including any planning permissions) are in place and have been satisfied.
5. Detailed milestones which will be monitored against, and if not met, may result in funding being withdrawn
6. Submission of acceptable State Aid opinion
7. Submission of baseline of current learners prior to start of project
8. Submission of evidence of Board approval from the applicant and all scheme delivery partners

The conditions above should be fully satisfied by 29.02.20. Failure to do so could lead to the withdrawal of approval.

The following conditions must be satisfied before drawdown of funding.

9. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.
10. Confirmation of the agreed contract price with the preferred contractor(s) and any relevant conditions precedent thereof.

The following conditions must be included in the contract

11. Clawback on outputs and outcomes
12. The college develops an income generation strategy to ensure costs for replacement equipment are factored into future plans

Record of Recommendation, Endorsement and Approval

Barnsley Digital Innovation Hub

Appraisal Panel Recommendation

Board Endorsement

MCA Approval

Date of Meeting

Date of Meeting

Date of Meeting

**Head of Paid Service
or Delegate**

Ruth Adams
Deputy CEX

**Endorsing Officer
(Board Chair)**

**Approving Officer
(Chair)**

Signature

Signature

Signature

Date

Date

Date

**S73 Officer or
Delegate**

Simon Tompkins
Finance Manager

Statutory Finance Officer Approval

Signature

Name:

Date

**Monitoring Officer or
Delegate**

Steve Davenport
SCR CA Solicitor

Signature:

Signature

Date

Date:

27th January 2020

ARTS & CULTURE

Purpose of Report

To seek the MCA's support for the development of a programme of work to further evolve the arts and cultural sectors in South Yorkshire.

Thematic Priority

Whilst this issue is a Mayoral priority, it aligns with the following Strategic Economic Plan priorities:

- 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 Combined Authority Publication Scheme.

Recommendations

That the Members of the MCA:

- Agree to support the development of a programme of work to further evolve the arts and cultural sectors in South Yorkshire.
- Support the Mayor's intention to appoint an Arts and Culture Commissioner and Project Director to take forward the work.

1. Introduction

- 1.1** Despite the potential of art, culture and heritage to contribute to the regional economy, sustainable jobs, urban centre regeneration and social cohesion, there is more we can do collectively to support, grow and benefit from the opportunity.

Whilst there are significant strengths and opportunities in the region the broad story of the Sheffield City Region visitor economy, arts and culture offer is that participation and engagement rates of our communities is too low, that the region is undercapitalised in terms of investment from bodies such as the Arts Council, there are too few projects of scale, there has been limited collaboration to date and the offer is not promoted effectively.

- 1.2** The Mayor intends to appoint an Arts and Culture Commissioner for South Yorkshire, who will provide visible and ambitious leadership in addressing these challenges over a two-year period.
- 1.3** Following the Commissioner's appointment, SCR will work to establish a project team, including a Project Director, supporting the Commissioner. Working in close partnership with our Local Authority partners and key art and culture organisations, the Commissioner will

progress the development and delivery of an art and culture work programme that takes full advantage of the significant strengths and opportunities in this field.

2. Proposal and justification

2.1 The Mayor is intending to appoint an Arts and Culture Commissioner for South Yorkshire, to focus on some or all of the following themes over a two-year period:

- Leadership and governance .
- Identifying and developing, to investment readiness, a number of signature capital investment projects of scale.
- Promotion and branding of cultural assets and experiences.
- Leveraging business community investment in the arts.
- Exploring funding models and opportunities to support capital and revenue projects
- Spearheading the development of a City of Culture bid for South Yorkshire - or developing a bespoke programme.

2.2 The appointment and work of the Arts and Culture Commissioner and their team will not replace or duplicate the work the South Yorkshire Authorities or individual arts, culture and heritage organisations are already doing. This work programme will create capacity to prioritise shared ambitions, develop ambitions for projects crossing Local Authority borders and maximise resources and impact.

A number of workshops have taken place with representatives across South Yorkshire that have directly informed the proposed work programme.

2.3 The Commissioner be able to capitalise on a number of significant regional opportunities:

- The collective view of representatives from key South Yorkshire cultural organisations, which emerged through two art and culture roundtable events is that the sector is under-funded but over-delivering, i.e. delivering great outcomes and extraordinary experiences with very limited resources.
- South Yorkshire saw a 40% increase in the number of Arts Council National Portfolio Organisations for the 2018-2022 period to 21, up from 15 for 2015-2018. In real terms this meant an increase of funding from £11,278,953 to £21,185,504.
- Opportunities exist around a number of cultural and heritage assets across the region.

2.4 The Commissioner and their work programme will also start to address a number of identified issues that South Yorkshire is facing: For example,

- Barnsley, Doncaster and Rotherham were all classed as 'least engaged' in arts and culture across England according to the Active People survey from 2010. The Active Lives Survey from 2015-17 shows that art and cultural engagement across SCR is below national average. More recent data from the Taking Part survey 2018/19, although not broken down by Local Authority, confirms that art participation rates continue to be lower in the Midlands and North of England compared to the East, South West and South East.
- South Yorkshire also underperforms in terms of visitor numbers, nights and spent, compared to other Northern regions (e.g. Leeds City Region, Greater Manchester and Liverpool City Region) according to the Great Britain Tourism Survey.
- As the traditional role of the high street and town centre changes there is a recognition that we need to diversify the use of our urban centres. Our urban spaces lack exhibition and venue spaces of scale. Investment in these spaces can be a driver of more vibrant centres.

3. Consideration of alternative approaches

- 3.1** The art and culture sector within South Yorkshire are supported by the strategies and resources drawn from the public sector, the private sector and arts and culture organisations. This will continue to provide for a functioning arts and culture sector.

4. Implications

4.1 Financial

This work will be resourced by £415k of the Mayoral Capacity Fund to support the delivery of this programme of work between April 2020 until May 2022.

4.2 Legal

At its meeting on 17th December 2018, the MCA delegated authority in respect of approving and managing Mayoral Capacity Funding spend to the Head of Paid Service, in consultation with the Mayor. The power (vires) to incur expenditure in this area is the MCA's powers contained in s. 144 Local Government Act 1972 (power to encourage visitors etc.).

4.3 Risk Management

Not appointing an Art and Culture Commissioner will result in missed opportunities to increase community participation, progress shared ambitions regarding cultural assets and stimulating the visitor economy.

Any projects developed as part of this new workstream will be assessed and managed through the approved Risk Management process.

4.4 Equality, Diversity and Social Inclusion

The SCR will follow an open recruitment process to appoint a Commissioner and Project Director. The delivery of an art and cultural workstream will have wide reaching benefits for SCR communities.

5. Communications

- 5.1** A recruitment campaign for the Commissioner and Project Director is ready to be launched and a strategic communications plan for Art and Culture is being produced and implemented for the 2020/21 financial year.

6. Appendices/Annexes

- 6.1** None

| | |
|---------------------|---------------------------------------|
| Report Authors | Anika Huetten |
| Post | External Affairs Support Officer |
| Officer responsible | Andy Gates |
| Organisation | Sheffield City Region |
| Email | Andy.Gates@SheffieldCityRegion.org.uk |
| Telephone | 0114 220 3421 |

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

This page is intentionally left blank

27th January 2020

BROAD STREET WEST CLEANING SERVICES

Purpose of Report

To seek approval to appoint a provider of cleaning services for the Sheffield City Region offices at Broad Street West, Sheffield.

Thematic Priority

Cross Cutting

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

This paper will be available under the Combined Authority Publication Scheme

Recommendations

The SCR MCA is asked to consider and approve:

- Delegating authority to the Head of Paid Service to approve the award of an up to 4 year contract (3 years plus 1 year extension) in excess of £100,000 for the Provision of Cleaning Services at Sheffield City Region Offices.

1. Introduction

- 1.1 A procurement process is running to appoint a supplier to deliver a cleaning services for both SCR MCA and SYPTE at Broad Street West, including window cleaning for the building. The preferred supplier will be determined based on the most economically advantageous tender received.
- 1.2 Delegated approval to appoint a single supplier is sought in advance of the procurement exercise completing as there is a requirement to award the contract to the preferred supplier between this meeting and the next meeting of the SCR MCA on 23rd March 2020.

2. Proposal and justification

- 2.1 To procure and appoint a single contractor to deliver cleaning services for both SCR MCA and SYPTE across 5 floors at the Broad Street West Offices. This contract will exclude cleaning services for the second floor which is currently let, and the tenant has elected to continue to source their cleaning requirements independently.
- 2.2 The current SCR MCA contract for cleaning services expires at the end of March 2020 and cannot be extended. Cleaning services for Broad Street West for SYPTE are part of a larger contract for services across their estate. Relevant cleaning services relating to Broad Street

West can be removed from the contract without penalty to coincide with the expiration of the current SCR MCA contract.

- 2.3 Re-procuring a single cleaning service enables SCR MCA to include Service Credits (penalties deducted from the fee due to the supplier) as a mechanism to incentivise delivery of a quality service.
- 2.4 SCR MCA is a Living Wage Employer. A new contract for a single cleaning service will ensure the preferred supplier pays staff delivering a cleaning service for SCR MCA the Real Living Wage.

3. Consideration of alternative approaches

- 3.1 Continue with existing arrangements. The current contract for SCR MCA cleaning services expires in March 2020 and cannot be extended further. Therefore, this option is not viable.
- 3.2 Employ staff directly to deliver the service. The cleaning of Broad Street West requires a concentrated effort during the periods the building is open but outside of core working hours. In addition to cleaning staff, other consumables, equipment and specialist services would be required. The cost and complexity of procuring and managing this would be prohibitive.

4. Implications

4.1 Financial

The cleaning services contract is for up to 4 years (3 years plus one year extension) and has an estimated value of £125,000 per year. SCR MCA and SYPTTE will each contribute 50% of this cost.

The estimated price is based on the costs of existing cleaning requirements, with an uplift to cover additional costs of cleaning staff being paid the Real Living Wage, and enhancements to the specification to ensure delivery of a consistent quality service throughout the building. This contract also includes internal and external window cleaning which is currently delivered separately to existing cleaning contracts.

4.2 Legal

The value of the contract is above the EU thresholds in the Procurement Directives, the contract is therefore being let through a public procurement tendering exercise; where the contract will be advertised and notice of award given in the Official Journal of the European Union (OJEU). The procurement process will also seek to secure wider social, economic and environmental benefits and probe how the service can be of benefit to the Sheffield City Region and its citizens

The provisions of TUPE (The Transfer of Undertaking (Protection of Employment) Regulations 2006 as amended may be applicable on the transfer of services between the outgoing and incoming suppliers. Relevant TUPE information will be shared with shortlisted suppliers as part of the procurement exercise and SCR MCA will seek indemnities in relation to TUPE from the incoming supplier.

4.3 Risk Management

A restricted OJEU procurement procedure is being undertaken. This is a two stage process in which the bona fides and technical capabilities of suppliers are assessed prior to shortlisting only the most suitable suppliers to submit a proposal of services. This will enable elimination of unsuitable suppliers and minimise the risk of appointing a supplier that cannot deliver the cleaning services to the quality required.

4.4 Equality, Diversity and Social Inclusion

Procurement of a cleaning services supplier is undertaken in line with the Public Sector Equality Duties included in the Equality Act. The terms and conditions of contract will obligate the preferred supplier to comply with the Act.

5. Communications

5.1 The award of contracts is communicated on the MCA published Contracts Register in accordance with the MCA transparency requirements.

Appendices/Annexes

6.

6.1 None

| | |
|---------------------|--|
| Report Author | Joe Gardner |
| Post | Operational Contracts Team Leader |
| Officer responsible | Ruth Adams |
| Organisation | Sheffield City Region |
| Email | Ruth.adams@sheffieldcityregion.org.uk |
| Telephone | 0114 220 3442 |

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:

This page is intentionally left blank

27th January 2020

Decisions & Delegated Authority Report

Purpose of Report

This paper updates the Mayoral Combined Authority on

- Decisions and delegations made by the MCA
- Decisions and delegations made by Thematic Boards

Thematic Priority

All.

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

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

Recommendations

Members are asked to note the decisions and delegations made.

Appendix A provides details of the delegations agreed by the MCA, which are in addition to those made under the Scheme of Delegation.

Appendix B provides details of decisions taken under the delegation made to Thematic Boards and the subsequent delegations made to officers where appropriate. In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions have been ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board.

| | |
|----------------------|---|
| Report Author | Claire James |
| Post | Senior Governance and Compliance Manager |
| Officer responsible | Ruth Adams |
| Organisation | Sheffield City Region |
| Email | Ruth.adams@sheffieldcityregion.org.uk |
| Telephone | 0114 220 3442 |

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: n/a

This page is intentionally left blank

| UI | Decision Maker | Date of delegation | Decision | Delegation | Delegated to | Financial value | Update | Status |
|-----|----------------|--------------------|--|---|---|--|---|--------|
| 038 | MCA | 17th July 2017 | Devolution - Early Intervention Pilot Acceptance | Acceptance of grant offer on behalf of the Authority, after considering acceptable all the terms and conditions imposed by the grant awarding body. | Finance Director | Not stated | The Pilot is currently on pause so we haven't formally accepted any grant. | Active |
| 043 | MCA | 30th October 2017 | One Public Estate and Land Release Fund | Sign off of any final bid document and approve the operationalising of the bid subject to it being success, including contracting with third parties. | Sign Off - Head of Paid Service and S73 Officer Bid - Head of Paid Service | £681k minimum (OPE) and £450k (LRF) minimum | Bid submitted. Funds received. Contracts being developed for individual projects. 1 project now in contract, 4 projects in contracting progress. | Active |
| 047 | MCA | 9th March 2018 | The appointment of Creative Space Management Ltd as the preferred Facilities Management provider for the AMP Technology Centre for 5 years from the 1st April 2018 and the reinvestment of £135,000 per year for three years of the revenue generated from the AMP Technology Centre, to fund a Programme Director and activity budget to accelerate the development of the Advanced Manufacturing Innovation District | Enter into the contractual arrangements | Head of Paid Service in consultation with the S.73 Officer | Undisclosed | Entered into contract with Creative Space Management LTD and have reporting arrangements in place to oversee the operation of the AMP Technology Centre. Contract is operating effectively. Programme Director arrangements under review. | Active |
| 049 | MCA | 11th June 2018 | LGF programme change requests 360 Media | Enter into contractual arrangements | Head of Paid Service, in conjunction with the Section 73 Officer | c.£4.1m | Applicant progressing towards meeting conditions of award prior to contract. | Active |
| 056 | MCA | 17th December 2018 | LGF Investment Approval The increase in the Housing Fund allocation held in the SCR Property Intervention Holding Company by up to £15m subject to conditions | Enter into contractual arrangements | Head of Paid Service, in conjunction with the Section 73 Officer | £15m | Increased allocation not yet applied | Active |
| 061 | MCA | 25th March 2019 | Provider Capacity Fund | To approve applications to the Provider Capacity Development Fund. | Section 73 Officer | | In contract and delivering | Active |
| 063 | MCA | 25th March 2019 | Transforming Cities Fund: Tranche 1 Bid Submission | To enter into agreements with the relevant local authorities who will be delivering the schemes | Head of Paid Service | £4.2m | In contract and delivering | Active |
| 064 | MCA | 3rd June 2019 | Transforming Cities Fund - To finalise the submission of the TCF business case based upon the framework set out in the related report. | | Chief Executive and Chief Financial Officer of the Mayoral Combined Authority, in consultation with the Mayor | n/a | Due November 2019 | Active |
| 065 | MCA | 3rd June 2019 | MCA Revenue Budget, Capital Programme and Treasury Outturn Report - Extension of the contract of the Investment Manager and to acceptance of the grant | Enter into the contractual arrangements required | Delegated authority to the SCR Head of Paid Service and Section 73 Officer | Grant £101k Contract value £159k (in total) | Grant accepted. Entered in to contract for Investment Manager and associated project support. | Active |
| 067 | MCA | 3rd June 2019 | LGF Investment Approval Progression of Specialist VFX Training Equipment to full approval and award of up to £0.91m grant to DN College Group subject to the conditions set out in the Appraisal Panel Summary Table | Enter into the contractual arrangements required | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £0.91m | In contract and delivering | Active |
| 068 | MCA | 3rd June 2019 | LGF Investment Approval Progression of Falstaff Phase 3 to full approval and award of up to £1.52m grant to Sheffield Housing Company subject to the conditions set out in the Appraisal Panel Summary Table | Enter into the contractual arrangements required | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £1.52m | Pre-drawdown conditions satisfied. In contract and delivering | Active |

| UI | Decision Maker | Date of delegation | Decision | Delegation | Delegated to | Financial value | Update | Status |
|-----|----------------|---------------------|---|--|---|-------------------------------------|---|--------|
| 069 | MCA | 3rd June 2019 | LGF Investment Approval Progression of UK Atomic energy project to full approval and award of up to £2.2m grant to UK Atomic Energy Authority subject to the conditions set out in the Appraisal Panel Summary Table. | Enter into the contractual arrangements required | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £2.2m | Funding agreement Signed. All conditions satisfied | Active |
| 072 | MCA | 3rd June 2019 | LGF Investment Approval Progression of Company 0096 to full approval and award of up to £0.249m grant to Company 0096 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into the contractual arrangements required | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £0.249m | Funding agreement signed, project in delivery. All conditions satisfied | Active |
| 078 | MCA | 29th July 2019 | Progression of the Digital Engineering Skills Development Network to full approval and award of up to £3.713m grant to Sheffield College subject to the conditions set out in the Appraisal Panel Summary | Enter into the contractual arrangements required | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £3.713m | Grant agreement has been executed. All pre-drawdown conditions outstanding. | Active |
| 081 | MCA | 23rd September 2019 | LGF Contract Variation - Upper Don Valley Flood Alleviation Scheme - to re-profile £2.3m of LGF expenditure. | Enter into the contractual arrangements required for the variation | Head of Paid of Service, in conjunction with the Section 73 Officer and the Monitoring Officer, | £2.3m | Contract Variation on hold pending further review | Active |
| 097 | MCA | 18th November 2019 | LGF Investment Approval Approves the progression of Rotherham Town Centre to full approval and award of £3.9m to Rotherham Borough Council subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £3.9m | Contract in development | Active |
| 098 | MCA | 18th November 2019 | LGF Investment Approval Approves the progression of M1 Junction 37 Ph2 – Economic Growth Corridor (Claycliffe) to full approval and award of up to £10.6m to Barnsley Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | up to £10.6m | Contract in development | Active |
| 099 | MCA | 18th November 2019 | LGF Investment Approval Approves the progression and approval of a project change request from 'M1 Junction 36 Phase 2 Goldthorpe' | Enter into legal agreements | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £7.234m (same as original contract) | Deed of Variation Signed. Project in delivery | Active |
| 100 | MCA | 18th November 2019 | LGF Investment Approval (Inward Investment) Approves the inward investment scheme (Project Chorus) | Enter into legal agreements | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £8m | Contract in development | Active |

| UI | Decision Maker | Date of delegation | Decision | Delegation | Delegated to | Financial value | Update | Status |
|-----|----------------|--------------------|---|--|--|-----------------|---|--------|
| 074 | Business Board | 17th July 2019 | LGF Investment Approval Award of £100,000 grant to Company 100 subject to the conditions set out in the Appraisal Panel Summary | Enter into legal agreements | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £100,000 | Funding agreement signed, project in delivery. All conditions satisfied | Active |
| 075 | Business Board | 17th July 2019 | LGF Investment Approval Award of £100,000 grant to Company 101 subject to the conditions set out in the Appraisal Panel Summary | Enter into legal agreements | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £100,000 | Funding agreement Signed Pre-agreement conditions satisfied All Pre-Drawdown conditions outstanding | Active |
| 076 | Business Board | 17th July 2019 | LGF Investment Approval Award of £167,252 grant to Company 102 subject to the conditions set out in the Appraisal Panel Summary | Enter into legal agreements | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £167,252 | Funding agreement Signed All conditions satisfied | Active |
| 080 | Business Board | 28th August 2019 | Progression of Project 0098 to full approval and award of £619,000 subject to the agreed conditions | Enter into the contractual arrangements required | Head of Paid Service, in conjunction with the Monitoring and Section 73 Officers | £619,000 | Contract in Development. Approval conditions being progressed | Active |
| 082 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £96k grant to Company 28c subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £96k | Funding agreement Signed. All conditions satisfied | Active |
| 083 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £74k grant to Company 37c subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £74k | Funding agreement with provider to sign. Only accepting £24k of approved £74 | Active |
| 084 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £50k grant to Company 38 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £50k | All Pre contract conditions satisfied. Funding agreement to be issued for signature | Active |
| 085 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £30k grant to Company 42 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £30k | Funding agreement Signed. All conditions satisfied | Active |
| 086 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £50k grant to Company 52 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £50k | Funding agreement Signed. All conditions satisfied | Active |
| 087 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £30k grant to Company 53 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £30k | Conditions Satisfied. Funding agreement with provider to sign | Active |
| 088 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £29k grant to Company 08 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £29k | Funding agreement Signed. All conditions satisfied | Active |
| 089 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £80k grant to Company 10 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £80k | Funding agreement Signed. All conditions satisfied | Active |
| 090 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £45k grant to Company 12 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £45k | Funding agreement Signed. All conditions satisfied | Active |

| UI | Decision Maker | Date of delegation | Decision | Delegation | Delegated to | Financial value | Update | Status |
|-----|----------------|--------------------|---|-----------------------------|--|-----------------|--|--------|
| 091 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £30k grant to Company 15 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £30k | Funding agreement Signed. All conditions satisfied | Active |
| 092 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £80k grant to Company 18 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £80k | Funding agreement Signed. All conditions satisfied | Active |
| 093 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £100k grant to Company 23 subject to the conditions set out in the Appraisal Panel Summary Table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £100k | Funding agreement Signed. All conditions satisfied | Active |
| 095 | Business Board | 23rd October 2019 | LGF Investment Approval Award of £85,000 grant to Company 0104 subject to the conditions set out in the Appraisal Panel Summary table | Enter into legal agreements | Head of Paid Service in consultation with the s73 and Monitoring Officer | £85k | Funding agreement Signed. All conditions satisfied | Active |

Housing Board

| UI | Decision Maker | Date of delegation | Decision | Delegation | Delegated to | Financial value | Update | Status |
|-----|----------------|--------------------|--|--|--|-----------------|--|--------|
| 096 | Housing Board | 24th October 2019 | LGF Investment Approval Award of £270k grant to Peak District Rural Housing Association (PDRHA) subject to the conditions set out in the Appraisal Panel Summary Table | Enter into the contractual arrangements required | Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer | £270k | All conditions satisfied, in Contract. | Active |

Page 214

Skills & Employment Board

| UI | Decision Maker | Date of delegation | Decision | Delegation | Delegated to | Financial value | Update | Status |
|-----|---------------------------|--------------------|---|--|---|-----------------|--|--------|
| 079 | Skills & Employment Board | 6th August 2019 | The progression of 'From teenagers to employee – A Sheffield City Region, engineering and advanced manufacturing talent pipeline creator' project to full approval and award up to £0.495m grant to Sheffield UTC Sheffield subject to the conditions set out in the Appraisal Panel Summary subject to the value for money calculation being re-run with the omission of adult learners and that safeguarding protocols are in place for adult learning only to take place at evenings and weekends with the majority of equipment time prioritised for learners aged 13-19. | Enter into the contractual arrangements required | Head of Paid Service, in conjunction with the Section 73 and the Monitoring Officer | £0.495m | All pre-conditions met. Draft contract being prepared. Change request submitted 08/01/20, which is delaying signing of contract. | Active |