

Public Document Pack



Wednesday, 26 February 2020

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

NOTICE OF MEETING

You are hereby invited to a meeting of the Sheffield City Regional Local Enterprise Partnership to be held at **11 Broad Street West, Sheffield S1 2BQ**, on: **Thursday, 5 March 2020 at 11.00 am** for the purpose of transacting the business set out in the agenda.

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

Dr Dave Smith
Chief Executive

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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

James Muir (Chair)	Private Sector Member
Nigel Brewster (Vice-Chair)	Private Sector
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Laura Bennett	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Peter Kennan	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Alison Kinna	Co-opted LEP Board Member
Bill Adams	TUC Representative
Professor Dave Petley	University of Sheffield
Councillor Chris Read	Rotherham MBC
Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority
Councillor Garry Purdy	Derbyshire Dales DC
Councillor Julie Dore	Sheffield City Council
Councillor Martin Thacker MBE	NE Derbyshire DC
Councillor Mary Dooley	Bolsover District Council
Mayor Ros Jones CBE	Doncaster MBC
Councillor Simon Greaves	Bassetlaw DC
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Tricia Gilby	Chesterfield BC

**SCR - Local Enterprise Partnership
Annual General Meeting**

Thursday, 5 March 2020 at 11.00 am

**Venue: 11 Broad Street West, Sheffield
S1 2BQ**



Agenda

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1.	Welcome to Sheffield City Region Local Enterprise Partnership Annual General Meeting	Mr J Muir	
2.	Declarations of Interest <ul style="list-style-type: none"> • In relation to any agenda item • In relation to any activity since the last formal meeting • In relation to any forthcoming activity 	Mr J Muir	
3.	Notes of Last Meeting	Mr J Muir	5 - 12
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Date of next meeting: Thursday, 21 May 2020 at 11.00 am
At: 11 Broad Street West, Sheffield S1 2BQ

SCR - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

THURSDAY, 16 JANUARY 2020 AT 11.00 AM

11 BROAD STREET WEST, SHEFFIELD S1 2BQ



Present:

Nigel Brewster (Vice-Chair)	Private Sector
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Tanwer Khan	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Bill Adams	TUC Representative
Councillor Julie Dore	Sheffield City Council
Mayor Ros Jones CBE	Doncaster MBC
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Tricia Gilby	Chesterfield BC
Councillor Denise Lelliott (Reserve)	Rotherham MBC

Officers in Attendance:

Dr Dave Smith	Chief Executive	SCR Executive Team
Dr Ruth Adams	Deputy Chief Executive	SCR Executive Team
Noel O'Neill	Chief Finance Officer/S73 Officer	Sheffield City Region
Mike Thomas	Senior Finance Manager/ Deputy S73 Officer	SCR Executive Team
Mark Lynam	Director of Programme Commissioning	SCR Executive Team
Sharon Kemp	Chief Executive of Rotherham Metropolitan Borough Council	Rotherham MBC
Charlie Adan	Interim Chief Executive	Sheffield City Council
Damian Allen	Interim Chief Executive, Doncaster MBC	Doncaster MBC
Sarah Norman	Chief Executive	Barnsley MBC
Dan Swaine	Chief Executive of Bolsover District Council/NE Derbyshire District Council	NE Derbyshire DC/ Bolsover DC
Neil Taylor	Chief Executive of Bassetlaw District Council	Bassetlaw DC

Guests in Attendance

Craig Tyler (Minute Taker)

Apologies:

James Muir	Private Sector Member
Laura Bennett	Private Sector LEP Board Member
Peter Kennan	Private Sector LEP Board Member

Professor Dave Petley
Mayor Dan Jarvis MBE
Councillor Garry Purdy
Councillor Martin Thacker MBE
Councillor Simon Greaves
Councillor Nick Clarke
Steve Davenport
Huw Bowen
Sarah Fowler

University of Sheffield
SCR Mayoral Combined Authority
Derbyshire Dales DC
NE Derbyshire DC
Bassetlaw DC
Bolsover DC
SYPTE
Chesterfield MBC
Chief Executive Peak District National
Park

1 **Welcome and Apologies**

Members' apologies were noted as above.

The Chair took the opportunity to congratulate colleagues in respect of the recent progress made to determine the detail of the SCR Devolution Deal and facilitate movement towards public consultation on the matter.

2 **Declarations of Interest**

None.

3 **Notes of Last Meeting**

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

4 **Strategic Economic Plan Update**

A report was received to present an update on the progress of the SEP following the discussions at previous LEP Board meetings.

Members were provided with an overview of the document's contents and received a presentation of the draft.

It was noted a more complete draft will be circulated as part of the papers for the forthcoming SCR MCA meeting.

Commentary was provided on what has changed from previous iterations of the draft, noting these are based on various lessons learnt, and that the latest draft is more engaging of the needs and expectations of our stakeholders and partners and capable of facilitating new ways of working.

An explanation of the proposed vision was provided, noting this is based around the 3 core components of growth, inclusion and sustainability.

How the SEP will fit with and provide strategic direction for the SCR's suite of strategies and plans (directly and indirectly) was explained.

Members questioned the proposed short timeframe for the submission of comments on the draft and agreed this was undeliverable. It was agreed to extend the feedback window from 1 week to 1 month, noting this will still

facilitate the intention to engage government in respect of our intended strategy over the summer.

When received the next version of the draft, the Board requested early sight of the comments made by members, particularly where these may conflict, to facilitate a rounded discussion on the matter at the next meeting (March).

Members expressed an expectation that the Strategy, once finalised will be readable and understandable to a wider audience and avoid trying to be 'too much to too many people'.

Members criticised strategic approaches that try to allocate 'things to places', questioning the validity of this approach and proposing that such cluster based mechanisms are too restrictive for unknown future developments.

Members acknowledged the inherent complexities that bringing together a document of this nature entails and thanked the Executive officers for what they have achieved so far. However, it was suggested the proposed vision was straining attempts to be kept within 1 sentence and may benefit from some additional sentence structure, potentially using this as a means to say something positive about our expectations for each core component.

The meeting considered what might be the most apposite role of the LEP Board going forward to support the Strategy and its implementation. It was suggested this role would be most predicated towards determining the SCR's business case for future local growth programmes and priorities in light of the content of the SEP.

RESOLVED, that the Board members will be afforded 1 month to feedback on the current draft, ahead of further consideration of all changes at the next meeting, with the intention to delegate the sign-off of the draft SEP for consultation to the Mayor, LEP Chair and SCR Chief Executive following this exercise.

5 **SCR Draft Energy Strategy**

A report was received to present the revised draft SCR Energy Strategy. It was noted this takes into account the steer and comments of the SCR Infrastructure Board.

Members were presented with the background and context to the Strategy, the process taken to prepare the draft, consideration of what matters are of greatest pertinence to our locality, the evidence base collated and the proposed goals and policies (to drive clean growth and decarbonisation in our local businesses whilst maintaining competitiveness, to promote investment, to improve energy efficiency and to accelerate the transition towards ultralow emission vehicles)

A timeline for how the SCR might achieve its net zero carbon ambition was provided.

Members thanked officers for the work that has gone into preparing the draft. It

was suggested practically everyone wants to realise a low carbon economy and this is a clear way the SCR LEP can play its part in achieving that vision.

It was suggested that of primary concern must be the need to develop costed actions rather than just un-costed strategic ambition, and be able to keep up with the national agenda to ensure the SCR can build on its industrial and advanced manufacturing heritage in attracting and developing the new jobs associated with new markets and sectors.

Questions were raised regarding whether the draft is trying to say too much for both energy generation (and the low carbon economy) and energy usage (and the reduction of the region's usage to net zero) and whether the focus here should be primarily centred with energy generation.

It was suggested that pending the development of costed actions and identified sources of funding, the Strategy should be best viewed as a 'statement of intent'.

The meeting considered the importance of having proper plans and actions in place that will help people understand and respond to what will be the right things to do to address climate change.

Consideration was given to how the issue of fuel poverty should be best referenced in the narrative. It was suggested that whilst this may not be a direct component we need to be absolutely mindful of it as a major social problem with the propensity to greatly affect the strategy's ambition if not addressed.

Members questioned the 'green heart of Great Britain' concept and suggested efforts need to be made to avoid appearing to tell people how to run their lives.

It was suggested the Strategy needs to be realistically couched and demonstrate the SCR as a region in transition that can do better, rather than something we will never achieve.

Consideration was given to the effect of national policies and the requirement for an economy that is better and fairer for everyone if people are to be convinced to give up their car within a nearer timeframe.

Examples were cited for other regions, nationally and internationally, that are ahead of the SCR in terms of their transition towards a low carbon economy, and what has been done (that the SCR could mirror) to address the social consequences of change.

Members were informed of what will be taken to the next meeting of the SCR MCA to present a response framework to the Mayor's declaration of a climate emergency. It was noted this doesn't does associate with energy strategies but also transport and the spatial developments that may be required to adapt to change.

RESOLVED, that the Board notes the current version of the SCR Energy Strategy and requests the comments raised be factored into subsequent drafts.

6 **Local Growth Fund and Programme Demand**

A report was received to provide an update of the current LGF programme position, the available headroom and the current level of over programming.

The report made recommendations to reduce the number of schemes in the pipeline thus reducing the over programming and also recommended the actions to be progressed with schemes in contract or with funding approval that are not progressing in accordance with the milestones agreed and are deemed to have a high risk of slipping beyond the life of the LGF programme.

The meeting was provided with an explanation of the various factors being mitigated as part of the management of the programme and assurances that despite the management of an over-programme position, there are safeguards in place to prevent any risk of over-commitment.

Members were advised of a slight adjustment to the figures which had developed since the publication of the papers.

Members asserted opinion that underspends must be avoided at all costs and therefore endorsed the Executive's usage of the over-programme as a means of maximising spend.

Further information was provided with reference to the four schemes recommended for removal from the pipeline.

RESOLVED, that the Board:

1. Approve the removal of four schemes from the pipeline thus reducing the over-programming position.

Approve the return of one scheme with funding approval to the pipeline to increase the available headroom.

7 **Local Growth Fund Programme Update**

A report was received to provide an update on the 2019/20 LGF current outturn position and the impact on the LGF programme.

It was noted the report shows significant fluctuations from predicted spend at the start of the year such that a potential underspend is currently forecast.

The paper also presented the contents of the Quarter 2 2019/20 DELTA Dashboard monitoring form, submitted to the Ministry of Housing, Communities and Local Government (MHCLG) on the 22nd November 2019 deadline.

Members were advised that further monitoring and claims processes would be introduced for the rest of the financial year to maintain regular contact with scheme promoters to ensure the year-end position is appropriately managed and to mitigate and risk of year-end underspend.

RESOLVED, that the Board:

1. Notes the predicted 2019/20 LGF outturn position, and supports any remedial action it would wish to see to mitigate any negative impact on the LGF programme
2. Notes the submission of the Q2 2019/20 DELTA Dashboard to MHCLG and its contents
3. Supports the imposition of a monthly claims protocol and also weekly update reports to Chief Executives and Directors of Finance.

8 **Budget Update**

A report was received to update the Board on the progress made in developing the draft LEP and MCA revenue budget for 2020/21 in the context of a 5-year financial strategy.

The meeting was provided with a detailed explanation of the main points of the Strategy in respect of income, staffing, treasury management and other core revenue budgets

Members noted the intention to use some reserves next year to balance the expected revenue deficit.

It was noted work has been undertaken to further quantify the assumptions and expectations of the Mayoral Capacity Fund.

Members requested that sufficient notice be given of any intention to convene further budget workshops.

RESOLVED, that the LEP Board members note the progress to date in developing the draft LEP and MCA revenue budget for 2020/21 in the context of a 5-year financial strategy.

9 **Mayoral Update**

The Mayoral update was provided for information and comment.

Members queried what the outcomes of the bus review exercise might be, beyond what has been recognised through similar reviews. It was noted the strength of this review is that it will present the Review Panel's actual recommendations rather than just observed findings.

Members requested early sight of the report prior to its formal presentation.

Regarding the Culture and Music initiative, it was confirmed activities are aligned with work being led by Welcome to Yorkshire.

10 **Chief Executive's Update**

Provided for information.

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

Signed

Name

Position

Date

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5th March 2020

Fairness in a Growing Economy - PwC

PwC will join the LEP Board to present their latest findings on the challenges of inclusive growth; how we ensure innovation in the public and private sector does not widen the gap between the 'haves' and 'have-nots'; and how we deal with the tension between the public and private sector when it comes to discussing the fairness narrative.

In preparation for the presentation and subsequent debate, Members are asked to note the content of the PwC Report 'Making the UK fairer: How we work' which can be found at appendix A. Further information can be found on the PwC website here <https://www.pwc.co.uk/industries/government-public-sector/insights/the-future-of-government/how-we-work.html>

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strategy&

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THE FUTURE OF GOVERNMENT

Making the UK fairer: How we work

About the author

Daniel Burke is a Partner in PwC's Strategy& Government and Health Industries team. He leads our strategy work with major central government departments. He is currently supporting a number of Whitehall departments on preparations for EU Exit.

Dan is passionate about reforming public services to help deliver better outcomes for people. He specialises in working with senior leaders to create consensus around transforming the way they work and deliver services, particularly where organisations are required to collaborate across traditional boundaries as a result of regulatory change or financial pressure.

Dan joined PwC from the Local Government Association where he worked as a senior public affairs and policy officer. Prior to this, he worked for the Department for Education as a civil servant.



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Making the UK fairer: How we work



New technologies such as automation and artificial intelligence are starting to have a massive impact on workplaces, meaning organisations and individuals must quickly upskill in order to keep pace. This change is hitting lower-skilled workers hardest, exacerbating an existing fairness gap between them and higher-skilled workers who are better-equipped to adapt and embrace new technologies.

Everyone should have access to a fulfilling role and a decent standard of living and there's agreement across the political spectrum on the importance of upskilling to facilitate this. While government has a key convening role (in addition to upskilling its own workforce), this is not a job for government alone. Businesses, trade organisations and the government must collaborate to find solutions that work for everyone – and this needs to happen urgently.

PwC has made its own firm commitments to upskilling and social mobility and we are working with other organisations to make these a reality. In this paper, we've outlined how we think similar collaborations could pave the way for a fairer future in how we work in the UK."



Contact:

Quentin Cole

Partner, UK Leader for Government & Health Industries, PwC

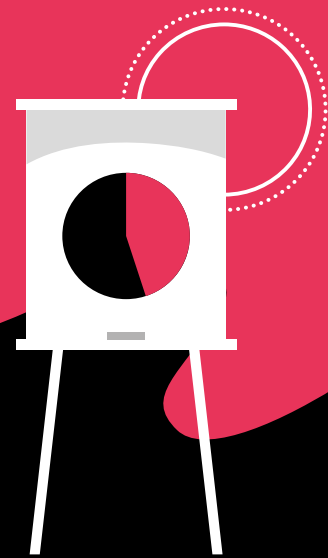
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Quentin Cole

45%

of our survey respondents felt that fairness means everyone earning enough money to support themselves and their families.



While political debate in the UK has been dominated by Brexit, PwC has been thinking about the importance of fairness to our way of life, policy-making and public services.

As part of our Future of Government programme, we commissioned a major national survey asking the question:

How can the government transform for a fairer future for the UK?¹

One clear priority which has emerged from this work is the importance to a fair society of everyone having access to good jobs and being able to earn a decent living. Almost half of our survey respondents (45%) felt that fairness means everyone earning enough money to support themselves and their families.

We have identified the following as one of PwC's five 'fairness tests',² which we think should be applied to major spending decisions, future budgets and the spending review:

"Help people earn a living, find meaning and purpose in work and prepare for the challenges of globalisation."

But for some this aspiration is being threatened by the impact of automation and the digital revolution. Without thoughtful and bold

action by the government and business working together, automation stands to exacerbate current divides in society. Those with the right skills will reap the benefits of globalisation and technological advances. Those who do not adapt will lose out and continue to suffer from stagnant wage growth and insecure jobs.

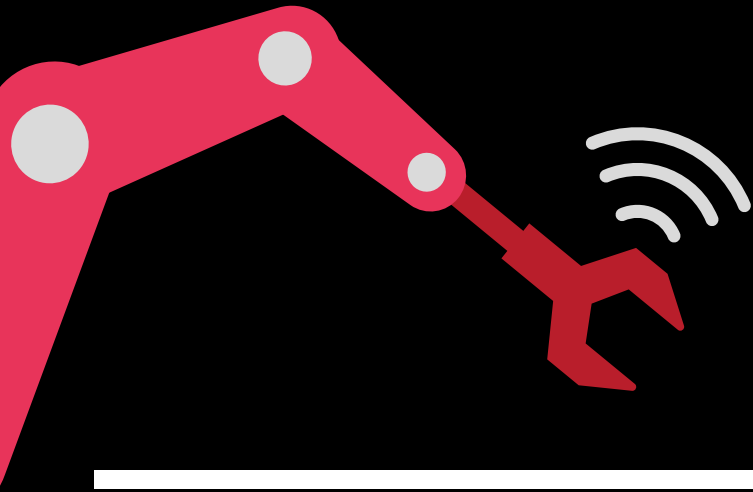
The challenge facing policy makers is to help society use technological innovation to create more jobs than it displaces – jobs that are better paid, more rewarding and more fulfilling. Then the government and businesses must make sure people are equipped with the skills they need to access the new world of work and to share in the benefits it will present.

This paper explores the public's views on the impact of automation on work, considers who is responsible for upskilling for the jobs of the future, and proposes that the government and businesses should collaborate in new ways to make the UK fairer in terms of jobs and skills.

There's clear evidence highlighting the important role the education system must play when it comes to developing the talent of the future. As such, we recognise the importance of all levels of education in preparing new entrants to the labour force. For the purpose of our survey and this paper, we've chosen to focus on those of working age.

¹ Making the UK Fairer (Strategy&, September 2019), (<https://www.pwc.co.uk/futureofgovernment>)

² See our previous report: Making the UK Fairer (Strategy&, September 2019), (<https://www.pwc.co.uk/futureofgovernment>)



The changing world of work

Automation and digitisation are presenting what some see as an existential threat to today's occupations – creating new jobs, changing others, and making some obsolete.

This is having a major impact on the skills and attributes that people need in order to access good, well-paying work in the future.

Public awareness of these rapidly developing changes is starting to build.

Our survey found that:

36%

A third (36%) of workers think that their job will be significantly impacted by automation in the next 10 years.

46%

Almost half (46%) think that their job will change in 10 years due to technology.

40%

More respondents see risks (40%) than opportunities (21%) arising from automation, with 38% feeling concerned and 26% feeling anxious.

The UK is noticeably more anxious than other countries about the challenges presented by automation. In contrast to the UK's outlook, 50% of respondents in a recent PwC global survey saw more opportunities than risks arising from automation.

Mind the gaps

On a national level, the findings seem encouraging. They suggest that the population is broadly aware of the ways in which automation might shape existing jobs, and that they are prepared to learn new skills as a result of that awareness. But analysing the data in more detail reveals a series of what we understand to be demographic fairness gaps.

These include:



Awareness gaps

A considerable number of people don't know how much jobs are changing.



Aspiration gaps

People who are low-skilled and from a poorer background tended to not be as willing as skilled professionals to upskill.



Availability gaps

Workers without education beyond school age are generally offered fewer opportunities to learn new skills at work than university graduates.



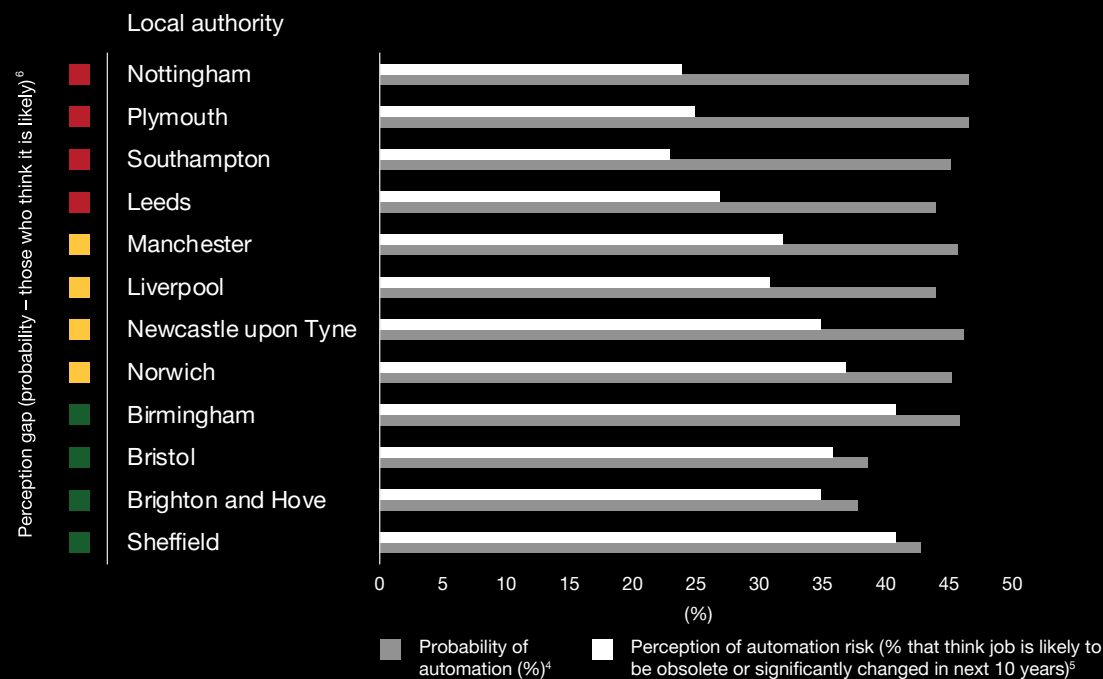


Awareness gaps

There are clear gaps in the general level of understanding of the impact of automation and the corresponding readiness to do something about it. For example, young people in cities as well as black and minority ethnic groups appear to be more excited about the prospect of automation and learning new skills than the average UK citizen. In contrast, those in low paying jobs are least ready and willing to reskill (see Group B on page 10).

There are some striking regional differences in the data on perceptions, which become particularly important when set alongside what we know about the likelihood of job automation in the regions of the UK. The table below shows the comparison between the ‘probability of job automation’ as assessed by the Office for National Statistics (ONS), and the levels of awareness we found in our survey.³

‘Likely impact of automation’ awareness gaps by region



This analysis shows that there are stark regional differences in the extent to which people are aware of the likely impact of automation on their local labour markets. Expressed in terms of a ‘perception gap’, Bristol, Brighton, Sheffield and Birmingham appear to have higher levels of awareness; while Nottingham, Plymouth, Southampton and Leeds may face more significant challenges in preparing people for the change that is about to come.

³ ONS data on job automation is currently only available for England. Further PwC analysis to be published in 2020 will look at the whole of the UK.

⁴ ONS: Probability of automation in England 2011 and 2017, (<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/theprobabilityofautomationinengland/2011and2017>)

⁵ Making the UK Fairer (Strategy&, September 2019), (<https://www.pwc.co.uk/futureofgovernment>)

⁶ Perception gap rating key: Red = >20%; Amber = 10-20%; Green = <10%



Availability gaps

We asked our non-retired respondents what action they would be prepared to take to learn new skills if they considered their job to be threatened by automation. The majority said that they would be prepared to take a new qualification online (73%) or in person (71%), or attend evening classes online (69%) or in person (66%).

But, our research also shows that, while workers want to upskill, businesses are not necessarily offering the opportunities to do so, particularly when it comes to unskilled workers. A recent global PwC survey on upskilling found that 59% of UK workers without education beyond school age were offered no opportunities by their employers compared with 44% of UK university graduates.



Aspiration gaps

Our research shows that those who agree with the statement 'Britain treats me unfairly', also tend to have mostly negative attitudes towards the impact of automation on the world of work (see Group B on page 10). They are also likely to be the least ready or willing to upskill in response to automation, and they tend to feel that the government is most responsible for helping them to navigate the future. People in this group already feel left behind by globalisation.

These are the people whose family members are most likely to have suffered during past structural changes to the economy, such as the demise of heavy industries, including coal mining and shipbuilding, and the boom in financial services in the South East during the 20th century. If nothing is done to help them catch up through upskilling, this group will grow and their situation will be exacerbated. In contrast, those who agree with the statement 'Britain treats me fairly' (see Group A on page 10) are more willing to embrace change and act on it.

From a fairness perspective, the aspiration gap is perhaps of most concern, as it affects those least able to help themselves; those who are disadvantaged or vulnerable and who seem to be least aware of the impact of automation on their jobs and their prospects. Further impacts could also be felt if there are delays between the disruption of old jobs and the creation of new ones, or jobs are created in new locations, and those affected are left with fewer work options in their local area.

The government and businesses need to address this head on in creating policy proposals for the future of skills and work, which we begin to explore next.

Understanding fairness – it’s in the eye of the beholder⁷

Asking questions about fairness throws into stark relief the emergence of two distinct groups of our survey respondents who have completely different experiences of life:



14%

Group A: UK treats me fairly
Young, male, diverse, urban,
high income, senior roles
at work



11%

Group B: UK treats me poorly
Older, northern, lower
income, manual workers,
white British

Group A can be characterised as generally being optimistic, confident in outlook, and comfortable with technological advancement and global change. Those in Group A are more likely to think that their job will be made obsolete or significantly change due to automation in the next 10 years (68% compared to 36% overall), but they are also more hopeful (18% compared to 10%), excited (23% compared to 10%) and interested (23% compared to 17%) about the prospect of 30% of jobs being automated by 2030.

In contrast, Group B comprises those who feel that they are being left behind by globalisation. Most of this group feel that automation presents more risks than opportunities (54% of Group B compared to 40% overall). More also feel concerned (53% compared to 38%), angry (18% compared to 8%) and anxious (40% compared to 26%) over the prospect of 30% of jobs being automated by 2030.

⁷ Making the UK Fairer (Strategy&, September 2019), (<https://www.pwc.co.uk/futureofgovernment>)

Who's responsible for upskilling the UK?

While there is no doubt that successfully upskilling for jobs of the future relies on individual awareness and willingness to engage, most of our survey respondents when asked to identify which organisations were most responsible for leading this national transition, included three main groups: national government (63%), business (60%) and local/regional government (57%).

These organisations do indeed play an important role in facilitating relevant training and are starting to better understand and engage with the importance of upskilling their workforces. But they cannot do it on their own. During our research, we explored a range of different policy solutions to address the challenges around the future world of work. These included legislating to limit the advance of technological change and levying additional taxes on the big tech firms. While such policies found some support, our survey respondents overwhelmingly favoured action to help people develop new skills and close the capability gaps needed to access new jobs in the digital economy.

“This is more complex as we all have to take some personal responsibility here if we are to have satisfying and successful working lives. Government can drive it and fund it to a degree, but all those affected whether workers or employers have a part to play.”

Participant in the Future of Government pop-up community



Call to action 1: Government needs to take a lead

The government, at different levels, already has in place a number of initiatives to address the opportunities and threats of automation.

For example, there is the National Retraining Scheme and a system of Modern Apprenticeships. In England, Local Enterprise Partnerships (LEP) are developing their own local industrial strategies which set out the sectors in which their area is strong and those which can be developed further.⁸

The government as a whole can also play a direct role through upskilling its own workforce – as a major employer. Indeed, explaining the impact of automation on public sector jobs⁹ and developing an upskilling programme for the civil service and the wider public sector workforce

would make the government a powerful demonstrator of the role that upskilling can play in delivering fairness. This topic is being explored further through our wider Future of Government programme.

But some bold thinking and urgency is required. We recommend that government commits to measurably closing the skills gap over the course of the next parliament. A framework could be based around the five tests for fairness that we set out in our previous report. Some illustrative examples are shown in Table 1.

Table 1: Upskilling through our five tests for fairness

Test	Implications
1 Provide for fundamental needs, prioritising the vulnerable and those in greatest need	<p>Design and launch a national ‘Upskilling UK’ programme which prioritises investment in industries that are most likely to be impacted by automation over the next five years.</p> <p>This programme should be proactive rather than reactive. Learning from places like Denmark and Luxembourg, it should anticipate where and how changes to the world of work will impact most and invest ahead of the transformation. It should seek to address the ‘availability gap’ discussed on page 9, so those willing to upskill are offered opportunities to do so.</p> <p>The government should commit to a new target, seizing the opportunity presented by automation to close the skills gap between socio-economic groups and the segments of society we have identified in our fairness research.</p>

⁸ Local Industrial Strategies: policy prospectus, October 2018, (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/744544/local-industrial-strategies-policy-prospectus.pdf)

⁹ Our survey respondents from the public sector indicated there is less concern about the impact of automation on their jobs: in public admin/defence, 41% of respondents felt their job was at risk; in education, 32%; and in health, 29%.

Test	Implications
2 Help people earn a decent living and prepare them for the future world of work	<p>While the responsibility to upskill the workforce of the private sector primarily falls to employers, trade unions and other business organisations, the government should consider supporting them by ensuring that transitional funding is available to help small businesses cover the costs of training, potentially subsidising costs for employers that would struggle to do so without support.</p> <p>A new upskilling fund could potentially be created from a reformed employer apprenticeship levy and redeployment of regional assistance funding currently allocated by the EU.</p>
3 Close the opportunity gap that exists between places	<p>As a complement to the government's existing Opportunity Areas programme, which aims to boost social mobility by removing obstacles that could stop people from achieving their potential, consideration should also be given to creating a number of 'Upskilling Zones' around the UK.</p> <p>These would be in regions that are most prone to being negatively impacted by automation and related changes. The first tranche of the new Upskilling Fund should be deployed to these areas so that new approaches can be tested, refined and accelerated.</p>
4 Give individuals more control over the services they access	<p>Government and business should invite the emerging govtech sector to produce innovative ideas for making it easier for individuals to access learning opportunities in ways which suit them (online, mobile learning, using AI to make it bespoke to the learner). The govtech catalyst fund should make this a priority area for future investment.</p>
5 Empower communities to shape the places in which they live	<p>All local leaders and LEPs should assess the impact of automation in the places they are responsible for and develop local and regional upskilling programmes.</p> <p>These programmes should be aligned with local industrial strategies, and agreements between central and local government about devolution.</p>

Call to action 2: Business needs to step up

Our research shows the public generally doesn't believe that businesses are doing enough to upskill their own workforces. Indeed, the UK appears to be falling behind internationally.

Upskilling Hopes and Fears

Our recent survey of more than 22,000 people in 11 countries indicates that almost three quarters (73%) of workers would take the opportunity to better understand or use technology if they were given the opportunity by their employer.¹⁰

In the UK, over half (54%) of adults and more than two thirds (67%) of 18-34 year olds say that they are ready to learn new skills or completely retrain in order to improve future employability. Only 11% say they are not. But despite the appetite to upskill, UK workers are given the fewest opportunities by employers, with over half (51%) saying that they have not been offered any

opportunities at all. Those workers without education beyond school are getting fewer opportunities to learn new skills (59% are offered no opportunities by their employers compared with 44% of university graduates).

The research found that UK workers – followed by their Australian counterparts – were offered the fewest opportunities to upskill and, consequently, only half said they feel well-equipped to use new technologies that are being introduced into the workplace. The countries best at upskilling are also the countries where workers feel best equipped to use new technologies: India, South Africa and China.

67%

of 18-34 year olds say they are ready to learn new skills or completely retrain in order to improve future employability.

Businesses should take the lead role in upskilling their own workforces. Critically, for this to work, businesses first need to be able to understand and decide how they want to use technology to make their organisations more productive. They should then work out what skills they will need in the future to be successful: (i) employers should conduct an upskilling audit of their workforces to identify those at risk of automation, (ii) workforce progression strategies should be put in place by major employers and (iii) employers should consider how to fund workers identified as being at risk of displacement to acquire new skills. Some businesses will

need external help and this may take the form of incentives, tax breaks and subsidies. The government can also help businesses connect on this agenda through innovation hubs and technology partnerships.¹¹

One innovative example, which could provide a template for future government-business collaboration on upskilling in the UK, is being delivered in Luxembourg. Read more about this model on page 15. You can also read more about PwC's commitment to upskilling on page 17.

¹⁰ New world. New skills. PwC global upskilling survey, (<https://www.pwc.com/gx/en/issues/upskilling.html>)

¹¹ Corporate Britain has to work harder to restore trust, (<https://www.telegraph.co.uk/business/2019/05/08/corporate-britain-has-work-harder-restore-trust/>)



Upskilling the workforce: the need for new collaborations

The Luxembourg model

In 2018, the Government of Luxembourg, under the co-leadership of the Ministries of Labour and Economy, joined forces with trade unions, trade associations and business to form the Luxembourg Digital Skills Bridge initiative.

The goal was to create a broad coalition of actors to help workers learn new skills that employers are looking for. There was a particular focus on upskilling people at risk of losing their jobs because of automation, and to provide them with the opportunity to gain technical and digital skills that would allow them to take on new roles.

The idea was that the approach would save money for the government in terms of unemployment costs by investing in building a cluster of digitally-oriented industries, and developing the relevant skills in workers who might otherwise have been laid off.

The initiative assembled a group of digital apps and tools for all participants – the government, unions and businesses – to share. Companies agreed to foster long-term employability, even if that meant investing in employees who might eventually move to other companies.

Mid-way through the initiative, nine out of ten workers were expected to take up new roles in the company in which they were employed. The original objective was to have 65% of the participants stay in the same company taking up new functions. The initiative covered 90% percent of an employee's salary during the training period, and a portion of the company's training costs.

In the Luxembourg model, the government provides a forum through which the leaders of businesses, trade associations and trade unions can collaborate to deliver a pipeline of talent trained in the skills needed by employers in response to the risk of jobs lost through automation. The government's role is to be an enabler and broker, but it is employers who must take the lead when it comes role to upskilling their workforces.

This proactive model clearly illustrates the kinds of collaborations that are needed to deliver on societal goals of fairness at a time when technological change is threatening the structure of society – in this case the labour force – in destabilising ways.

Conclusion

Many of the skills we use today are at risk of becoming redundant in light of the innovations of tomorrow.

Upskilling should be prioritised as a way of equipping workers and empowering them to have access to fulfilling jobs that also provide a comfortable standard of living.

It's imperative that businesses, trade unions and the government understand the importance of collaboration. Each institution has its own role to play in shaping the workforce of the future, but none will be successful if they operate in isolation.

Upskilling means helping individuals to become agile and multidisciplinary, but for it to yield real benefits, it must be tailored and specific. Different demographics, regions, industries and organisations will have different needs when it comes to upskilling. A one-size-fits-all approach simply won't cut it.

To be truly successful, upskilling should allow individuals to take full advantage of automation and innovation and to dedicate their time and energy to roles in which they can add true value.

An empowered individual is more likely to be an engaged individual. That, in turn, will improve the perception of fairness across communities. People who consider themselves to be treated fairly are also more likely to be ambitious and productive. That will have a positive impact on the broader economy and the UK's competitiveness in an international context.



PwC's commitment

Upskilling

PwC has launched a US\$3 billion, four-year commitment, the New world, New skills initiative, to upskill the entire global network of 276,000 people across 157 territories. The goal is to impact millions of people through PwC's own network but also through clients and the work of the firm in the communities in which it operates.

Employees of all levels will learn specialist skills in data analytics, robotics, process automation and AI. Also, the firm will continue to help clients develop comprehensive solutions to their own skills and technology challenges.¹²

4 year

commitment

\$3 billion

investment

276,000

people

157

territories



It's important to recognise that large employers have both the ability and the responsibility to encourage their colleagues and employees to be a force for good in the community."

Social mobility

Millions of people don't have a chance to reach their potential simply because they lack access to opportunities and networks due to circumstances outside their control. PwC is taking part in research that explores how we can work with others to further advance social mobility. Partnering with other employers and organisations that help the business community to address this important issue, is central to our continued work in this area.¹³

83,000 hours

PwC time spent volunteering in the last 12 months

30,000

community beneficiaries

135

people employed in the Bradford Opportunity Area

40

social enterprises supplying PwC with products and services territories

¹² New world. New skills. PwC global upskilling survey, (<https://www.pwc.com/gx/en/issues/upskilling.html>)

¹³ Building relationships, creating value. The Social Mobility Pledge, PwC Report, (https://issuu.com/socialmobilitypledge/docs/pwc_report_28_10_8pm-2?fr=sYzlyNDQ3MTcxNw)

Read more



Making the UK Fairer explores the importance of fairness to our way of life, policy making and accessing public services. It's the first report from The Future of Government programme.
www.pwc.co.uk/futureofgovernment



Good Growth for Cities measures the performance of the UK's largest cities against 10 indicators that the public think are most important when it comes to economic wellbeing. Jobs, income, skills and health are the most important factors in the eyes of the public, alongside housing, transport, income distribution, work-life balance, business start-ups and the environment.
www.pwc.co.uk/goodgrowth

A steering group oversaw this research and was key to providing critical challenge to the thought process



Rt Hon Alan Milburn
(Chair) Former Secretary of State for Health



Lord Nicholas Macpherson
Former Permanent Secretary to the Treasury



Nina Bjornstad
North European lead for Google Cloud Consulting



Dr Ruth Owen OBE
Chief Executive, Whizz-Kids



Sir Charles Bowman
PwC Partner and former Lord Mayor of London



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Senior Adviser, PwC and former Special Advisor to the Deputy Prime Minister, 2012–2013



Ruth Ibegbuna
Director, The Roots Programme



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Director of Reputation, PwC

We are grateful to everyone we have met and discussed this research programme with – from members of the public, to politicians, senior local and central government officials and our own partners and staff.

We would particularly like to thank all the members of the steering group for their time, energy and advice throughout this process.

We would remind readers that the conclusions reached and views expressed, and of course any errors in the report, are those of the authors alone.

Strategy&

Strategy& is a global strategy consulting business uniquely positioned to help deliver your best future: one that is built on differentiation from the inside out and tailored exactly to you. As part of PwC, every day we're building the winning systems that are at the heart of growth. We combine our powerful foresight with this tangible know-how, technology, and scale to help you create a better, more transformative strategy from day one.

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The result is an authentic strategy process powerful enough to capture possibility, while pragmatic enough to ensure effective delivery. It's the strategy that gets an organization through the changes of today and drives results that redefine tomorrow. It's the strategy that turns vision into reality. It's strategy, made real.

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5th March 2020

Update: Strategic Economic Plan

Purpose of Report

This report provides LEP Board members with an update on the progress of the SEP following discussions at previous LEP Board meetings. Members will be provided with an overview of the feedback and how this has been responded to in the revised draft of the SEP.

Thematic Priority

Cross Cutting - Policy

Freedom of Information

This paper will be available under the SCR Publication Scheme.

Recommendations

The Board is asked to:

- Agree the proposed consultation on the draft strategy.
- Note the timetable for completing and publishing the SEP.

1. Introduction

- 1.1 The Strategic Economic Plan (SEP) will be an overarching strategy which will set out how to grow the economy in a way that better includes and benefits all communities across SCR and improves our natural capital.
- 1.2 Once the final SEP is agreed, we will develop implementation plans, which will work through the detail of the proposed interventions, including a focus on Place Delivery Packages, the role of stakeholders, expected outputs and outcomes, and the resource implications.
- 1.3 The Board has been fully engaged at every step in the development of the SEP. since last Spring, you have steered the development of the strategy and shaped the draft document.
- 1.4 This paper outlines feedback following circulation of the draft SEP to LEP Board members, how we have responded to this feedback, and potential next steps.
- 1.5 A revised draft SEP is provided at Annex A.

2. Proposal and justification

- 2.1 Following the LEP Board meeting in January, a draft SEP was circulated, and a feedback window of four weeks was provided in line with the Board's directive. A presentation will be given to the meeting to set out the main points of feedback.

2.2 We have revised the structure of the document, in line with the comments received. The new structure is presented below:

1. Introduction
2. Vision - sets out the three policy objectives of growth, inclusion and sustainability.
3. Our Vibrant Places – presents the headline themes and priorities submitted by each LA and the role of urban centres and how the strategy will be anchored in our places. Also sets out the importance of culture.
4. Innovation, Enterprise and Growth – explains how SCR’s innovation-led growth will be delivered.
Chapters 5-9 present the key enablers to deliver growth:
5. Skills & Employment
6. Clean Energy & Net Zero
7. Transport & Mobility
8. Digital
9. Land, Housing and Built Environment
10. Outcomes, Benefits and Financial Implications – explains the people-focused outcomes.

2.3 Broad feedback points and what we have done to reflect these in the revised draft, are outlined below:

- **Vision** – Comments received suggested this needed revising to emphasise inclusion. The proposed wording has now been adopted.
- **Clarity** – Feedback confirmed that the document required tightening and greater clarity so that the key interventions needed to deliver the strategy and achieve our policy objectives are clear. There were differing views on length however, a shorter document is desired, noting that other economic plans, strategic documents and local industrial strategies in other parts of the country are of a similar length. We have responded by pruning the document but there is a need to balance brevity with substance.
- **Innovation** – Board members made clear that the role of innovation needed to be clearly explained. This has been clarified in the document. Our adopted definition refers to innovation in its broadest sense (e.g. inclusive innovation, innovation to drive the low carbon economy) but also recognises innovation in decision making, and in the delivery of projects, programmes and activities to maximise benefit and local ownership.
- **Place** – A section on Place was awaiting input from local authorities, at the time of the last LEP Board meeting. This has now been incorporated into the revised draft. We have responded to feedback to make this more prominent – it has been moved to the front of the document with more detail in an appendix. Further reference throughout the document has been made to places, urban centres and culture. Local examples have also been included but more of this is needed. We are awaiting input from LA officers in this regard.
- **Inclusion** – it was not clear what we meant by inclusion and how we will deliver this, especially through our innovation-led growth approach. Revisions have been made to make this clearer. It was explained in face-to-face feedback sessions that the SEP is not the natural home for all inclusion issues and that we are developing an Inclusion Plan, which will pick up wider (non-economic) issues.
- **Urban centres** – lack of recognition of the role of town centres. This has been covered in the Place chapter, especially the role of vibrancy in creating attractive places to live, work, visit, and invest.
- **The role of culture** – Not referenced in the strategy. The importance of culture, and its role in economic growth, has been recognised in the evidence base, but the text was not ready prior to circulation at the previous LEP Board. This has now been laid out in the new Place section.

Other changes made following feedback:

- **Evidence** – This has been moved to an appendix. Whilst the evidence is important, it can be interpreted as negative and thus not in keeping with the positive tone a strategy document needs to strike. It provides a useful context for what is proposed in the document and will be updated over time as we track our progress.
- **Aligning with the Government's agenda** – A careful balance needs to be struck. We have bolstered the language and aligned with priority areas of the current government (e.g. innovation, natural capital, vibrant centres, technical education and the levelling up agenda), where relevant. It is worth noting here that explicit mention can date a document.
- **Summary of headline interventions** – We have started to set out the draft headline interventions we will pursue to deliver the SEP. There is more work needed to finalise this, but feedback confirmed that this summary was needed to crystalise our intentions.
- **International Trade & Investment** – Currently, this is picked up within the document but does not have a dedicated section. However, there is scope to expand this as a separate section, bringing out the core capacity and investment sought by Government.

The draft reflects the changes we have made following comments by LEP Board members. We also have a comments log and have responded to all individual comments provided.

2.3 Next steps and timescales

The City Region will be in a stronger position in all our engagements with central Government and other partners once we have an agreed SEP. Completing the SEP development process as soon as possible, will mean we can seize the opportunity we currently have to engage with Government on a range of issues, shape opinions and secure the investment we need. It is important to note here that the SEP will be important in:

- our engagement with Government on the (potential) next round of LGF, Shared Prosperity Fund and the upcoming Comprehensive Spending Review;
- shaping our response to the Devolution White Paper
- developing a Local Industrial Strategy (LIS). Government has now indicated that we should complete our LIS as soon as possible. It is expected that the parameters will be slightly different to other areas that have published to date, but this is another opportunity for the MCA and LEP to shape its relationship with Government and secure commitments to our policy objectives.

The following timetable is proposed:

1. Begin a 4 week consultation soon after the March LEP Board;
2. Present the outcome of the consultation to the May Board meeting
3. Launch the final document in June/July 2020

The SEP is not a statutory document. As a result, the nature of the consultation and its coverage is up to the LEP to determine. Some LEP areas have consulted on an executive summary or a set of slides. The preferred option is for a blended consultation, putting out a summary and providing an option for a fuller document to be made available on request.

3. Consideration of alternative approaches

- 3.1 We could have chosen not to produce a SEP or followed a different economic growth model. The document is aligning different views on growth, inclusion and environmental sustainability to engage with each other, with central government and to secure the funding needed to accelerate activities.

4. Implications

4.1 Financial

The SEP will help to secure additional funding from Government; for example, the UK Shared Prosperity Fund. This means that delaying its completion may hamper our ability to secure the investment we need for the City Region.

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

4.2 Legal

There are no legal implications to this paper.

4.3 Risk Management

If work is delayed, SCR's and partners ability to secure additional funding from the new Government could be weakened. To manage this, consultants were appointed to help develop sections and mitigate the risk of delay.

4.4 Equality, Diversity and Social Inclusion

Inclusion is one of the three policy objectives set out in the SEP. The Board has agreed that SCR will not pursue growth at any cost and that we will work together to ensure that all our people have an opportunity to contribute to and benefit from prosperity.

5. Communications

5.1 The document has benefited from the wide engagement we have undertaken. To date universities, businesses, charities, local authority officers and senior executives have been engaged on evidence gathering and messaging. We have also received specialist input into the document from expert professors and from innovation experts from the private sector, as well as substantive input from the local authorities. BEIS and HMCLG have been engaged as well. We intend to continue this engagement and we will work closely with partners in Chesterfield, North East Derbyshire, Bolsover, Bassetlaw and Derbyshire Dales who, though leaving the LEP area, will continue to be a key part of our functional economic area.

5.2 A strategic communications plan for the SEP is in development and will inform the messaging, tactics and communications channels we use to engage with businesses, stakeholders and members of the public. This plan will also set out the communications strategy for the public consultation which is being invited

6. Appendices/Annexes

6.1 Annex A - SEP Draft - exempt from publishing under the Local Government Act 1972, Schedule 12A, Part 1, Paragraph 3

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

Other sources and references: Strategic Economic Plan Evidence Base – 2019 (Summary Evidence Pack) and other relevant documents available on the website:

<https://sheffieldcityregion.org.uk/explore/resources/>

5th March 2020

Freeports Consultation

Purpose of Report

This report provides LEP Board Members with background on the development of this Government's 'Freeports' agenda and associated consultation.

Thematic Priority

- Attract investment from other parts of the UK and overseas and improve our brand.
- Secure investment in infrastructure where it will do most to support growth.

Freedom of Information

This paper will be available under the SCR Publication Scheme.

Recommendations

That LEP Board Members are asked to:

- Note the government's direction of travel on Freeports and the nature of the public consultation.
- Note the criteria the Government are proposing for what a Freeport could be and the City Region's intention to work with Doncaster Sheffield Airport (DSA) on the consultation response.

1. Introduction

- 1.1 A freeport (sometimes described as "free zone") is an area that is inside the geographic boundary of a country, but which is legally considered outside the country for customs purposes. Goods brought into the Freeports are subject to exemptions discussed below. Freeports can be thought of as Enterprise Zones (with favourable rules in terms of business rates, planning permissions, and other incentives) with the additional provision of being a customs-free zone.
- 1.2 The establishment of Freeports has been mooted throughout the Brexit debate in the context of opportunities that will arise due to repatriation of international trade policy. It is also now presented as an opportunity to 'level-up' and address regional inequality.
- 1.3 This report provides an outline for the LEP Board on the content of the Government's Freeports consultation and how SCR intends to respond.

2. Proposal and justification

- 2.1 This Government has ambitions to establish Freeports as part of its post-Brexit trade policy. Freeports are allowed under EU rules, but EU rules provide restrictions on what form freeports can take, for example by applying state aid rules that limit the nature of tax

incentives. Hence the reasoning that leaving the EU opens up new opportunities for Freeports in the UK.

2.2 Freeports are expected to confer benefits to businesses. Being a customs-free zone means that goods entering a Freeport would attract no tariffs and may also face lower non-tariff barriers such as simpler customs procedures. 'Intermediate' goods could be manufactured within the Freeport and be either re-exported (where again no tariff would apply) or be imported into the UK as a 'finished' good and face a lower tariff rate. Reports which have modelled potential trade impacts find that potential benefits of freeports include increasing manufacturing output, creating regionally focussed employment, and promoting trade. In particular modelling undertaken separately by Centre for Policy Studies and Mace, the international building and consultancy firm, find very favourable projections in terms of jobs and trade impacts.

2.3 The Government began a consultation on Freeports policy on the 10th February 2020, which ends on the 20th April 2020. This consultation sets out how the Government intends to identify and award up to 10 Freeports across the UK by 2021. They set the following objectives:

- **establish Freeports as national hubs for global trade and investment across the UK:** intensify the economic impact of our ports by enhancing trade and investment and generating increased economic activity across the UK
- **promote regeneration and job creation:** create high-skilled jobs in ports and the areas around them, prioritising some of our most deprived communities to level up the UK economy
- **create hotbeds for innovation:** create dynamic environments, capitalising on new ideas and fostering the conditions that will attract new businesses, investors and innovations

With the main benefits being:

- **Duty suspension** – No tariffs, import VAT or excise to be paid on goods brought into a Freeport from overseas until they leave the Freeport and enter the UK's domestic market.
- **Duty inversion** – If the duty on a finished product is lower than that on the component parts, a company could benefit by importing components duty free, manufacture the final product in the Freeport, and then pay the duty at the rate of the finished product when it enters the UK's domestic market.
- **Duty exemption for re-exports** – A company could import components duty free, manufacture the final product in the Freeport, and then pay no tariffs on the components when the final product is re-exported.
- **Simplified customs procedures** – the Government intends to introduce streamlined procedures to enable businesses to access Freeports.

2.4 The consultation outlines how Freeports will operate within customs, tax and planning law. It also sets out the types of ports which could be eligible:

- Airports
- Rail Ports
- Sea Ports

The Government also sets out that a 'credible Freeport may be based on a collaboration between two or more ports, including ports of different modalities. For example, two seaports in close proximity may wish to become a single Freeport; or an inland rail port (terminals and interchanges) may wish to become a Freeport with either a connected seaport or a nearby airport.'

2.5 The consultation also states that where Mayoral Combined Authorities (MCAs) or Combined Authorities (CAs) exist, they could submit a Freeport application on behalf of partners. Within this model, MCAs/CAs/LEPs could be asked to prioritise one application for Freeport status from within their geography. It is stated that any effective Freeport

application will require strong collaboration between the port, the relevant MCA/CA/LEP and local businesses.

2.6 Given that of the types of Freeports the Government will consider (as identified in 2.4), SCR has two of these i.e. an airport and rail ports, it would be prudent at this stage to work with Doncaster Sheffield Airport (DSA) on a joint consultation response to demonstrate early close collaboration between LEP, MCA and the port owners. This would also need to include seeking to work with the site owners of the rail ports in SCR (e.g. iPort and Doncaster Rail Hub). Given their expertise in this field, DSA have already secured the services of Mace. SCR will join that arrangement on a 50-50 basis so that Mace can advise all parties and prepare a consultation response to be agreed by the MCA at its meeting in March. In undertaking this work, Mace will consider how it will align with SCR's developing Strategic Economic Plan and emerging growth clusters.

3. Consideration of alternative approaches

3.1 SCR could choose not to respond to the Freeports consultation and wait until the Government makes a call for proposals towards the end of the year. However, this would appear passive and we will lose an opportunity to get on the front foot with identifying where a Freeport could work in SCR.

In addition, another alternative could be that SCR responds on its own and does not seek to work with local partners. Again, this is not considered optimal given the Government's criteria is quite clear on the types of ports they will consider and the need to demonstrate close collaboration between LEPs, the MCA and the ports.

4. Implications

4.1 Financial

Mace have been procured and contracted by DSA to develop a consultation response. As Combined Authority need to be part of the response and "own" the outcome, the appointment of Mace has been varied with SCR paying 50% of the cost of the commission capped at £30k. This will be funded from current 2019/20 budget.

4.2 Legal

There are no direct legal implications to this paper at this stage. Future Freeports policy would have legal implications which would apply if a Freeport was to be located in SCR.

4.3 Risk Management

There are no specific risk implications to this paper at this stage.

4.4 Equality, Diversity and Social Inclusion

We recommend that the commissioned report on Freeports consider equality, diversity, and social inclusion outcomes of establishing a Freeport in SCR.

5. Communications

5.1 Depending on the outcomes and recommendations of this work the Board might want to recommend further work to communicate to, or engage with, communities, sectors or businesses in the SCR.

6. Appendices/Annexes

6.1 N/A

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

5th March 2020**SCR Energy Strategy Update****Purpose of Report**

This report responds to the comments of the LEP Board made in January 2020 and outlines any changes that have been made to the SCR Energy Strategy to reflect those comments.

Thematic Priority

This report relates to the following Strategic Economic Plan priorities:

- Secure investment in infrastructure where it will do most to support growth.
- Facilitate and proactively support growth amongst existing firms.

Freedom of Information

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

Recommendations

The Board is asked to:

- note the responses and changes to the SCR Energy Strategy based on the comments of the previous LEP Board meeting.
- note the newly formed SCR:NZ Partnership as an innovative and collaborative way to meet our decarbonisation challenges.

1. Introduction

- 1.1** The Sheffield City Region (SCR) Energy Strategy was presented to the LEP Board in January 2020. This paper provides an update on the changes that will be made to the final Energy Strategy prior to it being received at a future meeting of the MCA. This paper also highlights how the SCR Energy Strategy fits into the overall Climate Emergency Response Framework.

2. Proposal and Justification

- 2.1** The following summary provides a response to the points raised at the last LEP Board meeting and how the SCR Executive Team will integrate them into the final version which is currently being produced in order to go to a future meeting of the MCA.
- 2.2** The key point amongst the issues discussed, was how the Energy Strategy related to the broader climate emergency challenge and recognising that whilst energy is a central

component to how we tackle that issue in the future, it is one amongst a number of factors which need to be addressed.

- 2.3** Whilst making a step change in the way South Yorkshire produces and uses energy is an essential component in tackling the climate emergency, it is also recognised that a broader set of changes are required across a range of issues if South Yorkshire is to achieve net zero. The Climate Emergency Response Framework presented to the MCA Board in January 2020 notes that action will need to be taken across multiple levels and issues. The Energy Strategy will be one component of that overall Climate Emergency Response Framework.
- 2.4** SCR has begun to work alongside the University of Sheffield and South Yorkshire local authorities through the newly established SCR:NZ Partnership. This innovative agreement will bring together a virtual team from within the SCR Executive, local authority partners and leading academics to develop new and deliverable solutions to help us achieve our net zero target. The solutions that will be derive from the Energy Strategy are expected to be amongst some of the first initiatives taken forward by this partnership.
- 2.5** The need to develop costed actions rather than just un-costed strategic ambition was also a key discussion point at the last LEP Board meeting, and it is expected that this new partnership will lead the production of a pipeline and implementation plan that will develop the actions from ambition through to delivery.
- 2.6** SCR already has a significant competitive advance in the energy and associated climate change agenda, given its industrial and advanced manufacturing heritage. This again was a key theme at the last LEP Board meeting. It is vital that the industries in our region remain competitive whilst decarbonising to ensure that they have a place in the future low carbon economy. Equally, the skills that are inherent within our communities are transferrable to the production, installation, and development of low carbon technologies as has been seen with the Nuclear AMRC. This will be critical as part of our approach to securing a 'Just Transition'.
- 2.7** Related to the need for a Just Transition is ensuring that the cost of energy does not disproportionately affect those who can afford it least. As such there was a debate as to whether the Strategy was trying to say too much for both energy generation and energy usage, whereas should the focus be primarily centred with energy generation. A key principle in energy management is that energy usage should be optimised before additional generation is sought. Over 10% of South Yorkshire's residents are in fuel poverty – reducing their usage through improved efficiency reduces their financial burden and insulates them from fluctuating (and often rising) fuel prices. This argument applies equally to businesses and industry. As such the Energy Strategy will seek to maintain this balance.
- 2.8** The LEP Board also recognised that the Strategy needs to be realistically couched and demonstrate that the SCR is a region in transition that can do better, rather than something that we will never achieve. In 2019, HMG legislated to achieve net-zero by 2050. Each Local Authority in South Yorkshire has declared a climate emergency and has either set, or is in the process of setting, a target for net-zero, all of which are before 2050. Significant action is required to achieve this, and the scale of the challenge cannot be understated. The Energy Strategy outlines the things that *could* be done to achieve these challenging targets, but it must sit alongside a broader set of actions outlined in the Response Framework.
- 2.9** The Energy Strategy is now being finalised with a view to it being received by the MCA at a future meeting. The Infrastructure Board will continue to oversee the next stage and the

types of projects that begin to flow from the Strategy and the associated wider Response Framework.

3. Consideration of alternative approaches

3.1 The preparation of the Strategy involved several consultants at different stages, and a range of evidence and different options, approaches, objectives, vision etc which have been informed through consultation with key Stakeholders over the past 18 months. At every stage the evidence base and draft proposals and different versions of the Strategy have also been considered and guided by the SCR Infrastructure Board, and previously the SCR Housing and Infrastructure Board.

4. Implications

4.1 Financial

This work is supported by £40k from BEIS with a further £30k allocated from SCR funds. This budget was sufficient to complete the Strategy and undertake the Carbon Targets and Scenarios work. Further support from BEIS (£100k) was also secured for additional capacity to lead on Energy and Sustainability activity within the SCR Executive. The post is hosted by SCR and works alongside local authority officers across South Yorkshire as well as regionally through the North East, Yorkshire and Humber Energy Hub.

4.2 Legal

A Memorandum of Understanding has been agreed with BEIS related to their funding contribution to support the preparation of the SCR Energy Strategy.

4.3 Risk Management

Risk assessment has been undertaken for the project and is continually monitored.

4.4 Equality, Diversity and Social Inclusion

None arising from this report. The SCR Energy Strategy will help to address fuel poverty and the health and wellbeing of the local populations and, therefore, will contribute to improving social inclusion.

5. Communication

5.1 Proactive communications will be delivered across a range of channels, including digital, social and traditional media, once the Energy Strategy is in a position to be published.

6. Appendices/Annexes

N/A

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

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5th March 2020

LEP ANNUAL REPORT

Purpose of Report

Following the publication of the Government's LEP Review report in July 2018, '*Strengthened Local Enterprise Partnerships*', all LEPs are now required to produce and publish an annual report to outline the activities, outputs and achievements that the LEP has delivered in the preceding financial year. This paper presents the plan for developing the SCR LEP Annual Report 2019/20.

Thematic Priority

Cross-cutting across all six thematic priorities.

Freedom of Information

This paper will be made available under the SCR Publication Scheme.

Recommendations

LEP Board Members are asked to agree the production of an SCR LEP Annual Report 2019/20 for agreement at the LEP Meeting on 21st May 2020.

1. Introduction

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

2. Proposal and justification

- 2.1 The LEP Review made a number of recommendations to improve the rigour of the Government's annual review of LEP performance, and to strengthen accountability and transparency over how public funds are invested.

- 2.2** LEPs are required to:
- Produce and publish an annual **LEP Delivery Plan**, outlining the agreed priorities and interventions that will be funded, delivered, monitored and evaluated over the coming financial year.
 - Produce and publish an annual **LEP End of Year Report** on actual activities, outputs and outcomes delivered over the preceding financial year.
 - Hold an **Annual General Meeting (AGM)** which is open to the public and promoted to businesses.
- 2.3** The SCR LEP Board approved the LEP Delivery Plan 2019/20 at its meeting on 20th May 2019 and this was submitted to Government and published on the SCR website.
- 2.4** Following financial year end, SCR LEP must produce a written report which details the actual activities, outputs and expenditure that has been achieved against the profile outlined in the LEP Delivery Plan 2019/20.
- 2.5** The 2019/20 financial year has been significant for SCR LEP: the Government's implementation of new performance monitoring arrangements, the introduction of the Thematic Boards, changes to LEP geographical boundaries and extensive partner and business engagement work to develop the new Strategic Economic Plan (SEP).
- 2.6** Rather than just produce and publish an end-of-year report on performance against the LEP Delivery Plan 2019/20, SCR LEP will instead produce and publish an Annual Report for 2019/20 that enables SCR to highlight and promote the activities and engagement that the LEP has achieved during the year. This will include the following:
- **Foreword** – personal messages from the SCR LEP Chair and SCR Chief Executive highlighting key successes and activities.
 - **Review of 2019/20** – summarising the successes and achievements for the LEP over the past year and the challenges and opportunities for the SCR economy based on the latest data and the aspirations and targets for growing the SCR economy.
 - **Case Studies** – of key LEP funded projects and initiatives that have been delivered during the year.
 - **Objectives and Aspirations for the Year Ahead** – a summary of key activities, events, plans and wider business engagement activity that will be launched or delivered in 2020/21, including the launch of the SEP.
 - **The LEP Board Members** – pen portraits of all LEP Board members, including lead roles such as Champion for Equality and Diversity, Champion of Small Business and Co-Chair of Thematic Boards.
 - **End of Year Financial and Output Performance** – a table outlining financial and output performance of LEP funded projects compared to the profile in the LEP Delivery Plan 2019/20.
- 2.7** The draft LEP Delivery Plan 2020/21 and draft LEP Annual Report 2019/20 will be presented to the LEP Board for approval at the LEP Board meeting in May 2020.

3. Consideration of alternative approaches

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

4. Implications

4.1 Financial

There are no direct financial implications arising from this paper.

4.2 Legal

There are no legal implications arising from this paper.

4.3 Risk Management

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

4.4 Equality, Diversity and Social Inclusion

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

5. Communications

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

6. Appendices/Annexes

- 6.1 None

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

Other sources and references:

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5th March 2020

2020/21 Proposed MCA/LEP Revenue Budget

Purpose of Report

This paper sets out proposals for the Sheffield City Region MCA/LEP Revenue Budget for financial year 2020/21, for endorsement by the LEP Board and for onward approval by the MCA.

Thematic Priority

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

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

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

Recommendations

1. That LEP Board members consider and endorse the proposed revenue budget, including core operations as well as revenue programmes, for approval at the MCA on 23rd March 2020.

1. Introduction

- 1.1 This paper provides the proposed 2020/21 MCA/LEP Revenue Budget which is scheduled for approval by the MCA on 23rd March 2020. Please note that the figures are subject to final checks and may be revised prior to the MCA report being published.
- 1.2 The proposed budget has been developed in line with the Medium-Term Financial Strategy agreed at MCA in November 2019. It is based upon the going concern principle and the known funding sources for 2020/21. Members will recall the context of developing the strategy was a £1m reduction in Enterprise Zone receipts because of the LEP Review. Early consideration at MCA Board and management review of operational structures has helped address this gap. This report will explain how that has been captured and incorporated into 2020/21 Budget proposal.
- 1.3 It does not include any allowance for monies which may be devolved to the SCRMCMA in 2020/21. Should this process be completed by summer 2020 and monies devolved, a revised 2020/21 budget report will be produced and brought back to the LEP and the MCA in Autumn 2020 for approval. This will be part of developing a new robust 5-year financial strategy.

2. Proposal and justification

2.1 The budget report sets out the operational revenue expenditure budget for 2020/21 and the income sources that fund that activity. Key activities that will be undertaken within this budget allocation include;

- Business Growth & Investment
- Skills Programmes
- Infrastructure & Housing Programmes
- Transport Programmes including Transforming Cities Fund
- Running LEP/MCA
- Mayoral Priorities
- Preparedness for more devolved funding

2.2 Cost centres have been introduced in 2020/21 that greater reflect our operational activity and gross costs and gross income shown. The changes introduced will generate greater transparency of costs and better comparability against other organisations. Direct comparison to 2019/20 budget is a challenge because of the change in basis but it is addressed in each section. They also identify the assumptions used in determining the budget and the pressures absorbed.

2.3 Revenue Budget

The summary revenue budget is shown below setting out the gross cost centre budgets for the current operational structure. Cost centre budgets are shown in Appendix 1. Previously this has been shared with section 151 officers of the constituent authorities as well as vice chair of LEP and Chair of Business Growth Executive Board.

Table 1 Summary Revenue Budget 2020/21

	Employee Costs £	Non Staffing Costs £	Operational Expenditure £
Business Growth, Skills & Employment	1,408,453	1,087,000	2,495,453
Transport, Infrastructure & Housing	1,452,687	650,000	2,102,687
Governance & Mayoral Office	488,483	117,551	606,034
Chief Executive Office	1,328,352	490,000	1,818,352
Business Services	531,509	953,449	1,484,958
Property Running Costs	39,798	1,688,785	1,728,583
Vacancy Allowance	250,000		250,000
TOTAL OPERATIONAL BUDGET	4,999,281	4,986,785	9,986,066
INCOME			-9,702,755
PLANNED USE OF GENERAL FUND BALANCES			283,311

The proposed budget is planning to utilise £283,311 of revenue reserves in 2020/21. This is in line with the MTFs approved at MCA Board in November 2019 and updated at January LEP Board. The affordability is discussed in section 2.8 below.

2.4 Staff Costs

The gross staffing budget for 2020/21 is just under £5m. The original gross staffing budget for 2019/20 was £5.208m. This reduction in budget does not reflect the whole picture.

- Net salary underspending has been reported to Board during the year. Management review of vacancies has resulted in reduction of establishment by 12% and a budget saving.
- A pay award of 2% has been assumed from 1st April 2020 but that is still subject to national negotiation.
- Transforming Cities Funding has been assumed and additional posts across the organisation have been included in the budget.
- The post review staffing numbers and the total cost reflect the emerging work of LEP/MCA and are comparable to others.
- A 5% vacancy allowance has also been included to reflect staff turnover in the year.

2.5 Non-Staffing Costs

These costs represent the costs of operating a LEP/MCA organisation and include costs of consultancy support to develop new policies and programmes, revenue programmes such as Active Travel and Skills, property costs, service agreements, ICT, HR to name a few. The introduction of new cost centres detailed in Appendix 1 allows for greater transparency and control.

The new presentation of cost centres and gross costs present a challenge of direct comparison between years in Appendix 1. However, the table below allows comparison at a broader level.

Table 2 – Comparison of Non-Staff Costs between years

	2019/20	2020/21	Budget Change
	<u>£000</u>	<u>£000</u>	<u>£000</u>
SEP/LIS Budget	1,760		
Business, Growth and Skills		650	
Transport, Infrastructure & Housing		450	
Chief Executive Office	<u>0</u>	<u>500</u>	
	1,760	1,600	-160i
LGF Consultancy	150	150	0
AMP	1,020	1,115	95ii
Other Property	605	574	-31
Growth Hub	400	337	-63iii
Active Travel	150	150	0
Business Services	960	953	-7
Governance	<u>75</u>	<u>107</u>	<u>32</u>
	5,120	4,986	-134

Notes

- As stated in the Medium-Term Financial Strategy, revenue resources have been scrutinised. The SEP/LIS budget has been allocated to priority areas in line requirements to deliver the priority areas. This has resulted in a budget reduction.
- This budget reflects the additional running costs of AMP. There is additional income from this facility to more than compensate.
- It appears that there is a budget reduction in Growth Hub Funding for 2020/21. However, that is not the case. Growth Hub is supported by annual BEIS grant and

funding from a special reserve set up with specific BEIS funding several years ago. The difference represents the change in planned draw down from the reserve.

2.6 Income Budget

2.6.1 The income budget is summarised in the table above. This section looks at the detail and a comparison to 2019/20 where possible. Table 3 below looks at General Income. Comparison is made with 2019/20 and explanation of the variances are shown in the notes below.

Table 3 – General Income

	2019/20	2020/21	Variance	
	£000's	£000's	£000's	
Enterprise Zone Business Rates	3,023	2,009	-1,014	i
BEIS LEP Grant	500	500	0	
BEIS Growth Hub Grant	410	410	0	
Transport Hub Subscriptions LEP	1,000	1,000	0	
Subscriptions	204	184	-20	i
AMP Income	1,428	1,620	192	ii
Treasury Management	195	400	205	iii
Other Property Income	155	155	0	
	6,915	6,278	-637	

Notes

- i. As previously discussed at Board, the major factor is the reduction of income from the realignment of LEP boundaries and the loss of £1m of enterprise zone receipts from Chesterfield. This has also resulted in a reduction of subscriptions.
- ii. Greater revenue has been generated from more activity at AMP in 2019/20. The budget has been adjusted to reflect the overall position.
- iii. Cash flow modelling has been re-examined during the budget process and the expected level of Treasury Management returns increased for the budget although rates will remain static.

2.6.2 The other aspect of income when working on a gross basis is Specific Grants and Recharges. The detail of 2020/21 budget is shown below in Table 4. Comparison between years is difficult for area because it varies significantly between years based upon activity and much of the activity is procured as required. However, where sensible, a comparator has been shown. Some narrative explanation is shown in the notes underneath the table.

Table 4 – Specific Grant and Recharges

	2019/20	2020/21	
	£000's	£000's	
Local Growth Fund	1,150	1,150	i
Transforming Cities Fund Grant	0	480	ii
MCF Staffing	350	350	iii
MCF Active Travel	75	150	iii
Sustainable Travel Access Fund	25	25	
Skills Bank	324	220	
Planning & Delivery	112	45	
One Public Estate	90	15	
WHU Trial	391	170	

Energy & Sustainability	57	40	
SYPT & Levy	526	449	iv
Growth Hub Reserve	340	280	
Miscellaneous	<u>51</u>	<u>51</u>	
	3,491	3,425	

Notes

- This is the eligible element of LGF for programme management.
- TCF funding has been assumed for 2020/21. This is the estimated administration element of TCF for 2020/21
- This is the elements of MCF that have been costed in the budget at this stage. £500k of the 2020/21 funding is available for programmes in the year including follow up to Bus Review.
- Some services are shared and some are recharges for the management of some PTE activity. Some changes have been made in the year in the respective costs of these services.

2.7 Revenue Programmes

SCR manage several revenue programmes. The funding and spending is outside the core budget but some commentary is appropriate for a complete budget picture. It is anticipated that SCR will deploy £6.2m across the region and this is shown in Table 5 below.

Table 5 Revenue Programme 2020/21

Programme Activity	Thematic Area	2019/20	2020/21	
		Outturn	Budget	
		£'000	£'000	
Health Led Employment Support Trial	Skills & Employment	2,179	1,499	i
Skills Bank	Skills & Employment	1,157	790	ii
Enterprise Advisor Pilot	Skills & Employment	180	180	
Key Account Management	Trade & Investment	102	144	
Sustainable Travel Access Fund	Transport	2,500	2,500	iii
Energy & Sustainability	Infrastructure	59	56	iv
Planning Delivery Fund	Planning	162	46	
Mayoral Capacity Fund	Mayor's Office	1,302	1,000	
Sub-Total		7,641	6,215	

Notes

- The health led trial was launched successfully in 2018/19 and is now in the process of being delivered under a contractual arrangement with NHS Sheffield Clinical Commissioning Group and the delivery partner, South Yorkshire Housing Association. This was due to finish at March 2020 but negotiations with the Work and Health Unit have allowed for an extension of the scheme to October 2020.
- Skills Bank is a 6-year programme which forms part of Sheffield City Region's Growth Deal. Skills Bank essentially comprises two elements: tasks and activities which the SCR is responsible for delivering and the main contract with the delivery partner for commissioning training. ESFA have confirmed funding for the final year for delivery in 2020/21.
- Sustainable Transport Access Fund was a 3-year programme running from 2017/18 to 2019/20 and delivery has been strong to date. In December Government announced that this valuable revenue programme is to be extended for 2020/21. This funding will allow partners to continue the valuable work undertaken in the first three years and help support the delivery of the SCR wider Transport vision.
- The Energy & Sustainability workstream was started late in 2018/19. This is a 2-year programme and the estimated value is around £114k. £14k is funded from Core budget and £100k has been obtained from BEIS (via Tees Valley Combined Authority). The

programme seeks to increase capacity to develop and deliver energy projects and improve the quality of energy projects brought forward.

2.8 Reserves

MCA/LEP has reserves for specific purposes. Table 6 below shows the anticipated levels at 31st March 2020 and 31st March 2021.

Table 6 – Revenue Reserves

	Balance b/f 1.4.2019	Planned Use	Forecast variance	New Use	Reserves c/d 31.3.2020	Proposed Use	Reserves c/d 31.3.2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Reserve	£1,768		£1,022	-£800	£1,990	-£800	£1,190
Election Reserve	£233			£800	£1,033	£800	£1,833
Business Rates Reserve	£843		£153		£996	-£283	£713
Growth Hub Reserve	£1,655	-£340			£1,315	-£280	£1,035
Skills Bank Reserve	£1,680		£3,397		£5,077		£5,077
Skills Bank 2	£1,110	-£600			£510	-£510	£0
Revenue Reserves	£7,289	-£940	£4,572	£0	£10,921	-£1,073	£9,848

SCR's level of revenue reserves has increased by £3.632m. The key element of this is Skills Bank Reserve. Money has been passed to SCR from the completion of phase 1. This funding is earmarked for skills programmes over the next few years. Skills Bank 2 represents early payment of funding towards the 2nd Skills Bank Programme that runs until 2021. Growth Hub Reserve is similarly earmarked for specific activity.

General Reserve is not earmarked and is held by SCR to secure the authority against any unforeseen changes in circumstances. In 2018/19, £1.7m was established by the Section 73 Officer as a prudent level of reserves. Table 6 indicates that this will increase by c£1m in the year due to the in the year underspend reported to January Board. However, a future budget pressure surrounding Mayoral elections has been highlighted alongside discussions with other M9 Finance Directors. The costs of the 2022 election will be in the region of £2m. It would be sensible to smooth the impact of that cost over a longer period. Therefore, it is intended to add £800,000 to the Election Reserve from some of the windfall additional income in 2019/20. This will leave the General Reserve at £2m at 31st March 2020. It is proposed that a further allocation is made in 2020/21 of £800,000 to provide for the 2022 Mayoral Elections. This will leave General Reserve at £1.190m. This remains a sound level for general reserves.

The Business Rates Reserve was created to smooth fluctuations in the level of business rates received by SCR. It is intended to utilise £283,311 to meet 2020/21 budget requirements. A further £240,000 will be earmarked for 2021/22 budget in line with the MTFs updated at the previous LEP Board in January 2020. This will bring this reserve down to £472,000 in line with MCA policy.

2.9 Section 25 Statement

2.9.1 Section 25 of the Local Government Act 2003 places requirements on a Section 73 Officer in determining the Authority's budget for the forthcoming financial year to report on the robustness of the estimates made for the purposes of the calculations and on the adequacy of the proposed financial reserves. This assessment is based upon the Combined Authority continuing to operate on an on-going basis and with existing powers.

This section sets out the Section 73 Officer's view of the budget and medium-term financial plan.

- 2.9.2** The medium-term financial plan approved by the MCA Board in November set out a robust plan to deliver a balanced budget over the medium term. There is a marginal risk to future income sources from a down-turn in business rate revenue but a reserve is in place to mitigate that. As the majority of the SCR's budgets are not demand led, the level of control the Combined Authority has over its expenditure is significant. Both give confidence in the delivery of the plan.
- 2.9.3** The budget presented to the Board, has been compiled in line with the MTFs and the assumptions therein are robust. Staffing has been reviewed against the projected demands for 2020/21 and some posts deleted. Some funding has been earmarked or new staffing resource to manage the new TCF programme. Revenue funds have been allocated to key service areas to resource the development of major projects and programmes. Funding this development of new programmes is a pressure on all MCA's. SCR has allocated the resources that can be afforded at this time.
- 2.9.4** Overall this is a robust budget for the planned activities of the MCA/LEP for 2020/21. The planned utilisation of reserves is a reasonable approach and leaves the MCA in a sound financial position to move forward with confidence.

3. Consideration of alternative approaches

- 3.1** It is enshrined in MCA Constitution that a budget is set before the start of the financial year. The Capital Programme was approved at January MCA Board alongside setting the Transport Levy. SCR/MCA budget will now be approved at 23rd March 2020 Board.

4. Implications

4.1 Financial

This is the budget setting report and all financial matters are incorporated in the main body of the report

4.2 Legal

Recommending this report to MCA Board on 23rd March 2020 meets the requirements set out in the Constitution.

4.3 Risk Management

In formulating the assumptions which underpin the proposed budget, officers have taken a prudent approach in order to mitigate all known risks.

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

5. Communications

- 5.1** Consultation with key stakeholders has been undertaken at various stages of the 2020/21 business planning process. Discussions on the proposed budget have taken place with the LEP Vice Chair and the Chair of the Business Growth Executive Board, constituent authority Directors

of Finance and Chief Executives. This consultation has been instrumental in informing the report before the Board.

6. Appendices/Annexes

6.1 Appendix 1 – Cost Centre Revenue Budgets for 2020/21

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

Other sources and references

Cost Centre Revenue Budget 2020/21

	2020/21 Employee Costs £	2020/21 Non-Staffing Costs £	2020/21 Operational Expenditure £
Business Growth, Skills & Employment			
Director's Office	147,968	10,000	157,968
Business & Investment	57,498	200,000	257,498
Skills, Employment & Education	210,676	200,000	410,676
Growth Hub	347,447	337,000	684,447
Trade & Investment	207,107	240,000	447,107
Assurance	63,928	80,000	143,928
Programme & Performance Unit	373,828	20,000	393,828
	1,408,453	1,087,000	2,495,453
Transport, Infrastructure & Housing			
Director's Office	168,138	10,000	178,138
Housing & Infrastructure	247,190	100,000	347,190
Transport	380,724	240,000	620,724
Active Travel	0	150,000	150,000
Assurance	95,892	120,000	215,892
Programme & Performance Unit	560,743	30,000	590,743
	1,452,687	650,000	2,102,687
Governance & Mayoral Office			
Director's Office	118,005	10,000	128,005
Governance	184,295	73,962	258,257
Mayoral Office	186,183	33,589	219,772
	488,483	117,551	606,034
Chief Executive Office			
Chief Executive Office	427,901	170,000	597,901
Policy	269,197	150,000	419,197
Communications & Marketing	452,821	150,000	602,821
External Affairs	178,433	20,000	198,433
	1,328,352	490,000	1,818,352
Business Services			
Finance	383,026	230,021	613,047
ICT	0	475,329	475,329
Business Operations	98,483	41,801	140,284
Legal	0	92,726	92,726
HR	50,000	113,572	163,572
	531,509	953,449	1,484,958
Property Running Costs			
Broad Street West	39,798	358,802	398,600
Legacy Properties	0	215,400	215,400
AMP	0	1,114,583	1,114,583
	39,798	1,688,785	1,728,583
Vacancy Allowance	250,000	0	250,000
TOTAL OPERATIONAL BUDGET	4,999,281	4,986,785	9,986,066
INCOME			
General Income			-6,278,000
Specific grant income and recharges			-3,424,755
PLANNED USE OF GENERAL FUND RESERVES			283,311

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5th March 2020

LGF PROGRAMME 19/20, 20/21 UPDATE

Purpose of Report

This report provides Board Members with an update on the 2019/20 LGF outturn position and sets out the 20/21 programme activity, noting this is the final year of the current six-year LGF programme.

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 any negative impact on the LGF programme.

1. Introduction

1.1 The annual spend target for 2019/20 is £35.5m this is made up of:

- £29.9m - the 19/20 allocation of LGF, and
- £5.59m – carried over from 2017/18.
-

1.2 At the start of the 19/20 year £38.09m of projects were already approved with a further £30.1m forecasting 2019/20 spend in the pipeline (excluding the retained major). Based on this the risk level for spend was low risk. Within the year there has been significant movement and we are now predicting a potential in year underspend and the risk level has increased.

2. Proposal and justification

2.1 19/20 Programme position at the end of Quarter 3

After in year movements projects are currently forecasting the following spend profile:

Projects in contract	£30.7m
Projects approved not yet in contract	£9.6m
Total Forecast Spend	£40.3m

Whilst this picture suggests there is a buffer for any slippage, we have been made aware by sponsors that further change requests will be submitted to move c£4.4m of planned 19/20 spend into 2020/21 which if approved by the MCA will result in spend of £35.9m. Based on evidence from previous year performance further slippage is anticipated within schemes especially Business Investment Fund schemes which could result in a deficit.

2.2 Financial expenditure claimed to date for 19/20 is currently standing at £14.1m which represents 39% of the annual target. This leaves a significant percentage to be defrayed and claimed in the remaining quarter of the financial year.

2.3 Scheme Promoters have been asked to submit monthly claims to accelerate spend and to maximise activity that can be accrued. An update is shared weekly with CEX, Directors of Finance and Economic Development Directors to increase communication and oversight of performance of the schemes, agreed milestones and slippage.

3. Consideration of alternative approaches

3.1 Do Nothing – this is not an option we need to take all steps to maximise full drawdown of the 19/20 grant so that monies are not lost to the programme

Do more – We have discounted running additional calls for schemes due to the implications this has for the total programme, where there is only £17m of available headroom

4. Implications

4.1 Financial

This paper set out the financial position of the LGF Capital Programme for 19/20 and the indicative budget for 20/21. The total expenditure of the LGF programme will continue to be managed so that it will not exceed the financial resources available.

4.2 Legal

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

4.3 Risk Management

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

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5th March 2020

Assurance Framework

Purpose of Report

Each year the Sheffield City Region (SCR) LEP and MCA is required to update its Assurance Framework to ensure that robust, transparent and effective governance arrangements are in place. The draft Assurance Framework 2020 has been prepared in response to Government guidance. This paper seeks approval of the draft Assurance Framework.

Thematic Priority

The Assurance Framework underpins all six thematic priorities of Sheffield City Region's Strategic Economic Plan (SEP) by defining the key processes and policies that SCR LEP and MCA will use in administering public funds.

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

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

Recommendations

That the Local Enterprise Partnership:

1. Approves the updated Assurance Framework set out at Appendix 1 for publication by 31st March 2020.
2. Notes that the Assurance Framework will need to be revised following the completion of the Devolution Deal and submitted to Government for approval (paragraph 2.4).

1. Introduction

- 1.1 Each year the Sheffield City Region (SCR) LEP and MCA are required by Government to update and publish its Assurance Framework. The Assurance Framework sets out how the SCR will use public money responsibly, make robust decisions, achieve best value for money and act in an open and transparent manner. It explains the SCR structures and Boards that make decisions, outlines the policies and procedures that are in place to support decision-making and monitor delivery of LEP funded projects and schemes and how the SCR LEP and MCA will publish information.

2. Proposal and justification

- 2.1 SCR LEP and MCA are required by Government to publish an updated Assurance Framework before 31st March 2020 in accordance with the 2018 LEP Review (Strengthened Local Enterprise Partnerships) and the National Local Growth Assurance Framework guidance (issued in January 2019). The draft Assurance Framework 2020 is included at Appendix A.

2.2 The 2020 Assurance Framework takes effect from 1 April 2020.

2.3 Key Amendments to the Current Assurance Framework

LEP Geography and Membership - The most significant changes that have been made to the Assurance Framework are in relation to the revised geography of the SCR LEP which also takes effect from 1 April 2020. Appendix 1 - *Section 2: About the Sheffield City Region* and *Section 3: Structures and Roles* confirms the withdrawal of the non-constituent local authorities from the LEP and the changes to the membership and quoracy of the LEP Board and Thematic Boards.

Readiness for Managing the Transforming Cities Fund (TCF) - The Department for Transport (DfT) raised several points of clarification on how transport projects are assessed, appraised and approved. *Section 3: Structures and Roles*, *Section 4: Accountability for Public Funds* and *Section 5: Robust and Transparent Decision-Making* have been strengthened accordingly.

Project Appraisal and Approval - *Section 5: Robust and Transparent Decision-Making* has been amended to reflect the latest HM Treasury guidance on project appraisal and approval. The appraisal process has also been made more efficient by gathering more information from applicants at the start of the process, and the introduction of Business Justification Case for projects with a total value of less than £500k. An illustrative diagram on the appraisal and approval process has also been included.

Other minor changes include:

- A separate section on Contract Management; and
- Updated information on the collaboration that has taken place with other LEPs, Metro Mayors and the Northern Powerhouse in 2019.

2.4 MCAs with devolved funding and powers are required to submit their draft Assurance Frameworks to Government for approval. This is because their Assurance Frameworks outline the arrangements that are in place to manage the Single Pot allocation and Adult Education Budget (AEB). SCR will therefore need to revise the 2020 Assurance Framework with this information following the completion of the Devolution Deal. A revised draft of the Assurance Framework will be presented to the LEP and MCA Boards later this year for endorsement, before being submitted to Government for approval.

2.5 The Assurance Framework will be presented to the MCA Board on 23rd March 2020.

2.6 LEP Policies

National Assurance Framework guidance requires the LEP to have in place a number of policies. This includes:

- Code of Conduct
- Complaints Policy
- Confidential Complaints Policy
- Diversity Policy
- Declaration/Conflicts of Interests Policy
- Expenses Policy
- Gifts and Hospitality Policy
- Whistleblowing

These policies have been in place since 2017 and are reviewed on an annual basis to ensure they meet the requirements of any new guidance and to reflect any changes made to the SCR Assurance Framework. The review has identified that no significant or fundamental changes are required this year. Amended policies will take effect from 1st

April, will be communicated to all Members and published on the website alongside the revised Assurance Framework.

Terms of Reference

The Terms of Reference for the LEP have also been reviewed and now include a reference to the AGM taking place in public as required by national guidance. The revised Terms of Reference are provided at appendix 2 and will be published on the website by 1st April.

3. Consideration of alternative approaches

- 3.1** Failure to update, approve and implement the SCR Assurance Framework would risk the SCR being non-compliant with national standards on governance and transparency. The Government has clearly indicated that failure to comply will result in funding being withheld from the LEP.

4. Implications

4.1 Financial

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

4.2 Legal

The Assurance Framework outlines the legal duties of the MCA as the Accountable body for the LEP and the policies and procedures that are in place to ensure that the MCA and LEP make decisions in a legally compliant, robust and transparent manner. This includes referencing the responsibilities of the Section 73 Officer, the purpose of internal and external audit, the role of the Overview and Scrutiny Committee and the project appraisal process (*Appendix 1 – Section 4: Accountability for Decisions and Public Funds*).

4.3 Risk Management

The Assurance Framework specifies the processes and procedures that the SCR has in place to manage. These processes are in accordance with HM Treasury's Orange Book principle and include the Strategic Risk Management Framework, the SCR Risk Register and quarterly monitoring of projects and programmes (*Appendix 1 – Section 4: Accountability for Decisions and Public Funds*).

4.4 Equality, Diversity and Social Inclusion

The LEP is required to demonstrate its approach to equality and diversity in terms of the composition of the LEP Board and its Equality and Diversity policy. The Assurance Framework outlines the LEP's commitment to equality and diversity and current gender composition of the LEP Board (*Appendix 1 – Section 3: Structures and Roles*). The LEP Diversity Policy is also referenced.

5. Communications

- 5.1** The MCA and LEP are obliged to publish information on the decisions that are being made, particularly on investments, in an open and transparent way. The SCR has always

taken the approach of publishing as much information as possible on the SCR website so that it is accessible.

Appendix 1 – Section 8: Publishing Information outlines how the general public can access information that the SCR holds, the range of information that can be accessed through the SCR website, the Forward Plan of Key Decisions, meeting papers and financial and project performance information.

The approved Assurance Framework 2020 and LEP policies will be published on the SCR website.

6. Appendices/Annexes

- 6.1 Appendix 1 - Sheffield City Region Assurance Framework 2020
- Appendix 2 – Revised Terms of Reference

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

Other sources and references:

Sheffield City Region

Assurance Framework



2020

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Version Control

V1	First draft based on 2019 finalised version	L Whitaker & C Howard
V2	Amended sections 5 and 7 and inclusion of section 6	C Howard & L Whitaker
V3	Further amendments to section 5	C Howard
V4	Inclusion of devolution references	L Whitaker
V5 & V6	Amendments from first read-through	S Davenport, F Kumi-Ampofo, C James, L Whitaker & C Howard
V7 & V8	Amendments from second read-through	C Howard & L Whitaker
V9	RA amends	R Adams
V10	Update para from RA feedback and responses to RA comments	C Howard & L Whitaker

1. Introduction

Purpose of the Assurance Framework

- 1.1 The aim of this document is to set out how the Sheffield City Region (SCR) will use public money responsibly, both openly and transparently, and achieve best value for money. This document outlines:
- The respective roles and responsibilities of the Local Enterprise Partnership (LEP), the SCR Mayor, the Mayoral Combined Authority (MCA) and other elements of the decision-making and delivery structure;
 - The key processes for ensuring accountability, probity, transparency, legal compliance and value for money;
 - How potential investments will be appraised, prioritised, approved, and delivered; and
 - How the progress and impacts of these investments will be monitored and evaluated.
- 1.2 The Assurance Framework sits alongside several key SCR governance and policy documents – most notably the MCA Constitution, the LEP Terms of Reference, the Financial Regulations, the Strategic Economic Plan (SEP), and Monitoring and Evaluation Framework.
- 1.3 The Assurance Framework has been developed in response to the National LEP Assurance Framework guidance (January 2019), the Strengthened Local Enterprise Partnerships Report (July 2018), the LEP Governance and Transparency Best Practice Guide (January 2018) and the Ney Review (October 2017).
- 1.4 This Assurance Framework takes effect from 1 April 2020. The 2020 Assurance Framework applies to all new funding regimes, funding bids and projects from this date. For continuity purposes, some existing projects which are already part way through the 2019 Assurance Framework process, will conclude their approval through that route.

Updating the Assurance Framework

- 1.5 The SCR Assurance Framework is reviewed and updated at the end of each calendar year. The next annual review of this document is scheduled to commence in December 2020.
- 1.6 A draft of the Assurance Framework is presented to the LEP and MCA Boards to approve any changes. The Assurance Framework is then submitted to the Ministry of Housing, Communities and Local Government (MHCLG) for approval. It is also circulated to the Department for Transport (DfT) for information.

The Structure of this Document

- 1.7 The remainder of this document is structured into the following sections:
- **Section 2** describes the City Region and the plan for economic growth;
 - **Section 3** explains the structures, roles and responsibilities of the organisations that make up the SCR's decision-making bodies;
 - **Section 4** outlines the processes for ensuring openness and accountability for public funds;
 - **Section 5** describes how the LEP collaborates and engages with other LEPs, partners and the public;
 - **Section 6** illustrates how decisions are made in a robust, evidenced and transparent manner;
 - **Section 7** explains how projects are delivered and monitored and evaluated;
 - **Section 8** outlines how information is published;

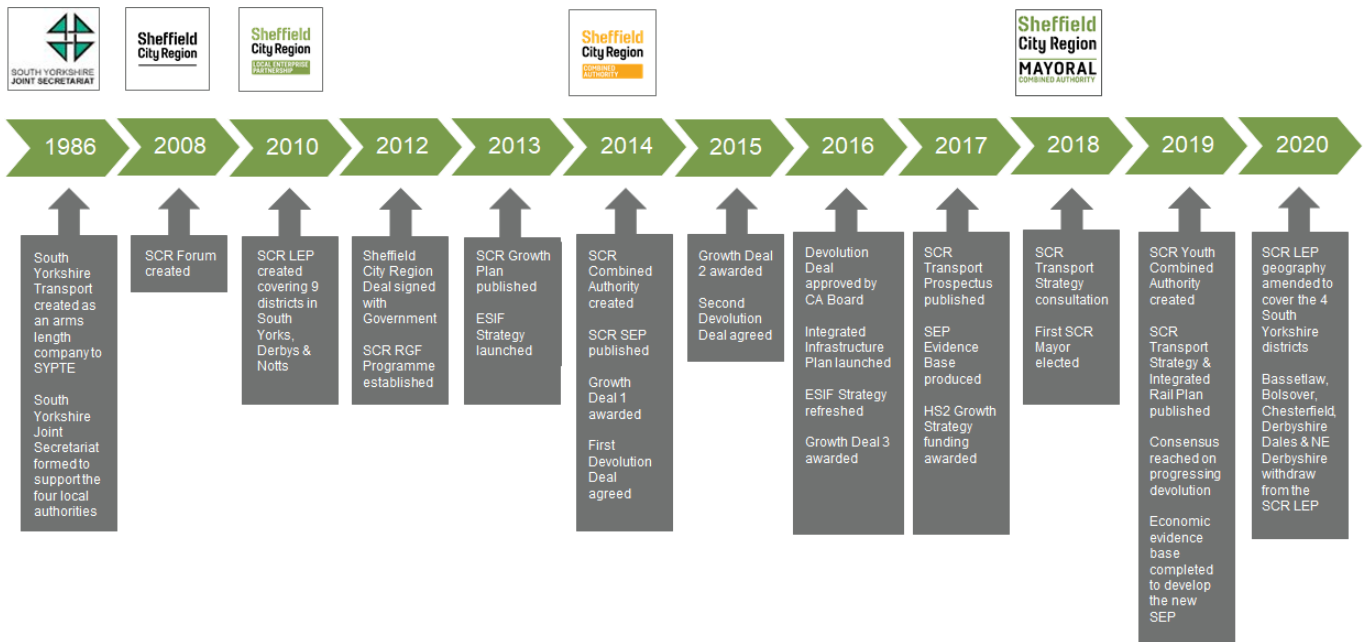
- **Appendix A** provides a summary of the policies that the LEP is governed by; and
- **Appendix B** is a joint statement from the LEP and MCA on their respective roles and responsibilities.

2. About the Sheffield City Region

History

- 2.1 The Sheffield City Region (SCR) is at the heart of the UK and consists of the four local authority districts in South Yorkshire.
- 2.2 The concept of the Sheffield City Region dates back to 2008 when the SCR Forum was created. However, joint working across the South Yorkshire authorities significantly predates this, as shown in Figure 1 below.

Figure 1: Sheffield City Region Timeline



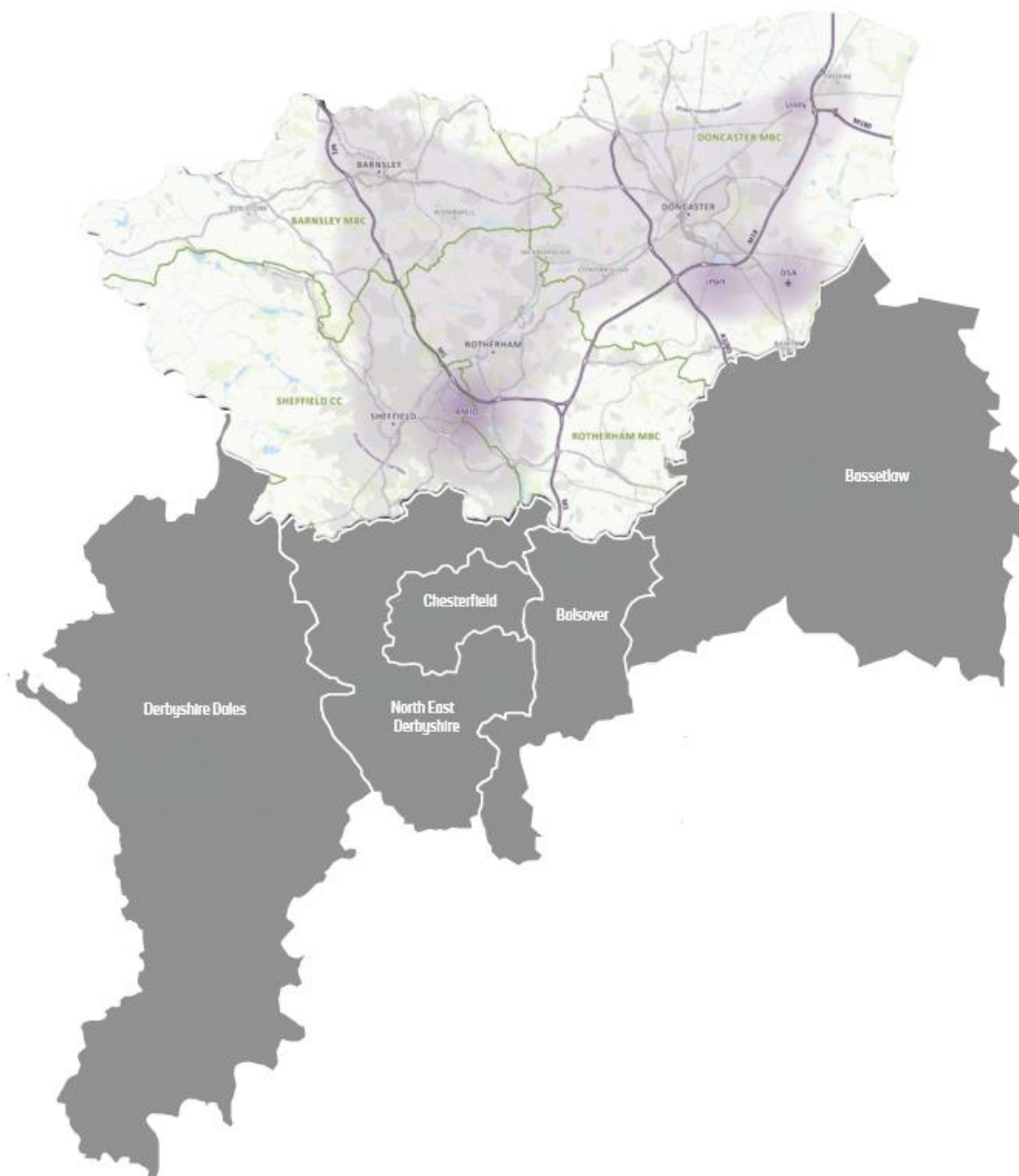
- 2.3 The SCR Forum evolved into the Local Enterprise Partnership (LEP) in 2010. This was followed by the formation of the Mayoral Combined Authority (MCA) on the 1st April 2014 and the election of the first SCR Mayor on the 4th May 2018.

Geography

- 2.4 Focused around the core city of Sheffield, the fifth largest city in England, the City Region is a polycentric economy with a series of linked but diverse communities, including the large urban centres of Barnsley, Doncaster and Rotherham, market towns such as Bawtry and Penistone, and rural areas including the Peak District National Park. This reflects an economic geography that is both complex and dynamic.
- 2.5 The LEP's boundaries are coterminous with those of the MCA. The LEP and MCA geography consists of the four local authority districts in South Yorkshire (Barnsley, Doncaster, Rotherham and Sheffield).
- 2.6 The wider functional economic area for the Sheffield City Region also covers five neighbouring districts in the D2N2 LEP area: Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire (Figure 2). Prior to 1 April 2020, these districts were full members of the Sheffield City Region LEP, when revisions to the LEP's geography were made to comply with the LEP Review recommendation on removing overlaps with other LEPs.

- 2.7 Whilst the five districts in Derbyshire and Nottinghamshire are no longer members of the Sheffield City Region LEP, they continue to be non-constituent members of the MCA in accordance with the 2014 Order¹ that created the MCA.

Figure 2: Map of the Sheffield City Region and the wider Functional Economic Area



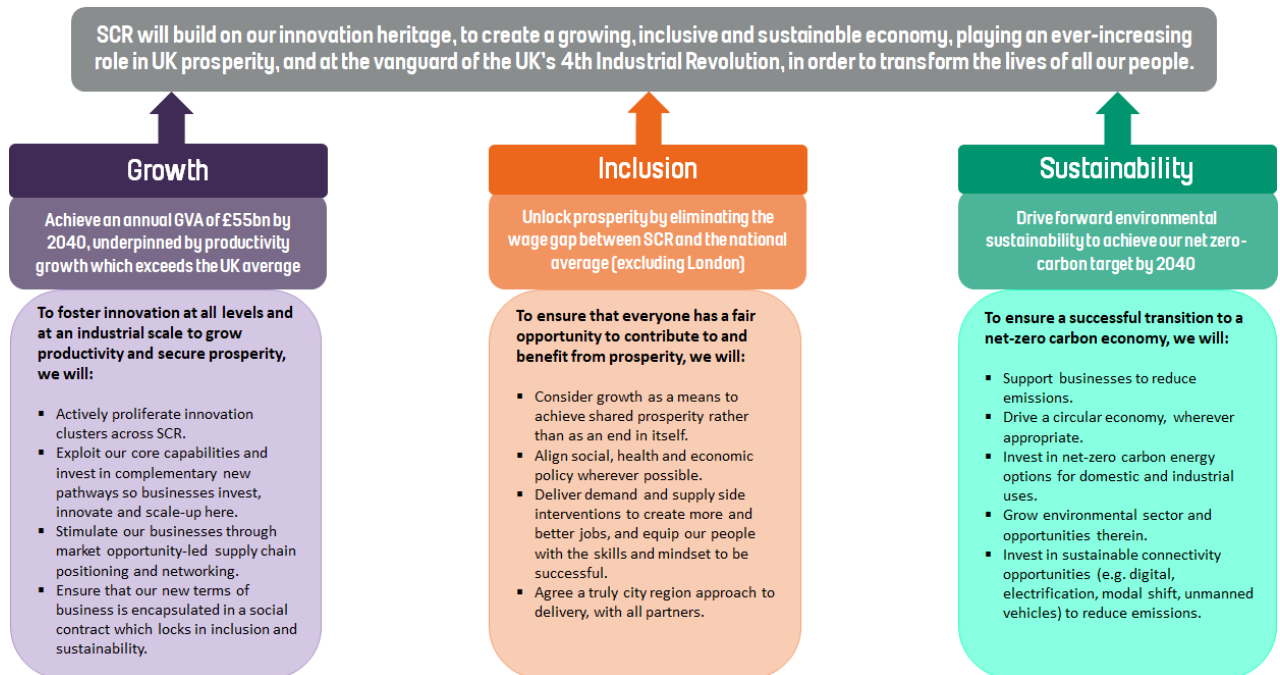
Plan for Economic Growth

- 2.8 In 2019, the LEP and SCR Mayor began work on developing a new SEP. The SEP is a twenty-year economic strategy which sets out the vision and policy objectives of the City Region focusing on growing the economy at pace, ensuring that all people and places have a fair opportunity to benefit from prosperity and protecting and enhancing our environment.

¹ [The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014](#)

2.9 The SEP is built on our evidence base and is the result of widespread consultation with business representatives and local industry leaders. The vision and policy objectives for future economic growth of the City Region, are set out in Figure 3 below.

Figure 3: Draft SCR Strategic Economic Plan 2020-2040



2.10 The process for producing the new SEP included:

- **Evidence Gathering and Review** – this brought together the latest data and credible evidence on the performance of the local and wider UK economy and insights on skills attainment, innovation performance, inclusive growth and drivers of productivity. The data and information were presented in an Evidence Review document that was published in June 2019.
- **Partner Engagement** - the Evidence Review was used to engage public, private and voluntary sector partners in identifying additional statistical and anecdotal evidence. Workshops were also held with the LEP Board and local authority partners to refine the focus of the SEP and achieve consensus on the priority themes and objectives.
- **Consultation** - The draft SEP was circulated for public consultation in March 2020. Responses from the consultation will be reviewed and a final draft will be presented to the LEP and MCA Boards for approval in May 2020.

2.11 The SEP will be reviewed and updated on a regular basis to ensure a sound strategic basis for investment and action.

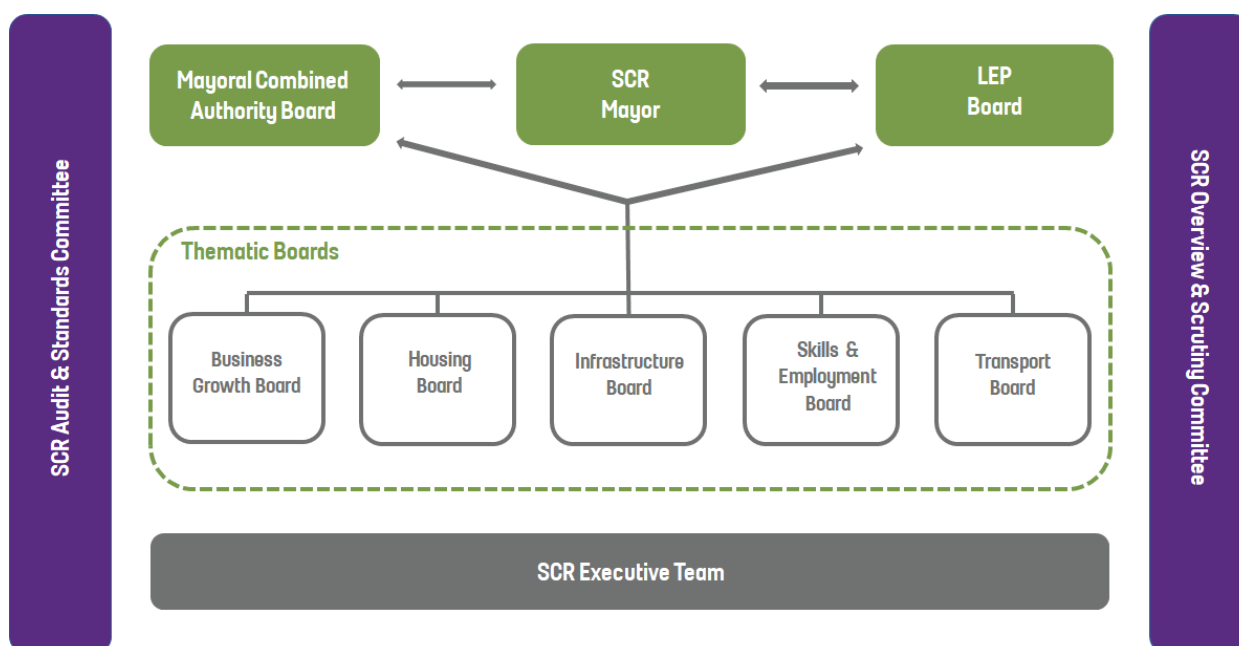
2.12 Together, with the SCR Transport Strategy and Sustainable Development Plan, the SEP sets the blueprint for how the devolved resources will be invested.

3. Structures and Roles

Overview

- 3.1 The Sheffield City Region (SCR) governance model combines the best of private sector expertise and public sector capacity, transparency and accountability.
- 3.2 The Mayoral Combined Authority (MCA) and Local Enterprise Partnership (LEP) form the core decision-making Boards for the Sheffield City Region. The private sector-led LEP supports and works alongside democratically elected Leaders on the MCA Board. The SCR Mayor, Leaders of the City Region's four local authorities and LEP Chair sit on both Boards. This has resulted in strong partnership between the MCA and LEP. It also ensures that a single oversight is in place to deliver efficient, effective, accountable and informed decision-making.
- 3.3 The SCR Mayor is directly elected by the electorate in South Yorkshire. The SCR Mayor has a manifesto of commitments on which he was elected. The SCR Mayor is a member, and Chair, of the Mayoral Combined Authority (MCA) and leads the City Region; promoting it as a place to live, work, visit and invest in. The SCR Mayor is also a member of the LEP Board.
- 3.4 The SCR Mayor, MCA Board and LEP Board are supported by five Thematic Boards and the SCR Executive Team. The Thematic Boards are responsible for driving forward the agenda of their thematic area. The SCR Executive is an impartial team that advises the SCR Mayor, MCA and LEP on policy, seeks agreement between those bodies and subsequently commissions, manages and monitors the delivery of projects. The SCR Executive Team also supports the decision-making process. Two independent committees; the Audit and Standards Committee and Overview and Scrutiny Committee; ensure that the MCA, LEP and SCR Mayor are fulfilling their legal obligations, and developing and delivering strategies that are in the best interests of local people.
- 3.5 Figure 4 sets out the overall structure of the SCR as an organisation, and how the Boards and Committees relate to one another.

Figure 4: The Sheffield City Region Organisational Structure



- 3.6 The following sections provide a description of the different elements of the structure and their respective roles and responsibilities.

The Mayoral Combined Authority (MCA)

- 3.7 The Sheffield City Region Combined Authority was formally constituted in law in April 2014. It comprises the four constituent local authorities for South Yorkshire and five non-constituent local authorities from the neighbouring D2N2 LEP area. The constituent members are Barnsley, Doncaster, Rotherham and Sheffield. The non-constituent members are Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire. With the election of the SCR Mayor in May 2018, it became the Mayoral Combined Authority (MCA).

Role of the MCA

- 3.8 The MCA is the legal and Accountable Body for funding devolved to the MCA and LEP, including all money allocated to the City Region through its Growth Deal, and any devolution and transport funding. The MCA is also the Local Transport Authority for South Yorkshire. This role and its accompanying responsibilities are defined in the [MCA Constitution](#).

Responsibilities of the MCA

- 3.9 The MCA's remit is strategic economic development, housing, skills and transport.
- 3.10 The MCA is responsible for setting the policy direction for the City Region and maximising financial investment to achieve economic growth. The MCA is also responsible for making large investment decisions on projects, and ensuring that the policy and strategic objectives of the SEP are delivered.
- 3.11 On this basis, typically the agenda for the MCA is focused on different elements of the SEP and takes decisions and oversees performance on items including:
- Programme updates – on initiatives being delivered;
 - Investment decisions;
 - Monitoring of financial and output performance;
 - Assurance, strategic risk management and governance; and
 - Strategies and plans.
- 3.12 The constituent members of the MCA are accountable for where public money is being spent.
- 3.13 Additional responsibilities and further powers may be devolved to the SCR Mayor and the MCA, pending agreement by Government, the SCR Mayor, MCA and the constituent authorities.

Membership of the MCA

- 3.14 The MCA is chaired by the SCR Mayor. Membership of the MCA is set out in Table 1 below. This specifies the type of membership; constituent, non-constituent and observer.

Table 1: Membership of the Sheffield City Region Mayoral Combined Authority (MCA) 2020/21

Member	Post	Membership Type
Sheffield City Region	SCR Mayor	Constituent
Barnsley Metropolitan Borough Council	Leader	Constituent
Doncaster Metropolitan Borough Council	Mayor	Constituent
Rotherham Metropolitan Borough Council	Leader	Constituent
Sheffield City Council	Leader	Constituent
Bassetlaw District Council	Leader	Non-constituent
Bolsover District Council	Leader	Non-constituent
Chesterfield Borough Council	Leader	Non-constituent
Derbyshire Dales District Council	Leader	Non-constituent
North East Derbyshire District Council	Leader	Non-constituent
Sheffield City Region LEP	Chair	Non-voting
Barnsley Metropolitan Borough Council	Nominated Representative	Rotational
Sheffield City Council	Nominated Representative	Rotational

- 3.15 The MCA Constitution stipulates that substitute members will be nominated and agreed by the full members annually.
- 3.16 Each year the MCA appoints two additional, rotational members from amongst the constituent councils. This is a requirement of the Order by which the Combined Authority was established in order to ensure that the majority of Members are from constituent councils. In 2020/21, the rotational members are from Doncaster and Rotherham. In 2021/22 they will be from Barnsley and Sheffield. By convention these Members do not attend or vote.
- 3.17 Organisations are invited to attend MCA meetings in an observer capacity when relevant business is being discussed. These can include Government agencies (such as Homes England or Network Rail) and other LEPs which have close economic links with the Sheffield City Region (for example but not restricted to the Leeds City Region, Manchester and Humber LEPs).
- 3.18 All MCA Board members are expected to conduct themselves in accordance with the Nolan Principles of Public Life. These principles are embedded in the [MCA Members' Code of Conduct](#) as detailed in the MCA Constitution.

MCA Board Meetings

- 3.19 The MCA Board meets on an eight-weekly cycle and the meetings are held in public.
- 3.20 All constituent members of the MCA Board and the Mayor have one equally weighted vote and decisions are made by a majority vote. Non-constituent members have no automatic right to vote. The MCA Constitution allows for voting rights to be extended to non-constituent members at the discretion of the constituent members.

Quoracy for MCA Board Meetings

- 3.21 At least three voting members of the MCA must be present for a meeting to be valid. If a decision is required to meet agreed timescales and a meeting of the MCA is either not possible or scheduled, written procedures

for decision making apply, in line with the MCA Constitution and the relevant Overview and Scrutiny regulations.

The Local Enterprise Partnership Board (LEP)

3.22 The Local Enterprise Partnership (LEP) is a voluntary business-led partnership which brings together business leaders, local politicians and other partners to promote and drive economic growth across the Sheffield City Region. The Sheffield City Region LEP was established in 2010.

Role of the LEP

3.23 The LEP leads on strategic economic policy development within the City Region and sets the blueprint for how the SCR economy should evolve and grow. The LEP is the developer and author of the SEP. The LEP raises the profile, image and reputation of the Sheffield City Region as a place to visit, live, work and invest in.

Responsibilities of the LEP

3.24 The LEP is responsible for setting strategy and acts as the custodian of the SEP. The LEP bids for funding and programmes from Government and is responsible for delivering these programmes. This includes delivering the Growth Deal programme of activity.

3.25 The LEP is also responsible for ensuring that policy and decisions both receive the input of key business leaders, and by extension, reflect the views of the wider business community. The LEP fulfils this responsibility by leading on engagement with local businesses and policy makers at a City Regional, national and international level.

3.26 The focus of the LEP Board is to discuss the following:

- **SCR Economy** – such as research on how well the SCR economy is performing and the issues and needs of different sectors and markets;
- **Accepting Schemes to the LEP Programme** – LEP approval is needed before a project can be accepted onto the LEP funded pipeline programme;
- **Performance** - of LEP funded programmes;
- **Providing a Forum for Debate** - between the public and private sectors; and
- **Economic Strategy and Policy Development** – on new initiatives being brought forward.

Membership of the LEP

3.27 The LEP comprises 13 permanent private sector representatives, the four Leaders of the Local Authorities and the SCR Mayor. The private sector members include two representatives from the Sheffield City Region's Higher Education (HE) sector. A Trades Union representative and two co-opted private sector members, who act as specialist advisers on thematic issues, also sit on the Board.

3.28 Membership of the LEP is set out in Table 2 below.

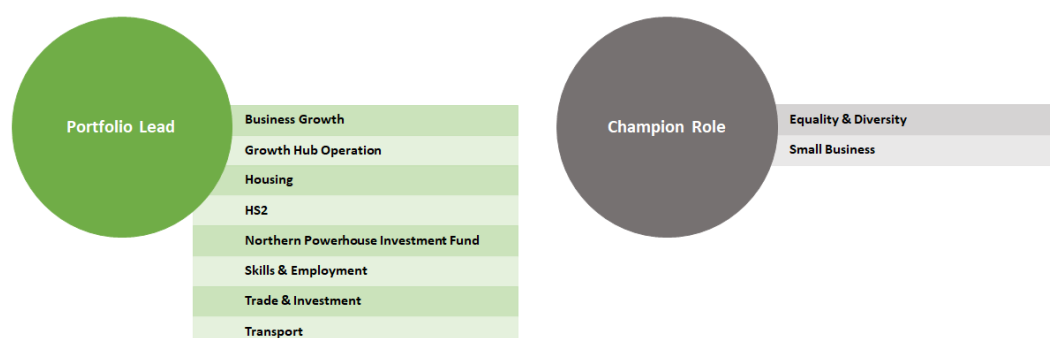
Table 2: Membership of the Sheffield City Region Local Enterprise Partnership (LEP) 2020/21

Member	Post	Membership Type
James Muir	LEP Chair	Private Sector
Nigel Brewster	LEP Vice Chair	Private Sector
Lucy Nickson	LEP Vice Chair	Private Sector
Laura Bennett	Permanent Member	Private Sector
Alexa Greaves	Permanent Member	Private Sector
Professor Chris Husbands	Permanent Member	Private Sector
Peter Kennan	Permanent Member	Private Sector
Tan Khan	Permanent Member	Private Sector
Neil MacDonald	Permanent Member	Private Sector
Owen Michaelson	Permanent Member	Private Sector
Richard Stubbs	Permanent Member	Private Sector
TBC (Vacant Position)	Permanent Member	Private Sector
TBC (Vacant Position)	Permanent Member	Private Sector
Professor Dave Petley	Co-opted Member	Private Sector
Alison Kinna	Co-opted Member	Private Sector
Bill Adams	Trades Union Representative	Membership Body
Sheffield City Region	SCR Mayor	Public Sector
Barnsley Metropolitan Borough Council	Leader	Public Sector
Doncaster Metropolitan Borough Council	Mayor	Public Sector
Rotherham Metropolitan Borough Council	Leader	Public Sector
Sheffield City Council	Leader	Public Sector

3.29 Private sector LEP Board members are each assigned a portfolio of work based on their expertise and knowledge. The portfolios are thematic based, and each LEP Board member leads on the LEP's activity on that theme.

3.30 The LEP Board also designates a private sector LEP Board member to be Small Business Champion and Equality and Diversity Champion. The Small Business Champion is tasked with leading engagement with small businesses, and ensuring that the views of micro, small and medium sized businesses are adequately represented by the LEP. The Equality and Diversity Champion ensures that the LEP Board understands its role in promoting diversity and eliminating discrimination. The portfolios are listed in Figure 5.

Figure 5: LEP Portfolio and Champion Roles



- 3.31 The current composition of the LEP Board is 75% Private Sector members compared to 25% Public Sector members. This equates to a ratio that is significantly higher than the Government's ambition of a two-third, one-third split.
- 3.32 Co-opted members were first introduced onto the LEP Board in Autumn 2017 to provide additional specialist advice and expertise on the SEP's thematic priorities, such as infrastructure, skills and employment. The knowledge and advice provided by the co-opted members has led to significant progress being made on key projects and initiatives including the development and delivery of the Housing Investment Fund pilot.
- 3.33 All LEP Board members are expected to conduct themselves in accordance with the Nolan Principles of Public Life. These principles are embedded in the [LEP Code of Conduct](#). LEP Board members are required to sign a document confirming that they will subscribe to Nolan principles as a condition of their appointment.

LEP Board Meetings

- 3.34 The LEP Board meets on an eight-weekly cycle and the meetings are held in private, with the exception of an Annual General Meeting (AGM).
- 3.35 All Board members (apart from co-opted members) have equal voting rights, and decisions are taken on the basis of a simple majority.

Quoracy for LEP Board Meetings

- 3.36 Meetings of the LEP Board are considered quorate when at least one quarter of the Private Sector Members and at least one quarter of the constituent local authority members are present.
- 3.37 A LEP Board Member may be counted in the quorum if they are able to participate in the meeting by remote means such as by telephone, audio or video link. The member must remain available throughout the agenda items where discussions and decisions are made.
- 3.38 Co-opted members, and any LEP Board member who is obliged to withdraw under the LEP Code of Conduct, are not counted towards the quorum.
- 3.39 To ensure that LEP Board members are suitably committed to the work of the LEP, consistent non-attendance at meetings is grounds for termination of membership. This is outlined in the [LEP Terms of Reference](#).
- 3.40 If a decision is required to meet agreed timescales and a meeting of the LEP is either not possible or scheduled, the urgency procedure for decision making applies, as outlined in LEP Terms of Reference.

LEP Chair

- 3.41 The LEP Chair must have a private sector background.
- 3.42 The LEP Chair leads on building the reputation and influence of the City Region at a national and international level. The LEP Chair is also a non-voting member of the MCA.

LEP Vice Chair

- 3.43 The Sheffield City Region LEP has two Vice Chairs.
- 3.44 The LEP Vice Chairs must have a private sector background.

- 3.45 The LEP Vice Chairs provide day to day leadership and support to the LEP Board Members, lead on business relations within the City Region, engage with the wider business community and deputise for the LEP Chair when necessary.

Defined Term Limits

- 3.46 The LEP Chair and LEP Vice Chairs have defined term limits of three years. They can re-apply for a further term.
- 3.47 All other permanent private sector LEP Board members are appointed for an initial term of three years. As set-out in the LEP Terms of Reference, the Chair may extend the appointment of an individual for a further three-year term. With a clear rationale, and only in exceptional circumstances, a further extension not exceeding two years may be granted.
- 3.48 Co-opted LEP Board members have a defined term limit of one year, with the exception of the co-opted HE representative who serves a term of three years.
- 3.49 The Trades Union Congress (TUC) has a permanent seat on the LEP Board and nominates their named representative on an annual basis.

LEP Board Recruitment and Appointment

- 3.50 Private sector LEP Board members are appointed through an open and transparent recruitment and selection process, run on an annual basis. In the interests of continuity, the recruitment is staggered so that the terms of all private sector members do not expire at the same time.
- 3.51 Vacant positions for LEP Board members are promoted through the SCR website and social media channels and advertised in local and regional media. Local business representative organisations are also consulted about LEP Board vacancies and advertise and promote these vacancies through communications with their members.
- 3.52 When recruiting new LEP Board members, consideration is given to achieving the optimum composition and diversity on the LEP Board in line with the [LEP Diversity Policy](#). However, all Board appointments are made on merit, and within the context of the skills and experience required by the LEP Board.
- 3.53 Interested candidates are required to complete and submit an application form. A LEP Appointments Panel, which is made-up of LEP Board Vice Chairs, reviews and assesses the applications against the LEP Board Member Job Description and Person Specification, with advice and support from the SCR Executive Team. Candidates are shortlisted for an interview by a panel including LEP Board members (usually the Vice Chairs), a member of an independent business representative body, and the SCR CEX or Deputy CEX.
- 3.54 A combination of the completed application form and interview are used to judge each candidate's experience, suitability and fit. The LEP Appointments Panel then makes a recommendation to the LEP Board on the candidates that should be appointed.
- 3.55 Newly appointed LEP Board members are invited to attend an induction session with the SCR Executive Team to develop their understanding of the City Region, the organisational and decision-making structure, the LEP's priorities and plans and support available to LEP Board members from the SCR Executive Team.
- 3.56 Vacant positions for the Chair and Vice Chair roles are promoted in the same way. However, these positions are also advertised in national media outlets and on the Government's Public Appointments website. The Mayor leads the appointment panel for the LEP Chair, which also includes another LEP Board Member, an

independent business representative organisation, a Local Authority Chief Executive and either the SCR Chief Executive or Deputy Chief Executive.

Equality and Diversity

- 3.57 The [LEP Diversity Policy](#) seeks to ensure that the composition of the LEP Board is diverse and reflective of the City Region in the broadest sense. In determining the optimum composition of the LEP Board, consideration is given to gender, race, protected characteristics and areas of expertise including industry knowledge, geography, sectors and business size. This is done with a view to obtaining an appropriate balance of membership. Applications from under-represented groups are encouraged. This approach has resulted in the LEP Board being the most diverse it has ever been.
- 3.58 The current gender composition of the LEP Board is detailed in Table 3 below. It illustrates that just under one third of the LEP's appointed members are women (29.4% permanent Private Sector Board members and 50% of co-opted members – combined 31.6%).

Table 3: Gender Composition of LEP Board (December 2020)

Type of Membership	Gender		Vacant Posts	Total	Gender Ratio	
	Female	Male			Female	Male
Private Sector (Permanent)	3	8	2	13	27.3%	72.7%
Public Sector (Permanent)	2	3	0	5	40.0%	60.0%
Membership Body (Permanent)	0	1	0	1	0%	100%
Permanent Members	5	12	2	19	29.4%	70.6%
Private Sector (Co-opted)	1	1	0	2	50.0%	50.0%
Co-opted Members	1	1	0	2	50.0%	50.0%
TOTAL	6	13	2	21	31.6%	68.4%

- 3.59 The LEP expects to obtain an equal split of male and female Private Sector Board members by March 2023.

How the MCA and LEP Work Together

- 3.60 A key facet of the governance arrangements in the City Region is the strong inter-relationship between the LEP and MCA and overlap of membership. Building on the best of the public and private sectors, this brings together accountability and transparency with business insight. The configuration and membership of the LEP and MCA are designed to be mutually supportive.
- 3.61 The MCA is the legally Accountable Body for all funds awarded to the LEP and approves the LEP annual capital and revenue budgets prior to the start of the financial year. However, the LEP decides how these funds are prioritised.
- 3.62 The MCA tests the value for money of proposed projects, and makes decisions in a legally compliant, responsible and transparent manner.
- 3.63 To maintain good levels of communication and high levels of cooperation, the LEP and MCA are both served by the same team of staff (the SCR Executive Team). Financial information and reports on programme delivery are reported to both the LEP and MCA Boards. This includes details of applications received for LEP funded programmes and contracts awarded.

- 3.64 Given the clarity in remit and strong controls being in place, there are minimal circumstances where the MCA would not comply with a LEP decision. However potentially this could occur if:
- The LEP was seeking to influence a decision of the MCA which is within the remit of the Accountable Body specifically an operational decision as opposed to a strategic decision regarding the economic strategy;
 - The LEP was seeking to influence a decision which is non-compliant with public accountability requirements and procedures, or does not offer value for money;
 - The MCA was seeking to influence a decision which is within the remit of the LEP (for example, supporting a project that is not aligned with the objectives of the SEP); or
 - The MCA was refusing to operationalise a policy directive of the LEP in accordance with the SEP.
- 3.65 A procedure is in place for managing conflicts in decision-making should they occur. The three SCR Statutory Officers would first attempt to resolve the conflict with the Chairs of the LEP and MCA Boards. If the conflict cannot be resolved, and depending on the nature of the conflict, this would be formally escalated to either the LEP Board or MCA Board to discuss and agree a resolution.
- 3.66 In 2019, the LEP published a Memorandum of Understanding to concisely and simply explain the respective roles and responsibilities of the LEP and MCA, and how they work together. This was done to ensure that members of the public are clear on who is responsible for decision-making in the City Region. This document is contained in Appendix B.

Thematic Boards

- 3.67 To support decision-making and delivery, the MCA and LEP are supported by five Thematic Boards, which are based on the broad strategic priorities of the SEP. The five Thematic Boards all have delegated authority to make financial decisions on behalf of the MCA up to defined limits.

Role of the Thematic Boards

- 3.68 The purpose of the Thematic Boards is to provide adequate and experienced capacity to review projects and make investment decisions. These Boards bring together the public and private leadership of the MCA and LEP to drive the delivery of the SCR's programme of activity, ensuring that the focus remains on the outcomes being delivered. The Thematic Boards therefore enable the MCA and LEP Boards to operate strategically rather than merely as investment boards.
- 3.69 The five Thematic Boards are accountable to the MCA and LEP and each one has a defined portfolio with distinct responsibilities for Business Growth, Housing, Infrastructure, Skills and Employment and Transport.
- 3.70 The Transport Board has a broader role than the other four Thematic Boards; specifically co-ordinating the transport activities, and overseeing the performance, of the South Yorkshire Passenger Transport Executive (SYPTTE).

Responsibilities of the Thematic Boards

- 3.71 Each of the five Thematic Boards (Business Growth, Housing, Infrastructure, Skills and Employment and Transport) has delegated authority to approve projects with a value of less than £2 million. Decisions made by the Thematic Boards are presented to the MCA Board in a written Delegated Decisions Report. As the delegating body, the MCA has the right to review decisions made by the Thematic Boards.

3.72 The responsibilities of the five Thematic Boards are to:

- Shape future policy, priorities and programmes for the LEP and MCA Boards to approve;
- Review programme and funding applications of less than £2 million that have been through the SCR appraisal process and decide whether to approve, defer or reject the application;
- Review programme and funding applications of £2 million or more that have been through the SCR appraisal process and make a recommendation to the MCA Board for approval, deferment or rejection of the application;
- Accept grants with a value of less than £2 million; and
- Monitor programme delivery and performance on their thematic area.

3.73 The Transport Board has the following additional responsibilities:

- Assisting in the development of the transport strategy and strategies for its implementation;
- Overseeing the performance of SYPTTE in delivering operational transport services and its capital programme and providing SYPTTE with political direction;
- Recommending the capital programme of SYPTTE for approval to the MCA; and
- Recommending the revenue budget of SYPTTE for approval to the MCA.

Membership of the Thematic Boards

3.74 The Transport Board has a different membership structure to the other four Thematic Boards. Its membership comprises:

- The SCR Mayor (Chair);
- A Leader from the MCA of a South Yorkshire local authority (Deputy Chair);
- A nominated representative for each of the remaining three South Yorkshire (constituent) local authorities on the MCA Board;
- A representative for the non-constituent local authorities on the MCA Board;
- A lead local authority Chief Executive;
- A Private Sector LEP Board member;
- The Director General of the SYPTTE; and
- The MCA Head of Paid Service (or their nominated representative).

3.75 The members of the remaining four Thematic Boards are set out in Table 4 below.

Table 4: Membership of the Thematic Boards 2021/21 (excluding the Transport Board)

Business Growth	Housing	Infrastructure	Skills & Employment
One Leader from the MCA of a South Yorkshire local authority	One Leader from the MCA of a South Yorkshire local authority	One Leader from the MCA of a South Yorkshire local authority	One Leader from the MCA of a South Yorkshire local authority
	Leader of Bassetlaw District Council (non-constituent local authority from the MCA)		Leader of Chesterfield Borough Council (non-constituent local authority from the MCA)

A nominated representative for each of the three other South Yorkshire local authorities	A nominated representative for each of the three other South Yorkshire local authorities	A nominated representative for each of the three other South Yorkshire local authorities	A nominated representative for each of the three other South Yorkshire local authorities
A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority
Two private sector LEP Board members	Two private sector LEP Board members	Two private sector LEP Board members	Two private sector LEP Board members
Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)
A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA

- 3.76 Board decisions are made on the basis of consensus. Where consensus cannot be reached the issue is escalated to the MCA or LEP, dependent upon the issue in question. Where this is in relation to the policy fit, delivery of the SEP or strategic alignment of a project using funds allocated to the LEP, the issue is escalated to the LEP Board. Where this relates to LEP Accountable Body functions or MCA investments, the issue is escalated to the MCA Board.
- 3.77 The Thematic Boards can form Task and Finish groups of key stakeholders and advisors to assist in the management and monitoring of individual programmes or projects. Any such groups are purely advisory and cannot assume any of the Thematic Board's responsibilities for decision-making. Task and Finish groups are required to submit reports to the Thematic Board.

Thematic Board Meetings

- 3.78 Thematic Boards routinely meet on an eight-weekly cycle and the SCR Executive Team provides the secretariat.

Quoracy for Thematic Board Meetings

- 3.79 Meetings of the Thematic Boards (with the exception of the Transport Board) are quorate when five members are present; of which two are from South Yorkshire (constituent) local authorities and one is a LEP private sector member.
- 3.80 Transport Board meetings are quorate when two thirds of the members are present.
- 3.81 A member who is obliged to withdraw under the [MCA Code of Conduct](#) or [LEP Code of Conduct](#) shall not be counted towards the quorum.
- 3.82 If a decision is required to meet agreed timescales and a meeting of the Thematic Board is either not possible or scheduled, written procedures for decision making apply, in line with the Thematic Boards Protocol for Decisions Between Meetings.

Audit and Standards Committee

- 3.83 The SCR Audit and Standards Committee ensures that the LEP, MCA and SCR Mayor are operating in a legal, open and transparent way.
- 3.84 In accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, the Committee provides a high-level focus on assurance and governance arrangements.
- 3.85 The Audit and Standards Committee monitors the operation of the organisation. Their role is to ensure that the MCA is fulfilling its legal obligations, is managing risk effectively and has robust control measures in place. The Committee reviews and endorses all budgets and accounts, including those for the LEP, before they are finalised and presented to the MCA Board for approval, and identify any risks.
- 3.86 Membership of the Audit and Standards Committee is politically balanced and consists of 8 elected Councillors (or their nominated substitute) from the four South Yorkshire local authorities and two independent members.
- 3.87 The Audit and Standards Committee meets at least quarterly and reports into the MCA on both financial and non-financial performance.

Overview and Scrutiny Committee

- 3.88 The SCR Overview and Scrutiny Committee holds the MCA, SCR Mayor, LEP and Thematic Boards to account for all decisions taken. The Overview and Scrutiny Committee has the authority to review and scrutinise any decision made, or action taken by the LEP, MCA, SCR Mayor, Thematic Boards or SCR Executive Team. The Committee can, at their discretion, produce reports and make recommendations for change or improvements.
- 3.89 The Overview and Scrutiny Committee is responsible for checking that the MCA and LEP are delivering their objectives, and that SCR policies, strategies and plans are made in the best interests of residents and workers in the City Region. They provide independent scrutiny of SCR initiatives and LEP activities and public consultation on draft strategies.
- 3.90 Membership of the Overview and Scrutiny Committee is politically balanced and consists of 10 elected Councillors from the four South Yorkshire local authorities (or their nominated substitute); typically, the Chair of each local authority's overarching Scrutiny Committee.
- 3.91 The Overview and Scrutiny Committee meets on a quarterly basis. The MCA is required to consider the conclusions of any review by the Overview and Scrutiny Committee at the next available meeting.

Statutory Officers

- 3.92 The MCA and LEP appoint three Statutory Officers to discharge duties and obligations on their behalf. The Statutory Officers ensure that the MCA is acting in accordance with its legal duties and responsibilities, operating within the financial regulations and receiving appropriate advice on policy and governance.
- 3.93 The Statutory Officer roles are defined in the MCA Constitution and comprise:
- **Head of Paid Service** – The SCR Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the MCA as set out in section 4 of the Local Government and Housing Act 1989 and acts as the principal advisor to the LEP.
 - **Section 73 Officer** – The SCR Group Finance Director fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985. The Section 73 Officer administers the financial affairs of the MCA and LEP.

- **Monitoring Officer** – The SCR Monitoring Officer discharges the functions in relation to the MCA as set out in section 5 of the Local Government and Housing Act 1989..

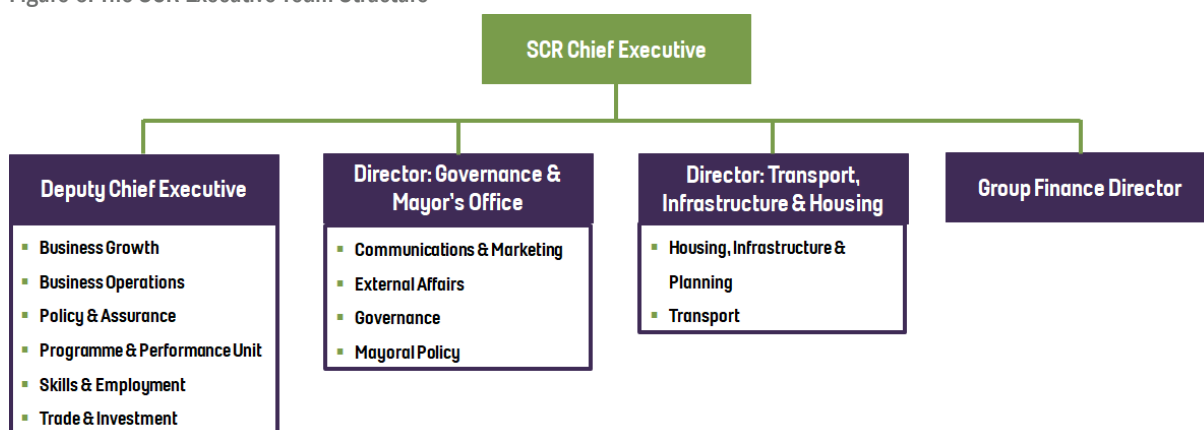
The SCR Executive Team

3.94 The MCA Board, LEP Board and Thematic Boards are supported by the SCR Executive Team. The SCR Executive Team is a dedicated resource that provides impartial advice and works in collaboration with partners and stakeholders.

3.95 The role of the SCR Executive Team is to advise the MCA, Mayor and LEP and pro-actively advance the decision-making process through close co-ordination and by working with local authority Leaders, Chief Executives and officers.

3.96 The SCR Executive Team is employed by the MCA and its current functions are shown in Figure 6 below.

Figure 6: The SCR Executive Team Structure



3.97 The SCR Executive Team supports the following activities:

- **Developing Policy** - supporting the MCA, SCR Mayor and LEP to draft key policy, including the SEP;
- **Initiating and Encouraging Project Ideas** - the team works with officers from local authorities, the private sector and project applicants to identify and bring forward viable project ideas that support the strategic objectives of the City Region;
- **Advising Funding Applicants on Business Cases and the Appraisal Process** – advising project applicants on how to develop a robust and comprehensive Business Case;
- **Appraising Business Cases** – independently reviewing and appraising business cases and funding applications through the SCR Appraisal Panel and contracting specialists and subject experts to undertake technical reviews as required, prior to making recommendations to the Thematic Boards;
- **Programme Monitoring** - collating and communicating performance on different funding streams to the MCA and LEP Boards and MHCLG as per the Government's requirements;
- **Project Monitoring and Evaluation** - managing the monitoring and evaluation framework, and providing reports and updates to the Thematic Boards, MCA and LEP;
- **Administration of the Boards** – ensuring MCA, LEP and Thematic Board meetings are planned and arranged in a timely fashion and communicated;
- **Compiling Papers and Reports** - for the SCR Mayor and Board members;
- **Enquiries** – dealing with the media and handling general enquiries from the public;

- **Publishing Information** – ensuring that minutes, agendas and papers of the meetings of the LEP, MCA Board, Audit and Standards Committee and Overview and Scrutiny Committee are published promptly on the SCR website and publishing information on the MCA and LEP policies and procedures; and
- **Promoting the City Region** – to potential investors and the public as a place to invest, work and live.

3.98 The functions of the SCR Executive Team are organised to maintain 'ethical walls' and ensure that there are no conflicts of interest between project and programme commissioning and project appraisal.

4. Accountability for Public Funds

- 4.1 Several measures are in place to ensure that the Mayoral Combined Authority (MCA) and Local Enterprise Partnership (LEP) are managing and administering public funds in a responsible, efficient, transparent and accountable manner.

The Accountable Body

- 4.2 The MCA is the legal and Accountable Body for the LEP and is responsible for all decisions and expenditure.
- 4.3 The MCA holds all funding, enters into contractual arrangements and processes payments. The MCA also provides programme management to account for the funding and ensures that the impact of investment is assessed.
- 4.4 The MCA is accountable for:
- Ensuring that its decisions and activities conform with legal requirements regarding equalities, environmental and European legislation (such as State Aid), and that records are maintained so that this is evidenced;
 - Retaining overall responsibility for the appropriate use of public funds by the MCA, LEP and Thematic Boards;
 - Managing funds allocated to the SCR Mayor until such time as the Mayor has Executive Functions following the making of a Mayoral Powers Order by Government;
 - Ensuring that the approved Assurance Framework is being adhered to;
 - Ensuring that all contracts entered discharge their duties; and
 - Maintaining and publishing annual accounts (including Local Growth Fund and other funding sources received from Government), in accordance with the relevant regulations, each year in draft form by 31 May and finalised in July.

Section 73 Officer

- 4.5 The SCR Section 73 Officer is fully engaged in the operation of the organisation, ensuring that funds are managed responsibly and allocated through a robust application process.
- 4.6 The Section 73 Officer is accountable for:
- Ensuring that funds are used legally, appropriately and are subject to the usual local authority checks and balances, including discharging financial duties under the [Financial Regulations 2018](#);
 - Signing-off Value for Money Statements for all funding applications during the appraisal process as true and accurate;
 - Certifying that funding can be released under the appropriate conditions (in line with statutory duties);
 - Signing-off quarterly reports to the Ministry of Housing, Communities and Local Government (MHCLG) on programme performance and expenditure;
 - Ensuring that the established professional codes of practice are applied; and
 - Assuring that strong governance arrangements and LEP policies are in place to ensure that the LEP is operating robustly and transparently (by providing an Annual Assurance Statement and letter to the MHCLG Accounting Officer).

Internal and External Audit

- 4.7 The MCA has an established process for internal and external audit. Internal audit is a contracted service provided by Grant Thornton. Ernst and Young are the appointed external auditors. As the MCA is the Accountable Body, the audit arrangements cover both the LEP and the MCA's funding and activities.
- 4.8 In conjunction with the internal audit team, the MCA Head of Paid Service, Section 73 Officer and Monitoring officer prepare an annual Internal Audit Plan at the start of each financial year, which is reviewed towards the end of the financial year. The Internal Audit Plan includes all aspects of the business case evaluation and monitoring process. This provides independent and objective assurance to the MCA. The Plan is approved by the MCA and is considered by the Audit and Standards Committee. The current plan was approved by the Audit and Standards Committee in June 2019.

Overview and Scrutiny

- 4.9 The SCR's independent Overview and Scrutiny Committee holds the MCA, SCR Mayor, LEP and Thematic Boards to account on behalf of the public. They have the authority to review and scrutinise any decisions made, or actions taken. The Committee can at their discretion, make recommendations for change or improvement.
- 4.10 The Overview and Scrutiny Committee has an annual [Work Programme](#) of topics that they will scrutinise. Committee members are encouraged to propose additional topics for scrutiny.

SCR Appraisal Panel

- 4.11 The SCR Appraisal Panel, in conjunction with an independent and contracted team of specialists and experts (known as CIAT), conducts a technical review of all business cases for projects that are seeking funding. The Panel currently consists of a LEP Board member, the MCA's three Statutory Officers or their representatives (Monitoring Officer, Section 73 Officer and Head of Paid Service) and relevant officers from the SCR Executive Team. The Panel makes recommendations to the appropriate decision-making Board on the level of risk of a project and whether to endorse, approve, defer or reject funding applications. The SCR Appraisal Panel also advises on any conditions that should be placed on the funding.
- 4.12 The Statutory Officers ensure that the Accountable Body duties are discharged through their representation on the SCR Appraisal Panel. This embeds the roles and functions of the Statutory Officers in the project appraisal process. All projects seeking funding from SCR are reviewed by the SCR Appraisal Panel and are subject to independent technical scrutiny.
- 4.13 The SCR Appraisal Panel meets every two weeks, or more frequently if necessary, to ensure the pipeline of project proposals continues at the required pace.
- 4.14 The appraisal process is detailed in Section 5.

Ensuring Value for Money

- 4.15 All projects and programmes that apply for funding are appraised and a Value for Money (VfM) Statement is completed by the SCR Appraisal Panel at every stage of the appraisal process. The VfM Statement outlines the potential costs, benefits, risks and impacts of the project, and a Benefit Cost Ratio (BCR) is calculated for the project.
- 4.16 The VfM statements are on a proportionate basis relative to the level of risk, complexity and funding sought.

- 4.17 The SCR Section 73 Officer is responsible for signing-off VfM Statements and sign-off must be achieved before a project can progress. The VfM Statement is also signed-off by the MCA and LEP.
- 4.18 The VfM Statement for each project, is presented to the appropriate Board or Thematic Board. The Statement includes the SCR Appraisal Panel's justification and recommendation on whether the project should be approved, deferred or rejected and any conditions that should be put in place.
- 4.19 Most projects that are funded by SCR offer high value for money (determined as having a BCR rating of 2 or above).
- 4.20 Projects that are appraised as offering medium to low VfM, may still be funded if either there is a strong strategic business case and the project will deliver strategic and economic objectives of the SEP, or where the project is essential to unlock or enable other development to take place. However, the MCA and/or LEP can decide to remove a project from the programme if the appraisal identifies low value for money.

Managing Risk

- 4.21 The approach to risk management is comprehensive and in accordance with HM Treasury's Orange Book principles and other project management guidance. The Head of Paid Service is the named officer for managing risk on the MCA and LEP activity.
- 4.22 Robust control measures and a Strategic Risk Management Framework are in place to provide accountability and support due diligence. The Strategic Risk Management Framework guides the identification, assessment and management of risks for all activities.
- 4.23 Risk management controls and mitigation action plans for LEP funded programmes and projects are agreed and added to the programme Risk Register. A plan is then constructed to reduce the likelihood of the risk occurring and/or decrease the impact of a risk, should it occur.
- 4.24 Funding applicants are required to include risk and contingency plans as part of their application for funding. Once a project has received funding approval, the SCR Executive Team works with project applicants to monitor delivery of the contract and risks. The Team compile Quarterly Monitoring reports for the Thematic Boards to identify any issues with delivery, perceived or actual risks to the project, any corrective action and any change requests (for example, a reduction in grant or an extension to the timescale for delivering key milestones). Any risks to the delivery of the SEP Programme are reported to, and considered by, the Chairs and Vice Chairs of the MCA and LEP respectively.

5. Robust and Transparent Decision-Making

- 5.1 In accordance with the Transparency Code and Government guidance on best practice, the SCR Mayor, MCA Board, LEP Board and Thematic Boards are expected to act in the interests of the Sheffield City Region when making investment decisions. All decisions are made via an approved process, free from bias or perception of bias.
- 5.2 To ensure that decision-making is robust and transparent, all meetings of the MCA Board, Audit and Standards Committee and Overview and Scrutiny Committee are held in public. The MCA also publishes a monthly [Forward Plan of Key Decisions](#) to alert the public to decisions that will be taken in advance of the decision being made. The decision-making process is detailed below.

Budget Allocation

- 5.3 The MCA, in consultation with the LEP where appropriate, is responsible for setting the annual capital and revenue budgets prior to the start of the financial year.
- 5.4 All approved capital and revenue budgets are published on the SCR website. Budgets are monitored on a quarterly basis with reports submitted to the Boards. Quarterly financial monitoring reports on individual programmes and projects are also submitted.
- 5.5 The budgets identify the funding allocated to each thematic area (for example, skills, business growth and housing). The allocation is dependent on the strategic objectives and investment priorities outlined in the SCR SEP and the resulting Delivery Plans.

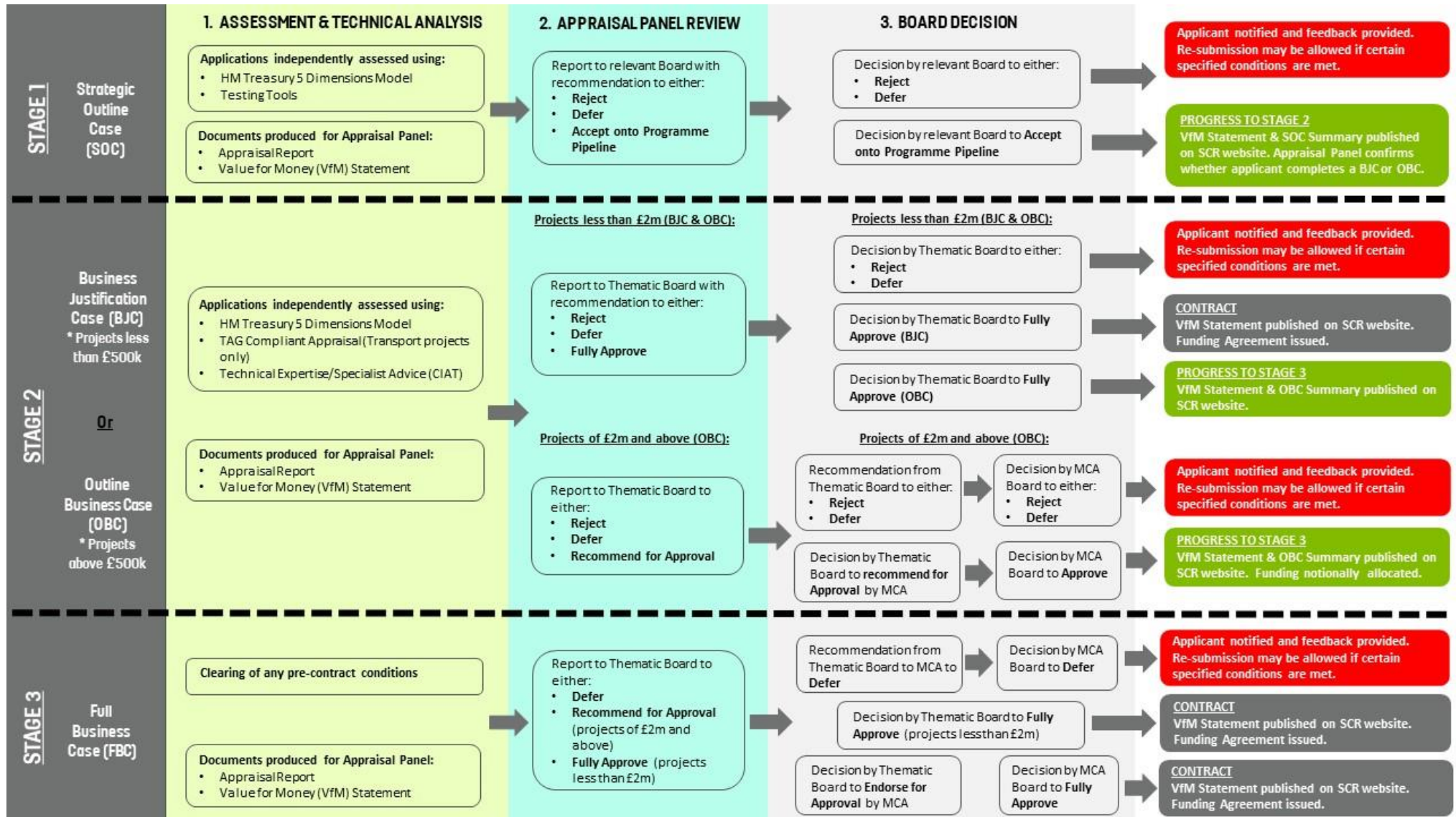
Commissioning and Open Calls

- 5.6 In accordance with the agreed policy, project and programme applications for funding usually originate from three sources:
- **SCR Executive Team** – the SCR Executive Team may identify a need for a project or Programme that either meets the strategic priorities and objectives of the SEP or which will respond to a market failure or economic shock. These details may be held within an agreed Commissioning Framework or Delivery Plan.
 - **A Thematic Board** – the Thematic Boards will proactively identify potential projects which satisfy the strategic objectives of the SEP and thematic Delivery Plan. These are subject to funding being available.
 - **Via a targeted Open Call for Project Applications** – open calls inviting applicants to bid for funding or propose a project are published on the SCR website. Calls have a specific focus, such as delivering an investment priority or targets in the SEP. Project applicants will then submit a response or bid.

The Appraisal Process

- 5.7 All schemes seeking investment (including projects commissioned by the Thematic Boards, responses to Open Calls and projects identified by the SCR Executive Team), undergo a proportionate appraisal to assess the merits of the application, its strategic fit and value for money. The steps involved in the appraisal process are detailed below and illustrated in Figure 7.

Figure 7: Business Case Development, Appraisal and Approval Process



Stage 1 Submission: Strategic Outline Case

- 5.8 A Strategic Outline Case (SOC) is the first official communication from a project applicant or scheme promoter. The purpose of the SOC is to establish the case for change and should provide a first view of the 'how, what and when' the project will deliver. It is important that an SOC can demonstrate its alignment with the SEP which sets the blueprint for how funds will be invested. The SOC is a standard template and requests the following information from the applicant:
- Project objectives and vision and the rationale for investment;
 - Project outputs and outcomes against the SEP;
 - High level timescales;
 - High level cost of project;
 - Initial funding required;
 - Project sponsor; and
 - Identifying risks and long list options analysis.

Stage 1 Appraisal: Strategic Outline Case

- 5.9 The SOC is assessed in line with the five-dimension model in the HM Treasury Green Book guidance. The SOC is therefore appraised against the following criteria:
- **Strategic Dimension** – contribution to SCR strategic objectives and national policy objectives;
 - **Economic Dimension** – impact on local growth, the social, distributional and environmental impacts, and an assessment of the value the project adds;
 - **Financial Dimension** – cost estimate and sources of funding e.g. identified scheme promoter, private sector and other contributions;
 - **Commercial Dimension** – proven market place for the project, certainty in outcomes, procurement processes and commercial viability; and
 - **Management Dimension** – demonstration that the project is capable of being delivered successfully, including Delivery Plans, statutory processes, programme, risk management (with appropriate mitigation plans) and benefit realisation.
- 5.10 To assess complex or transport related schemes, a series of approved and bespoke testing tools and models are used (such as FLUTE 18, SCR TM1 and TAG) to better understand the potential outcomes and value for money of an application. The VfM Statement will state what tools have been used in conducting the appraisal.
- 5.11 The SCR Executive Team completes a VfM Statement and submits the appraisal report and VfM Statement to the SCR Appraisal Panel for their assessment.

Stage 1 SCR Appraisal Panel Recommendation: Strategic Outline Case

- 5.12 The SCR Appraisal Panel reviews the technical analysis undertaken by the SCR Executive Team. The SCR Appraisal Panel then agrees what recommendation they will make to the appropriate Board; either to accept a project to the programme pipeline, defer the project for further work or to reject the project.
- 5.13 Dependent on the source of funding, the LEP Board, MCA or a Thematic Board will have ultimate oversight of which projects are invited to develop their business cases further. A VfM statement is submitted to the relevant board alongside other assessment information so that they are able to make a decision on which projects should be selected to further develop their business cases. In cases where the LEP or MCA have

funding oversight, Thematic Boards may be consulted during the Strategic Business Case assessment and selection process.

- 5.14 Once a project has been accepted onto the programme pipeline, the VfM Statement is published on the SCR website alongside a summary of the SOC. This is updated periodically to include links to the key documents for each project and a record of progress. The SCR Executive Team collects any external comments on these schemes, and these are considered as part of the appraisal process. Project sponsors are also required to publish their SOC's on their own websites (or an appropriate summary of the submission) and must consider all comments received and reflect this in the next stages of the application process (Outline Business Case and Full Business Case).

Stage 2 Submission: Outline Business Case

- 5.15 Having been accepted onto the programme pipeline, the project applicant or scheme promoter is required to develop the business case further. The aim of an Outline Business Case (OBC) is to:
- Identify the investment option which optimises value for money;
 - Prepare a scheme for procurement; and
 - Put in place the necessary funding and management arrangements for the successful delivery of the scheme.

Once an OBC has been developed there will be a clear understanding of the project plan, project management and governance arrangements, benefits realisation and risk management arrangements. Project assurance and post-project evaluation details will be fully worked-up.

- 5.16 The requirements at this stage are dependent on the nature, scale, risk and complexity of the project. For some small value cases (ie less than £500,000), a project may go through a Business Justification Case (BJC) rather than require an OBC and Full Business Case (FBC). The SCR Executive Team and SCR Appraisal Panel determine whether a BJC, OBC or FBC is required on a project by project basis.
- 5.17 The OBC and FBC build on the foundations of the Strategic Business Case in that they provide considerably more detail on each of the five dimensions outlined in the HM Treasury Green Book guidance. The SCR Executive Team will provide guidance to project applicants and scheme promoters to assist them in developing an OBC and FBC.
- 5.18 A series of gateway checks are in place to ensure that projects are developed to the appropriate standard at the right time, to enable informed decisions to be made by the appropriate Boards. If agreed at programme level by the MCA, individual projects may be supported with their capital development costs to assist with timely progression of quality business cases. A proportion of total project costs may be made available for capital scheme development. This development funding is entirely subject to clawback if the project does not result in successful capital delivery over an agreed timeframe.
- 5.19 The five dimensions must ensure that all impacts of a project (monetised and non-monetised) are presented in the OBC and FBC for consideration. The OBC and FBC templates and guidance set out the basis for capturing impacts, including Optimism Bias.
- 5.20 It is essential that project applicants and scheme promoters agree the scope of costs and benefits before any substantive business case development is undertaken.
- 5.21 Project applicants and scheme promoters must also ensure that the commercial, financial and management arrangements are appropriate for effective delivery.

- 5.22 A fully developed OBC will have determined the preferred option, potential value for money, ascertained affordability and funding requirements and be preparing the potential deal which enables successful delivery. Once an OBC is fully developed it is submitted for appraisal.

Stage 2 Appraisal: Outline Business Case

- 5.23 An independent assessment is undertaken of all OBCs to quality assure and scrutinise the project as well as undertaking all necessary due diligence checks.
- 5.24 When technical expertise or specialist advice is required to appraise the project, the SCR Executive Team uses experts – the Central Independent Appraisal Team (CIAT) - to assist in appraising the Business Case. The SCR Executive Team ensures there is always a clear distinction and adequate separation between the scheme promoters and the decision makers.
- 5.25 Transport projects are subjected to a TAG compliant appraisal at this stage. An Appraisal Scoping Report template is used to assess such schemes, comprising the:
- Level of analytical detail to be applied to approve a scheme against overarching Government transport objectives and the rationale for this;
 - Modelling tools to be applied;
 - Alternative interventions to be considered; and
 - Timescales for business case development.
- 5.26 The SCR Assurance Team completes a Value for Money (VfM) Statement and submits the appraisal report and VfM Statement to the SCR Appraisal Panel for their assessment.

Stage 2 SCR Appraisal Panel Recommendation: Outline Business Case

- 5.27 The SCR Appraisal Panel reviews the technical analysis undertaken by the SCR Executive Team and CIAT (where applicable), along with the VfM Statement. The SCR Appraisal Panel then agrees what recommendation they will make to the Thematic Board; either to fully approve the project or defer the project for further work. At this stage it is still possible that an application could be recommended for rejection on the grounds of poor value for money or significant risk.
- 5.28 The Thematic Board can approve the Outline Business Case if it is within their delegated limit. Projects which exceed the delegation are endorsed by the relevant Thematic Board and then submitted to the MCA Board for approval. Exceptionally, a project may go directly to MCA for approval with the relevant Thematic Board being informed subsequently of the decision.
- 5.29 At OBC stage, the funding decision of the MCA (or Thematic Board with delegated authority) will be notionally allocated, subject to appropriate conditions being met within an agreed timeframe. All funding decisions are communicated in writing to project applicants.
- 5.30 Following approval of an OBC, it may be necessary to complete a range of statutory processes to ensure the project is actually ready to start. This could include for example, obtaining planning permission, initiating a Compulsory Purchase Order, or satisfying a number of conditions agreed as part of the OBC. Compliance checks on any conditions of funding specified by the MCA, LEP or Thematic Board are then carried out by the SCR Executive Team.

Stage 3 Submission and Agreement: Full Business Case

- 5.31 Much of the work involved in producing the FBC focuses on revisiting and updating the conclusions of the OBC and documenting the outcomes of the procurement. The purpose of the FBC is to:

- Identify the procurement opportunity which offers optimum value for money;
- Agree the commercial and contractual arrangements for the successful delivery; and
- Put in place the detailed management arrangements for successful delivery.

Any pre-contract conditions which were put in place as part of the OBC approval should be cleared during the development of an FBC.

- 5.32 Once this is completed the MCA, or Thematic Board if it is within their delegation limits, will be asked to grant authority to enter into a Funding Agreement.

Complaints and Appeals

- 5.33 All applicants for funding are made aware of the recommendations made by the SCR Appraisal Panel and the decision of the relevant approving Board, along with the rationale for the recommendations. Complaints can be made if due process has not been followed.
- 5.34 Decisions made by the SCR Mayor, MCA, LEP and Thematic Boards can be scrutinised by the SCR Overview and Scrutiny Committee. All decisions on funding must follow the appraisal process outlined above to be valid.
- 5.35 If a complaint is made, the MCA Chair and Monitoring Officer will convene an independent committee to review the issue and make a recommendation to the MCA/LEP Board as appropriate.
- 5.36 In any case where it is alleged that the MCA, LEP or Thematic Board is (a) acting in breach of the law, (b) failing to adhere to the process outlined in this Assurance Framework, or (c) failing to safeguard public funds, complaints are directed to the MCA's Monitoring Officer or their deputy. This includes complaints from stakeholders, members of the public or internal whistleblowers.
- 5.37 As the MCA is the accountable body for all funding decisions, the Monitoring Officer will address the allegation following the protocols set out in the [MCA Constitution](#).
- 5.38 If the MCA or LEP cannot resolve the issue to the complainant's satisfaction, and the complaint relates to funding allocated to the City Region, the issue may be passed to the relevant Government department (such as the MHCLG, or the Department for Transport (DfT)).

Conflicts of Interest and Decision-Making

- 5.39 At all stages of decision-making, the national guidance on registering conflicts of interest is adhered to. This includes any interests declared by members of the MCA, LEP and Thematic Boards, the SCR Appraisal Panel, and Statutory Officers. This is detailed in the [LEP Declarations of Interest Policy](#).
- 5.40 Each member of the MCA, LEP and Thematic Boards is required to declare their pecuniary and non-pecuniary interests (whether they are a member in their individual capacity or representing an organisation). Members are also responsible for reviewing and updating their register. This includes declaring any gifts or hospitality received. Declarations of interest are also sought and recorded in the minutes of each MCA, LEP and Thematic Board meeting. The [Individual Register of Interest](#) forms and the [Register of Declarations Made at Meetings](#) are regularly updated and published on the SCR website.
- 5.41 Senior members of staff within the SCR Executive Team and Statutory Officers also complete and maintain an Individual Register of Interest and update it if and when circumstances change. These are also published on the [SCR website](#).

6. Contract Management

- 6.1 Once a project is approved, contracts are issued and regular communication with the project applicant or scheme promoter is maintained throughout the project's lifetime.

Contracting

- 6.2 A Funding Agreement between the MCA and project applicant/scheme promoter sets out the conditions relating to the MCA's agreement to fund the project and the responsibilities of the MCA and applicant/scheme promoter.
- 6.3 The Funding Agreement specifies that grants and loans are capped, and applicants/scheme promoters bear the risk for all overspend on the project beyond the approved amount.

Payment Against Claims

- 6.4 Payment milestones are agreed with the project applicant/scheme promoter at the point of contract. The milestones depend on the complexity, cost and timescales of the project. This forms part of the programme management role of the MCA, which is subject to external audit.
- 6.5 Each grant claim is crosschecked against the approved project baseline information as part of the quarterly reporting processes.

Managing Contract Performance

- 6.6 The SCR Executive Team manages the delivery of the contract and works with the applicant/scheme promoter to monitor the project's progress and risks.
- 6.7 The SCR Executive Team is responsible for immediately addressing any slippages or concerns regarding project delivery and taking corrective action, including updating the Risk Register as necessary.
- 6.8 A change control process is in place to ensure that variations to an approved project are discussed with the project applicant and agreed with the SCR. Variations to a project are logged on the project's file and reported to the LEP, MCA and Thematic Boards when appropriate. Minor changes which do not alter the terms of the Funding Agreement can be agreed between the project applicant and SCR Executive Team. The relevant Board is however, notified of any changes that are contrary to the terms of the Funding Agreement, such as changes to a project's income, expenditure or output profile.
- 6.9 Where there is significant underperformance or cause for concern, a project will be referred back to the MCA, LEP or Thematic Boards for a decision.

Clawback

- 6.10 The Funding Agreement includes a mechanism for clawback. This ensures that funding is only spent on the specified project and linked to the delivery of outputs and outcomes, whilst giving the MCA and LEP the option of clawing back funds for poor performance or misuse of funds.

7. Measuring Performance and Success

- 7.1 Monitoring and measuring the performance of projects and programmes provides important lessons which are used to improve future decision-making. This increases the likelihood of successful delivery of future projects.

SCR Monitoring and Evaluation Framework

- 7.2 A comprehensive monitoring and evaluation framework is in place which has been designed in accordance with HM Treasury's Magenta Book principles and other monitoring and evaluation guidance.
- 7.3 The SCR Monitoring and Evaluation Framework [\[INSERT HYPERLINK\]](#) sets out how projects and programmes will be assessed both during their delivery and post-delivery phases, to understand the inputs, outputs and impacts of investment made in the Sheffield City Region. The framework outlines in detail the processes in place to enable the SCR Executive Team to gather robust feedback on delivery performance and identify the lessons learnt from projects and programmes that can be applied to future activity and policy.
- 7.4 The framework sets out several logic models, and identifies the performance metrics and indicators that are used to assess the impact of a project or programme and its contribution to delivering the SEP vision and strategic objectives.
- 7.5 The process for monitoring and evaluating project and programme performance is summarised in the sections below.

Monitoring

- 7.6 All project applicants/scheme promoters are required to provide regular financial and delivery information to the SCR Executive Team. The SCR's Programme and Performance Unit maintain oversight of contract delivery, through regular contact with applicants and scheme promoters including site visits where appropriate. The Unit gathers information and data to ensure that a robust audit trail is in place.
- 7.7 The applicant/scheme promoter submits quarterly reports to the SCR Executive Team, who collate the reports for all projects within the programme into a quarterly report to MHCLG. All quarterly reports are signed-off by the Section 73 Officer and LEP Board. This enables the MCA and LEP to fulfil their duties on reporting and accounting for public monies.
- 7.8 Project Applicants/scheme promoters are responsible for informing the SCR Executive Team of any changes to the scope, costs and implementation timescales for their project. The SCR Executive Team assesses the impact of any changes on the overall programme, budget and expenditure. Cost increases or financial slippage are reported to the appropriate Board where necessary. The MCA does not guarantee that it will meet any cost increases either in full or in part.
- 7.9 The SCR Executive Team presents Quarterly Monitoring Reports on project and programme delivery to the MCA, LEP and relevant Thematic Board. This ensures that LEP members are informed of progress on projects and are sighted on any issues that will result in financial slippage or underperformance.
- 7.10 Quarterly reports on project and programme performance are also submitted to MHCLG.

Evaluation

- 7.11 The frequency and type of evaluation conducted, depends on the contract value, duration and complexity of the project. Pilot projects and major schemes for example, are subject to more extensive evaluation. As a minimum, all projects are expected to be evaluated on impact to ascertain whether the project's objectives, outputs and outcomes were achieved and the reasons and results of any under or over performance.
- 7.12 The SCR Executive Team procures external evaluation of LEP funded programmes and major projects through an open and competitive process to evaluate the impact of specific funding streams, significant investments and pilot projects.
- 7.13 Project applicants/scheme promoters are responsible for ensuring all other projects are evaluated, and that adequate resource is allocated to undertake the agreed evaluation.
- 7.14 Project evaluation provides accountability for the investment made. It also provides local evidence on which to base future projects and programmes. The SCR Executive Team reviews the results of the evaluation against the objectives of the project as set out in the business case and Funding Agreement and the most appropriate counterfactual. Evaluation results for all projects are published on the SCR website.
- 7.15 Where there is a variation between a project's objectives and its outcomes, the SCR Executive Team works with the promoter to agree corrective action. If the corrective action is unsuccessful, clawback clauses in the Funding Agreement can be invoked as a final resort and to secure the desired outcomes via alternative measures.
- 7.16 The SCR Executive Team compiles a summary report for the MCA of all projects that have completed during the previous quarter. This report confirms whether the project has delivered against its spending profile and achieved the outputs and objectives in the Funding Agreement. The report also recommends whether each project can be closed.

8. Inclusive and Collaborative Working

- 8.1 The strength and success of the Sheffield City Region (SCR) partnership is founded on good governance and partner collaboration. Collaboration and a true partnership approach have been a cornerstone of the LEP achieving what it has to date. This collaboration is resulting in a focused programme of engagement; designed to accelerate the delivery of the SCR SEP and harness the City Region's latent potential.

The LEP Network

- 8.2 The LEP is an active member of the national LEP Network and is committed to developing and sharing best practice with the LEP Network and its members. The LEP is also committed to learning and embedding the best practice of other LEPs within the Sheffield City Region.

Collaboration with Other LEPs, Metro Mayors and the Northern Powerhouse

- 8.3 SCR LEP is committed to working in collaboration with other LEPs, Mayoral Combined Authorities and the Northern Powerhouse to pool knowledge and resource and enhance the effectiveness, transparency, decision-making and leadership in local economic development.
- 8.4 SCR has achieved the following by working across geographical borders:
- Led a trade delegation to India in conjunction with NP11 members (the 11 LEP areas in the Northern Powerhouse) and led the NP11's presence and programme at MIPIM 2020;
 - Collaborated with Transport for the North (TfN) and LEPs across the North of England to inform the development of TfN's Strategic Transport Plan. TfN also contributed to the development of the SCR Transport Strategy and SCR Integrated Rail Action Plan;
 - Worked in partnership with the Metro Mayors (M9) on an Air Quality Summit and joint lobbying to Government for increased powers and funding;
 - Agreed a Collaboration Framework with D2N2 LEP to share data and manage activities, projects and communications in the former geographical overlap area;
 - Employed a dedicated officer within the SCR Growth Hub to engage with businesses and relevant officers in the D2N2 LEP area to ensure they receive a clear and coherent package of support;
 - Invested £5m of the SCR Growth Deal allocation in upgrading the Midland Main Line at Market Harborough, in conjunction with the D2N2 and the Leicester and Leicestershire LEPs;
 - Completed a wave 1 Science and Innovation Audit with the Lancashire Partnership around shared sectoral strengths; and
 - Learnt from and shared best practice with the HS2 Places Group and worked with the Leeds City Region on proposals for a parkway station, and the Eastern Network Partnership on HS2 route 2b.

Engaging with Other Partners

- 8.5 Regular meetings are held with partners to ensure an open and two-way dialogue on activity being undertaken across the City Region, and to discuss the development of strategies and progress in delivering the SEP priorities and objectives. These meetings take place with business representative organisations, including the Chambers of Commerce, Federation of Small Business, CBI, Institute of Directors and Make UK (formerly known as the EEF), as well as Sector Group Chairs, local authority partners and the universities.
- 8.6 A programme of engagement events is also held with partners across the City Region. Typically, these events are thematic based, and are used to obtain input and feedback from partners to inform the City

Region's policies, strategies and project formulation. These engagement events are advertised on the SCR website and social media channels and through partners such as the business representative organisations.

8.7 Examples of collaboration with partners and agencies have included:

- Establishing a SCR Policy Advisory Group to share and pool economic evidence and data to inform the development of the new SEP;
- Having representation on the Northern Powerhouse Investment Fund Board;
- Playing an active role in the north of England Growth Hub network, which is designed to share best practice;
- Playing an active part of the national network established for the devolution of the Adult Education Budget (AEB). The LEP has led the work around data analysis/labour market intelligence and the contractual arrangements for the operation of the AEB in a devolved model; and
- Developing a strong working relationship with Department for International Trade (DIT) on the Northern Powerhouse agenda, including trade missions and having three exciting investment propositions showcased through the Northern Powerhouse Investment portfolio/pitchbook.

Engaging with the Public

8.8 The MCA publishes a plan on key decisions that will be taken by the SCR at least 28 days before the decision is due to be made. The [Forward Plan of Key Decisions](#) includes decisions that have a financial implication (such as a major project or strategy) and decisions which impact on two or more local authority areas. The plan is refreshed and published on the SCR website every month and it enables members of the public to view information on decisions before they are made so that they can comment on them.

8.9 The plan provides brief information on the project, programme or strategy, the date the decision will be taken, the lead officer's contact details and information on how to access any relevant reports (subject to restrictions on their disclosure).

8.10 The SCR website also explains how members of the public can request information as well as providing feedback and submitting questions for MCA meetings.

8.11 The LEP holds an Annual General Meeting (AGM) each year which is open to the public and publicised through the SCR website and social media networks and press.

8.12 The MCA holds its AGM in June each year.

Formal and Public Consultation

8.13 In accordance with the MCA's statutory obligations, the SCR Executive Team undertakes a public consultation exercise when revising or developing a new strategic document. The consultation period runs for between 6 and 12 weeks. Information on the consultation is posted on the homepage of the SCR website with a draft document and details of how to submit views, comments and supporting evidence electronically and by post. Information on any scheduled consultation events are also displayed.

8.14 Comments and evidence submitted by partners and individuals during the public consultation period are logged, analysed and categorised, with records kept on how the final draft of the strategy has been amended to reflect the comments and evidence received.

8.15 In 2018, the public were consulted on the draft SCR Transport Strategy and in 2020, the public were consulted on the new SEP.

9. Publishing Information

- 9.1 The SCR Mayoral Combined Authority (MCA) is subject to the same Transparency Code that applies to local authorities. To deliver the responsibilities under the code, SCR has developed a robust, but proportionate, approach to sharing and publishing information so that it is accessible to the public.

Access to Information

- 9.2 The MCA Constitution includes a publication scheme which sets out how and when agendas, minutes, papers and other documents produced by the MCA, LEP and SCR Executive Team will be made available to the public. It also sets out any exceptions to publishing information, such as not disclosing information that is prohibited by law or which is exempt under the Local Government Act 1972 Schedule 12A or Freedom of Information Act 2000.
- 9.3 The [SCR Publication Scheme](#), which applies to both the Local Enterprise Partnership (LEP) and MCA, is published on the SCR website. MCA, LEP and Thematic Board papers clearly state whether the paper will be published under the Publication Scheme and whether any exemptions apply.
- 9.4 The MCA is subject to the Local Government Act 1972, Freedom of Information Act 2000, Data Protection Acts of 1998 and 2018, the General Data Protection Regulations (GDPR) and the Environmental Impact Regulations 2004. As Accountable Body, the MCA fulfils these functions on behalf of the LEP.
- 9.5 The public are made aware of their right to access information through the SCR website. Requests for information are dealt with in accordance with the relevant legislation and information is not unreasonably withheld. The SCR Executive Team elects to publish more information on activities and decisions than is stipulated in Government guidance, so that Freedom of Information requests are less necessary.
- 9.6 All data supplied to the MCA, LEP and SCR Executive Team, including personal, financial, confidential and sensitive information is processed and handled in line with data protection legislation. Personal information is stored securely to maintain privacy. This process is detailed in the [SCR Privacy Policy](#).

SCR Website

- 9.7 Core information regarding activity being undertaken by the MCA, LEP and SCR Mayor is available on the SCR website. The website has been designed to be easy to navigate and to enable members of the public to locate and download information on decisions and activities.
- 9.8 The SCR website is structured into the following sections:
- **Investors** – this section is targeted at potential inward investors and contains information on the portfolio of land available for investment and the Enterprise Zone locations in the City Region;
 - **Business** – this section is aimed primarily at indigenous businesses and explains the schemes and initiatives available to support businesses to start-up, thrive and grow, including the SCR Growth Hub;
 - **Governance** – this is a dedicated section on how the City Region functions, including sub-sections on the SCR Board structure and Board membership (Who We Are), LEP and MCA policies, procedures, processes, decision-making and expenditure (How We Make Decisions), agendas and papers for meetings of the different Boards (Meetings), statutory notices on the Mayoral Election (Democracy and Elections) and the LEP Board Recruitment process and vacancies;

- **What We Do** – this section provides information on the SEP, thematic priorities, public consultations on draft SCR strategies, mini-portfolios on LEP funded projects and initiatives and a resources library of key documents and policies; and
- **Mayor** – this section contains information on the elected SCR Mayor including the SCR Mayor's role, powers, priorities and plans.

Meeting Papers

- 9.9 The schedule of MCA Board, LEP Board, Audit and Standards Committee and Overview and Scrutiny Committee meetings for the calendar year ahead are published on the SCR website.
- 9.10 The notice of the meeting, the agenda and accompanying papers are published five clear working days in advance of the meeting. Where papers contain commercially sensitive information or are subject to one of the exemptions under the Local Government Act 1972 Schedule 12A or Freedom of Information Act 2000, they are not published and are categorised as a private item. Decisions on whether individual agenda items are private items are made by the LEP Chair in consultation with the SCR's Head of Paid Service and Monitoring Officer using existing local authority regulations.
- 9.11 Draft minutes of meetings are published no more than ten working days after the meetings on the SCR website. All MCA minutes are signed at the same or next suitable meeting of the Authority and published within ten clear working days.

Notice of Decisions

- 9.12 As stated in previous sections, the MCA publishes a Forward Plan of Key Decisions that will be taken by the MCA, LEP or Thematic Boards at least 28 days before the decision is made to enable members of the public to view and comment on them.
- 9.13 Details of all project approvals made by the MCA, LEP and Thematic Boards are recorded in the Minutes of the meetings. In addition, the SCR Executive Team maintains and publishes a [Grants and Contracts Register](#) on the SCR website which provides details of all contracts and agreements signed, a brief summary of the project, and the value of the contract.
- 9.14 A Delegated Authority Report for decisions taken by each Thematic Board is produced for the MCA which documents all decisions that the Board has taken, including any approval they have given to projects within their delegated authority limit (up to £2 million) and any endorsement, deferment or rejection of projects that exceed their delegation. Delegated Authority Reports is a standing agenda item for discussion at each MCA meeting and they are published in the meeting paper pack on the SCR website.

Information on Board Members

- 9.15 The following information on LEP and MCA Board Members is published on the SCR website:
- Biography – including name, job title, organisation represented, membership of Committees and any lead roles;
 - Individual Register of Interests;
 - Declarations at Meetings;
 - Attendance Record;
 - Gifts and Hospitalities Record; and
 - Term of Office

- 9.16 LEP Board members are not remunerated. Members are entitled to claim back travel and subsistence costs incurred whilst undertaking duties and responsibilities on behalf of the LEP. The SCR Executive Team publishes details of all expenses and subsistence claimed by LEP Board Members and authorised by the Head of Paid Service in [Quarterly Expenses Reports](#).
- 9.17 The SCR Executive Team also publishes [Quarterly Gifts and Hospitality Reports](#) which summarise any gifts or hospitality accepted and received by LEP Board members with a notional or actual value that exceeds £50. Gifts and hospitality are also recorded in each LEP Board Members' Individual Register of Interest.

Financial Information

- 9.18 A range of budgetary and financial information is published on the SCR website so that it is transparent and accessible to the public.
- 9.19 MCA and LEP budgets are set prior to the start of the financial year within the Budget and Policy Framework. As the Accountable Body, the MCA is responsible for setting and approving the annual budgets for the organisations within the SCR structure. This includes approving the transport revenue budget for the South Yorkshire Passenger Transport Executive (SYPTTE), setting the transport levy and approving the LEP's capital and revenue budget.
- 9.20 The MCA is also responsible for agreeing an annual programme of capital expenditure, together with proposals for the financing of that programme. This includes projects promoted by both the MCA and those directly managed by SYPTTE.
- 9.21 Quarterly updates on the performance of the LEP capital and revenue programmes are provided to the MCA and LEP Boards and these are published in meeting papers.
- 9.22 As stated previously in this section, funding decisions are also published on the SCR website in the [Grants and Contracts Register](#). Payments to general suppliers that have a value of more than £250 are published every month in the SCR [Payments Made to Suppliers](#) register.
- 9.23 The LEP's finalised capital and revenue income and expenditure is published every year as part of the [SCR Group Accounts](#) (incorporating the MCA, LEP and SYPTTE). The draft accounts are considered by the MCA and LEP Boards in June/July each year. The finalised accounts which include the [Annual Governance Statement](#), are published alongside the [Independent Audit Certificate](#) for the financial year.
- 9.24 The roles and salary bands of all staff employed in the SCR Executive Team which exceed £50,000 per annum are also published on the SCR website.

Procurement and Funding Opportunities

- 9.25 The SCR Executive Team publishes calls for projects on a regular basis on the SCR website and through the SCR's social media feeds. The application templates and guidance documents for each commissioning call are available via the SCR website. Calls for ESIF funded activity are also advertised on the www.gov.uk website.
- 9.26 An open and competitive procurement process is in operation. When undertaking any procurement, all Boards, officers and staff must comply the SCR Contract Procurement Rules. Opportunities to supply goods and services to the SCR are advertised on the [YORtender](#) website with a link from the SCR website.
- 9.27 Information on how businesses can access advice and support services, including applying for grant-funded programmes, is advertised in the [Business](#) section of the SCR website.

Branding

- 9.28 In accordance with European Funding and Local Growth Fund branding guidance, the SCR Executive Team ensures that the correct logos and wording are displayed in all promotional materials for SCR funded projects and programmes. Promotional materials include the SCR website, websites of SCR and project applicants/scheme promoters, signage, social media posts, press notices and marketing literature.

LEP Delivery Plan

- 9.29 The LEP publishes an Annual Delivery Plan and End of Year report in April each year.
- 9.30 The SCR Annual Delivery Plan outlines the LEP's priorities and planned activities for the coming year including developmental work and any public consultation that is expected to take place.
- 9.31 The End of Year report provides an assessment of the LEP's activity and achievements against the Annual Delivery Plan and an assessment of how the SCR economy has changed over the course of the year. This sets the baseline economic position to measure future performance against.

Glossary of Terms

AEB	Adult Education Budget
AGM	Annual General Meeting
BMBC	Barnsley Metropolitan Borough Council
CIAT	Central Independent Appraisal Team
D2N2	Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership
DIT	Department for International Trade
DMBC	Doncaster Metropolitan Borough Council
FLUTE	Forecasting the interactions of Land-Use, Transport and Economy
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
LTA	Local Transport Authority
MCA	Mayoral Combined Authority
MHCLG	Ministry of Housing, Communities and Local Government
OBC	Outline Business Case
R&D	Research and Development
RMBC	Rotherham Metropolitan Borough Council
SOC	Strategic Outline Case
SCC	Sheffield City Council
SCR	Sheffield City Region
SCRTM1	Sheffield City Region Transport Model 1
Section 73	Equivalent to a Section 151 Officer
SEP	Strategic Economic Plan
SYPTTE	South Yorkshire Passenger Transport Executive
TAG	Transport Appraisal Guide (formerly known as WebTAG)

Appendix A: Summary of LEP Policies

The Sheffield City Region (SCR) is strongly committed to putting in place robust decision-making and financial management policies and procedures to ensure that public money is being spent responsibly and is accounted for.

Each year, the suite of LEP policies are reviewed and refined in an effort to continually improve governance and accountability. The LEP's policies are listed below and published on the SCR website at <https://sheffieldcityregion.org.uk/about-us-governance-policy/how-we-make-decisions-2/>.

LEP Terms of Reference

The [LEP Terms of Reference](#) outlines the role and aims of the LEP Board and the duties of LEP Board members. It also details the LEP's Board member recruitment and appointment process, the roles of the Chair and Deputy Chair, and the decision-making process.

LEP Board Recruitment

The [LEP Board Appointment Process](#) explains how vacancies on the LEP Board will be openly advertised, and how Board appointments will be made by a LEP Appointments Panel in a transparent, competitive and non-discriminatory way.

Equality and Diversity

The LEP's commitment and approach to ensuring equality and diversity is detailed in the [LEP Diversity Policy](#). The policy covers recruitment and selection and all engagement with individuals and organisations. The policy also outlines the LEP Board's commitment to nominating a LEP Board member to act as Diversity Champion. The policy applies to LEP Board members, the SCR Executive Team and any Thematic Board members.

Code of Conduct

All LEP Board members proactively sign-up to the [LEP Code of Conduct](#) when they are appointed to the Board, as a condition of their appointment. The Code of Conduct explicitly requires LEP Board members to conform with the Seven Principles of Public Life (Nolan principles) – selflessness, integrity, objectivity, accountability, openness, honesty and leadership. SCR staff are required to sign the employee's Code of Conduct as a condition of their employment which requires them to carry out their duties in accordance with the Nolan principles.

Remuneration and Expenses

LEP Board members are not remunerated. Members are entitled to claim back travel and subsistence costs incurred whilst undertaking duties and responsibilities on behalf of the LEP. The [LEP Expenses Policy](#) explains the requirement for travel and subsistence to be pre-approved by the Head of Paid Service prior to being incurred and the process for claiming expenses.

Gifts and Hospitality

LEP Board members are required to notify the Head of Paid Service in writing of all offers of hospitality and gifts received with a value of more than £50. The [LEP Gifts and Hospitality Policy](#) aligns with Local Authority systems and standards on accepting and declaring gifts. The policy also applies to the SCR Executive Team and any Sub-groups involved in advising on or making decisions.

Conflicts of Interest

The [LEP Declarations of Interest Policy](#) requires all LEP Board members and senior officers to complete and maintain an up to date Register of Declarations to avoid any conflicts of interest when advising on, or making decisions.

Whistleblowing

The [LEP Whistleblowing Policy](#) provides information on how concerns about the LEP, LEP Board members and the SCR Executive Team should be raised, how the concerns will be handled and how concerns will be dealt with sensitively and in confidence.

Complaints

The [LEP Confidential Complaints Policy](#) explains how complaints about the LEP, LEP Board members and the SCR Executive Team should be submitted and how complaints will be dealt with and responded to.

Data Management

The [LEP Privacy Policy](#) explains to the general how and why the SCR collects and uses information provided by service users and members of the public. This includes data that is provided to the SCR via the SCR's websites, information provided to SCR funded services and projects (e.g. Growth Hub, Skills Bank, Working Win) and data provided over the telephone. The policy ensures that the LEP and SCR Executive Team will only process data in a legally-compliant way, and that personal information will be handled in confidence and stored securely to maintain privacy.

Appendix B: Joint Statement from LEP and MCA

This Memorandum of Understanding (MoU) sets out the respective roles and responsibilities of the Sheffield City Region (SCR) Mayoral Combined Authority (MCA) and the SCR Local Enterprise Partnership (LEP). It has been produced to provide clarity on how decisions on public funds are made within the Sheffield City Region.

Roles

The MCA is the legal and Accountable Body for funding devolved by Government to the MCA and LEP, including the Growth Deal. The MCA is also the Local Transport Authority for South Yorkshire.

The LEP is a voluntary business-led partnership which drives economic growth and determines how LEP funding should be invested in developing and growing the SCR economy.

The SCR Mayor is directly elected by the electorate in South Yorkshire to lead the SCR and to promote it as a place to live, work and invest in. The SCR Mayor is Chair of the MCA and is a member of the LEP Board.

Responsibilities

The Mayoral Combined Authority commits to:

- Approving the LEP annual capital and revenue budgets prior to the start of the financial year, in discussion and agreement with the LEP;
- Testing the value for money of proposed projects for LEP funding;
- Ensuring that the legal duties of the MCA as the LEP's Accountable Body, operate in a responsible and transparent manner; and
- Informing the LEP of any operational decisions made.

The Local Enterprise Partnership commits to:

- Producing and publishing the Strategic Economic Plan (SEP);
- Supporting the Mayor in producing the Local Industrial Strategy;
- Accepting proposed projects onto the programme pipeline;
- Making decisions on how the capital and revenue budgets allocated to the LEP are prioritised and spent;
- Ensuring that decisions on proposed projects are aligned with the objectives of the SEP and based on value for money assessments; and
- Overseeing the delivery of LEP funded programmes.

Operating Practices and Policies

The MCA and LEP will be served by a central team of impartial staff (the SCR Executive Team) who will provide advice and report on financial information and programme delivery to both the MCA and LEP Boards.

The MCA and LEP agree to conform with the Seven Principles of Public Life (Nolan principles) – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The MCA and LEP are opposed to all forms of unlawful, unfair and inappropriate discrimination, and commit to provide equality and fairness to all those who wish to work with them and to not act less favourably on the grounds of any protected characteristic.

Amendments

This MoU can be amended at any time with agreement of both the MCA and LEP.

The Mayoral Combined Authority and Local Enterprise Partnership affirm to know, understand and agree to this Memorandum of Understanding as negotiated together.

**Signed on Behalf of the Sheffield City Region
Mayoral Combined Authority:**

**Signed on Behalf of the Sheffield City Region Local
Enterprise Partnership:**

Signature: _____

Signature: _____

Name: Mayor Dan Jarvis MP MBE
Position: SCR Mayor and Chair of the Mayoral
Combined Authority

Name: James Muir
Position: LEP Chair

Date: _____

Date: _____

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SCR Local Enterprise Partnership

Terms of Reference

Document Properties

Change Record

Version	Revision	Author	Description	Date
20-21: 0	1	CJames	Annual Review	February 2020

Document Approval

Approving Body or Person	Role (review, approve)	Date
LEP Board	Approve	

1. Aims, Objectives and Priorities

1.1 Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the Department of Business Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

1.2 The purpose of the Sheffield City Region (SCR) LEP is

- to originate economic policy, author and maintain a Strategic Economic Plan (SEP) for the SCR and determine key funding priorities
- to support the SCR Mayor in developing the Local Industrial Strategy
- to ensure the SCR bids for public funding made available by government for LEPs in support of economic growth
- to ensure SCR policy and decisions receive the input and views of key business leaders and take account of the views of the wider business community
- to engage with local businesses to understand the needs of different sectors and markets
- to engage business, opinion formers and policy makers at a national and international level in promoting economic growth in the region

1.3 In pursuit of this role the SCR LEP will:

- capture and communicate business requirements for changes to, and development of economic policy and the commission associated appropriate interventions
- work collaboratively with all partners, including Local Authorities to address barriers to growth and drive efficiency
- bring together intelligence and expertise to identify priorities and develop solutions to maximise private sector investment in the City Region and secure sustainable growth
- work to create an environment for business growth ensuring appropriate mechanisms exist through which, as a co-ordinated voice, the private sector can inform and influence the shape and future direction of local and national government policy

1.4 To ensure the LEP is effective in this role it has the authority to:

- engage in dialogue with Government and respond to policy, proposals and opportunities to bid for funding in support of economic growth
- engage with investors, businesses and advisors to secure growth opportunities
- to develop and consult on regional economic policy, programmes and interventions designed to maximise growth in the region
- to provide leadership in key themes and priorities to promote growth
- to raise the profile, image, reputation and influence of the region at a regional, national and international level

2. Legal Status

- 2.1 The SCR LEP is an informal partnership. It does not have legal status to enter into contracts and will act through the Sheffield City Region Mayoral Combined Authority as Accountable Body.

3. Role of Members/Accountability

- 3.1 Irrespective of his or her background or geography, it is the duty of a LEP Board member to act in the best interests of the City Region and in accordance with the policy of the LEP Board.

All private sector member of the LEP act in their individual capacity and not as representatives of their respective organisations. The only exception to this is the representative for Higher Education on the Board.

- 3.2 All LEP Board members are expected to discharge their duties in line with the Nolan Principles for Standards of Public Life¹ and the Code of Practice for Board Members of Public Bodies². Private Sector members must comply with the SCR LEP Private Sector Code of Conduct. Political Leaders who are Members of the SCR LEP must also comply with the members Code of Conduct in addition to that of the Mayoral Combined Authority.

- 3.3 The LEP Board is the strategic commissioner for the SCR in matters of economic development. It will make recommendations to the SCR MCA who is the Accountable body for the use of public funds (The MCA's Scheme of Delegation is set out within the MCA Constitution) However, the LEP is made accountable:

- through the inclusion on the LEP Board of Leaders of the member Local Authorities
- through the Assurance Framework and the role of Government in monitoring and evaluating performance
- through the transparent and public access to the agenda, papers and minutes that record decisions and the rationale by which they were approved or rejected

4. Membership

- 4.1 The LEP Board will comprise of Leaders of the members Local Authorities plus the Mayor. Private Sector ~~members~~ Members will form the majority of the Board³. In addition, the Chair can co-opt up to five additional private sector board members, with specialist knowledge, for a one year term. Co-opted members will be counted in the private sector majority.

The Chair will be appointed from the private sector and will provide strategic leadership on business growth for SCR. The Chair will lead on building the reputation and influence of the City Region at national and international level.

The Chair will be a non-voting member of the Sheffield City Region Mayoral Combined Authority.

¹ See <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

² See <https://www.gov.uk/government/publications/board-members-of-public-bodies-code-of-conduct>

³ ~~Exceptional circumstances – due to the number of member Local Authorities, the SCR LEP is unable to meet the requirement of one third public sector to two thirds private sector membership ratio whilst also adhering to the membership limit of 20 people.~~

~~The Two~~ Vice-Chairs will be appointed from the private sector and will provide day to day leadership and support to LEP Board Members. The Vice-Chair will lead on business relations within the City Region, including engaging with the SME business community and will deputise for the Chair.

Private Sector representation on the LEP Board will be made up of business leaders who are either currently or recently in leading positions within business or who have specific sectoral or other experience relevant to the work of the LEP Board. The Board will also include a representative from the City Region’s Higher and Further Education sectors and a Trade Union representative

All private sector members of the LEP, with the exception of the representative for Higher Education, act in their individual capacity and alternate Members will not be allowed to attend meetings should any Board Member be unavailable.

Private Sector Board Members will be appointed based on their experience, leadership skills and commitment to the achievement of the aims and objectives of the LEP.

Local Authority Leaders of constituent and non-constituent authorities will be members of the LEP and may send a nominated substitute. Nominated substitutes will be required to complete a Register of Interest.

4.2 Diversity

The SCR is committed to diversity and the LEP Board will have regard to ensuring they have diverse representation, which is reflective of the local business community, including gender, ethnicity, geographical spread, business size and sector experience. The LEP Board’s commitment to diversity is articulated through its Diversity Policy.

5. Co-opting

5.1 Where specific skills or abilities are required which are not available among existing members co-optees may be appointed to the LEP Board. The appointment will be made by the Chair, in consultation with the Board, for 12 months. Co-opted members will not have voting rights and will not count towards the quorum.

6. Recruitment, Appointment & Termination of Private Sector Membership

6.1 Recruitment

Recruitment will be undertaken in line with the SCR LEP Diversity Policy and made through an open, transparent, competitive and non-discriminatory process.

An Appointment Committee will be convened and a formal interview panels will be constituted as specified below:

Position	Panel
Appointment of a Chair	Chair of the SCR MCA plus two private sector LEP Board members and a representative of the Local Authority Chief Executives
Appointment of private sector board members	Chair of the LEP plus the Vice-Chairs of the LEP and the Chair of the SCR MCA
Vice-Chair (where there is more than one candidate)	Chair of the LEP and Chair of the SCR MCA

Interview panels will be advised by the ~~Managing Director~~ Chief Executive or the Deputy ~~Managing Director~~ Chief Executive.

6.2 Appointment

A formal offer will be made to successful candidates. On appointment Board members are required to sign a declaration affirming their understanding and commitment to the Code of Conduct.

6.3 Termination

Where a Board Member is no longer able to meet the conditions of LEP Board membership as defined by these terms of reference and the associated guidance issued by Government, the Chair, following consultation with the Vice-Chairs and ~~Managing Director~~Chief Executive, may terminate a Member's appointment to the Board before the expiry of his/her period of appointment, with immediate effect.

LEP Board members who miss a third or more of the scheduled Board meetings and/or a third or more of the relevant Thematic Board meetings in a 12 month period will be reviewed by the Chair and their membership may be terminated, without prejudice, an appointment may be terminated by the Chair in consultation with the ~~Deputy Vice~~ Chair/s.

Failure to declare interests at meetings and to complete a register of interests will also be grounds for an appointment to the Board to be terminated.

A LEP Board Member may resign at any time by giving notice to the Chair in writing, having immediate effect.

7. Term of Appointment

7.1 The term of office for a Private Sector Board Member will be 3 years. This may be extended by the Chair by a further term. In exceptional circumstances, with a clear rationale, Members may be appointed for a further term not exceeding 2 years.

7.2 The Chair and Vice-Chairs, once appointed, will remain in role for a term of three years or until they choose to step down from the position if within that term. In exceptional circumstances, an extension of a further three-year term may be agreed by the Board.

8. Performance

8.1 Private sector LEP Board Members are expected to attend LEP Board meetings and any relevant Thematic Board they are appointed to.

The Chair, in consultation with Private Sector Board Members, will also appoint lead responsibilities aligned to the strategic priorities of the City Region.

Any private sector LEP Board member invited to join another body or organisation as a LEP Board member will require the consent of the Chair and will need to register this interest with the ~~Managing Director~~Chief Executive.

8.2 LEP Board Members will attend an annual appraisal meeting with the Chair.

8.3 Leaders of Local Authorities will also be governed by the Constitution and Codes of Conduct of the Mayoral Combined Authority, associated legal and government policy requirements and by their Local Authority governance and codes.

9. Frequency of Meetings

9.1 The LEP Board will meet on an eight-weekly cycle.

10. Attendance

10.1 Private sector LEP Board members who miss a third or more of the scheduled Board meetings and/or a third or more of the relevant Thematic Board meetings in a 12-month period will be reviewed by the Chair and their membership may be terminated.

11. Quorum

11.1 Meetings of the LEP Board will be quorate when at least one quarter of the Private Sector Members and at least one quarter of the constituent Public Sector members are present.

A Member who is obliged to withdraw under the Code of Conduct for Members shall not be counted towards the quorum.

11.2 For the purpose of determining whether a quorum is present, a LEP Board Member may be counted in the quorum if they are able to participate in the proceedings of the meeting by remote means e.g. telephone or video link (or equivalent) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.

12. Decision Making at the LEP Board meeting

12.1 It is envisaged that most LEP Board decisions shall be made by consensus.

In the event of a consensus not being reached, a decision will be taken by a vote of those Members present at the meeting and entitled to vote (including those participating by remote means as above). Each LEP Board Member shall have one vote subject to any obligation they have not to participate under the Code of Conduct for Members and Declaration of Interests Policy.

Voting shall be by a show of hands (or verbally where a Member is attending by remote means) and all decisions (other than those of procedure taken by the person chairing the meeting) shall be by a majority of votes cast.

In the case of an equality of votes, the person chairing the meeting may exercise a second or casting vote.

13. Conflicts of Interests

13.1 *Register of Interests*

It is the responsibility of Board members to ensure an up to date Register of Interests is maintained. A member must, within 28 days of becoming aware of any change in their interests, provide written notification of this. These will be published on the SCR website and is a condition of appointment. Registers will also be subject to an annual review.

13.2 *Declaration of Interests at a meeting*

It is the responsibility of Board members to declare any personal, prejudicial or pecuniary interest on any item of business being conducted at a LEP Board or Committee meeting. Where a 'pecuniary interest is declared Members will leave the meeting, where a 'non-

pecuniary interest is declared, Members may remain at the meeting but not participate in business. (See Declaration of Interests Policy)

14. Urgency Procedure

- 14.1 In order to ensure that the LEP Board is able to progress its business in an efficient manner, comments on urgent matters may be sought by the SCR ~~Managing Director~~Chief Executive or other Statutory Officer outside the meeting cycle.

Members will receive email notification which identifies:

- Details of the matter requiring comment and/or endorsement and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to be held to conduct the business);
- The date responses are required by;
- The name of the person or persons making or putting forward the proposal/decision

Two working days after the close of responses, the following will be circulated to all LEP Board Members:

- The outcome of the decision taken by Statutory Officers (including responses received in agreement and responses received in disagreement); and the date when any decision comes into effect; and
- Any mitigating action taken to address Members' stated views or concerns.

Decisions and actions taken will be retrospectively reported to the next meeting of the LEP Board.

15. Subordinate Bodies

With the approval of the Chair and the ~~Deputy~~Vice Chair/s, the LEP Board may establish a subordinate body to assist it to meet its remit.

Any such subordinate body set up by the LEP Board shall include one or more LEP Board Members, as nominated by the Board. With the consent of the Chair, any such group may also co-opt onto it any independent person with the relevant expertise - judged against pre-determined criteria - on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the LEP Board.

16. Transparency

16.1 *Agendas and Reports*

Agendas and reports for the LEP Board will be available on the Sheffield City Region website at least five clear working days before the meeting to which they relate.

16.2 *Access to Information*

Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 or under Schedule 12A of the Local Government Act 1972. These papers will be classed as 'exempt' papers and marked as such.

Exempt reports can still be requested under the Freedom of Information Act 2000, at which stage the SCR Mayoral Combined Authority (as the Accountable Body) will

consider, on a case by case basis (taking into consideration such factors as timing, any applicable exemptions and the public interest test).

16.3 Meetings

The LEP Board meetings will not be held in public. The Annual General Meeting of the LEP Board will be held in public and members of the public will be invited to submit questions about the agenda items.

16.4 Meeting Record

The draft minutes of each meeting of the LEP Board will be posted on the Sheffield City Region website within 10 clear working days of the meeting taking place. The agreed minutes of each meeting will be published within 10 clear working days after approval at the subsequent meeting.

17. Secretariat

17.1 The Sheffield City Region Executive Team provides an independent secretariat function for the SCR LEP Board.

18. Amendments to Terms of Reference

18.1 These terms of reference will be reviewed annually in line with the review of the Assurance Framework and the Annual Governance Review. Any changes will be approved by the LEP Board.

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March 2020**Mayor's Update****Purpose of Report**

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

1. Devolution

At its January meeting, the Mayoral Combined Authority (MCA) agreed to proceed with the implementation of the South Yorkshire Devolution Deal. This means that the region is now a step closer to receiving tens of millions of pounds in additional powers and resources.

The six-week public consultation on these proposals is now underway and will close on the 15th March. I look forward to hearing people's views on these important proposals to secure more powers and resources for the benefit of communities and businesses across South Yorkshire.

Following the completion of the consultation process a summary of the responses will be produced and considered by the MCA for submission to the Secretary of State. The SofS will then consider this information and produce a draft Order for the consent of the four South Yorkshire councils and the Mayor. The Order would then pass through the parliamentary process.

I am continuing to work with local leaders and Government so that this process can be completed as soon as possible, so that the benefits can be unlocked for the people and businesses of South Yorkshire.

2. Flooding

As you will all be aware, November saw our region hit by devastating floods and some residents are still unable to return to their homes.

I have called on the Government, including writing to the Prime Minister, to provide significant financial support for those communities affected. In my budget submission (discussed below) and in a letter to the Secretary of State for the Environment, Food and Rural Affairs I have set out the case for hundreds of millions of pounds of much needed invest to protect homes, communities and businesses across South Yorkshire.

The devastating floods that hit our region in November, in addition to those following storms Ciara and Dennis and wider events around the world are evidence that our climate is changing. This is why we have declared a climate emergency. The work we deliver around creating sustainable and inclusive growth, including tackling climate change is of the utmost importance and will be at the forefront of everything we do.

3. Budget

As the first Budget since the country left the European Union and the General Election, the government will be judged on its ability to tangibly deliver on its commitments to 'level up' the economy. From transport, innovation and housing to culture, there are currently significant

disparities in the level of investment being made across the country. Through the Budget I will be looking for a step change in funding to begin to reverse these decade long trends.

I have written to the Chancellor setting out the specific proposals and projects that should be taken forward to deliver real benefits for the people of South Yorkshire. This includes measures to grow our economy building on our existing assets, create a transport network fit for the twenty first century and to address the climate emergency, including further action to mitigate the potential for future flooding.

With the M9 group of metro mayors, I have also written to the Chancellor making the case for the devolution of greater powers and resources, to bring more decisions closer to the people they affect and to provide longer term funding allocations to help us deliver on our respective priorities. I will continue to work my fellow metro mayors in making the case for more devolution, particularly as Government develops its Devolution White Paper.

4. Productivity debate

The themes at the heart of my budget submission also featured strongly in the Westminster Hall debate that I recently led on productivity. Productivity is one of the most important metrics by which the health of our economy can be assessed. It's important not least because it gauges how efficiently we produce goods and services but also because it is a means of improving prosperity.

With the country's productivity growth having collapsed to an average annual growth rate of 0.3% for the last decade, the Royal Statistical Society have awarded this performance the 'Statistic of the Decade'. Whilst there is universal agreement that there is no silver bullet solution to address this challenge, it is clear we must tackle the productivity crisis facing South Yorkshire. Our emerging transformative Strategic Economic Plan will set out our approach to do this in an inclusive and sustainable way.

5. Brexit

Now that the UK has left the European Union, we continue to monitor the potential impacts that may arise at the end of the transition period. As more information emerges from Government on the nature of the future arrangements it is possible to better understand the possible implications for South Yorkshire. For example, it will be important to consider the opportunities and challenges arising from the recent announcement regarding the migration policy on the region.

However, significant uncertainty remains on the nature of these future arrangements and as time progresses, the need for certainty will become even greater. This is vital for businesses, people and communities across South Yorkshire and beyond to plan for their own future.

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

6. Bus Review

As you will be aware, this time last year I asked Clive Betts MP to carry out a Bus Review. I know buses are a lifeline for communities across South Yorkshire, and bus services are one of the main topics of conversation that people raise with me as Mayor.

I am pleased that more than 6,600 people had their say in our Bus Review consultation, and I expect that the findings from our review will be published in the coming months. At this time, we will digest the contents and give our initial response.

March 2020

Chief Executive's Update

Purpose of Report

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

1. LEP Board Recruitment

A LEP Board Member recruitment campaign was launched on the 30th January and resulted in 18 applicants, nine of which have been shortlisted for interview. A first round of interviews will take place on 26th February with a further round taking place during March. It is hoped to appoint two new members to begin their term before 31st March with further appointments being made with phased start dates to address succession requirements.

2. Working with the Massachusetts Institute of Technology - Regional Entrepreneurship Acceleration Programme

The Department of BEIS have partnered with the Massachusetts Institute Technology (MIT) to run a version of their global Regional Entrepreneurship Acceleration Programme (REAP) with six UK regions. SCR made a submission and we have been selected as one of the successful 6 areas.

Over the coming months we will be building a team drawn from different disciplines to work with BEIS and MIT. The work aligns with the emerging focus of the Strategic Economic Plan in providing a practical approach to strengthening innovation-driven entrepreneurial ecosystems.

3. MIPIM

Final preparations are underway for the MIPIM delegation. Development projects from across the region will be showcased during the event. All of the schemes can be viewed on the SCR online investment portfolio: <https://portfolio.sheffieldcityregion.org.uk/#home>

4. Budget 2020 preparations

The Mayor has written to the Chancellor of the Exchequer setting out an ambitious set of proposals for the Chancellor to consider as part of his March Budget. There will be supportive LEP communications centred around some of the key proposals and we will continue to engage with Department officials in the lead up to the March 11th Budget.

6. Northern Powerhouse 11 (NP11)

The NP11 have agreed a new NP11 workplan that focuses efforts on a Northern approach to:

- Trade and Investment
- Innovation
- Clean energy.

These priority areas were the subject of a submission to the Chancellor in advance of his March Budget and an NP11 hosted parliamentary event and private dinner with Ministers and key officials held on the 24th February. The SCR were represented at the event.

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