

Monday, 5<sup>th</sup> February 2024

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

## NOTICE OF MEETING

You are hereby summoned to a meeting of the South Yorkshire Mayoral Combined Authority to be held at **South Yorkshire Mayoral Combined Authority, 11 Broad Street West, Sheffield S1 2BQ**, on: **Tuesday, 13 February 2024 at 9.00 am** for the purpose of transacting the business set out in the agenda.



Martin Swales  
**Chief Executive and Head of Paid Service**

## Webcasting Notice

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

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

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

## **Member Distribution**

Mayor Oliver Coppard (Chair)

Councillor Sir Steve Houghton CBE

Councillor Tom Hunt

Mayor Ros Jones CBE

Councillor Chris Read

South Yorkshire Mayoral  
Combined Authority

Barnsley MBC

Sheffield City Council

City of Doncaster Council

Rotherham MBC



## Agenda

Agenda Ref No	Subject	Lead	Page
1.	Welcome and Apologies	Chair	
2.	Announcements	Chair	
3.	Urgent Items  To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	Chair	
4.	Items to be Considered in the Absence of Public and Press  To identify where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting.)	Chair	
5.	Declarations of Interest by individual Members in relation to any item of business on the agenda	Chair	
6.	Reports from and questions by members	Chair	
7.	Receipt of Petitions	Chair	
8.	Public Questions	Chair	
9.	Minutes of the meeting held on 9th January	Chair	5 - 10
<b>Policy Items</b>			
10.	Devolution Update	<b>Portfolio Leader:</b> Mayor Coppard <b>Chief Executive:</b> Martin Swales <b>Author:</b> Andy Gates	11 - 40
11.	Investment Zone Update	<b>Portfolio Leader:</b> Mayor Coppard <b>Chief Executive:</b>	41 - 46

		Martin Swales <b>Author:</b> Tom Bousfield, Joseph Quinn	
12.	Adult Education Budget and Skills Programme Approvals	<b>Portfolio Leader:</b> Cllr Houghton <b>Chief Executive:</b> Kate Josephs <b>Author:</b> Tom Bousfield, Fliss Miller	47 - 54
13.	South Yorkshire Airport City Outline Business Case	<b>Portfolio Leader:</b> Mayor Coppard <b>Chief Executive:</b> Martin Swales <b>Author:</b> Gareth Sutton	55 - 76
<b>Corporate Business</b>			
14.	Programme Approvals	Gareth Sutton	77 - 90
15.	Delegated Authority Report	Martin Swales	91 - 96

**Date of next meeting:** Tuesday, 12 March 2024 at 1.00 pm

**At:** South Yorkshire Mayoral Combined Authority, 11 Broad Street West, Sheffield S1 2BQ

**MAYORAL COMBINED AUTHORITY BOARD**

**MINUTES OF THE MEETING HELD ON:**

**TUESDAY, 9 JANUARY 2024 AT 1.00 PM**

**SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY, 11  
BROAD STREET WEST, SHEFFIELD S1 2BQ**



**Present:**

Mayor Oliver Coppard (Chair)	South Yorkshire Mayoral Combined Authority
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Tom Hunt	Sheffield City Council
Mayor Ros Jones CBE	City of Doncaster Council
Councillor Chris Read	Rotherham MBC

**In Attendance:**

Steve Davenport	Director of Law and Governance	SYMCA Executive Team
Gareth Sutton	Executive Director of Resources & Investment	SYMCA Executive Team
Pat Beijer	Executive Director of Transport (Acting)	SYMCA Executive Team
Tom Bousfield	Corporate Director Growth, Business & Skills	SYMCA Executive Team
Jenny Holmes	Director of Corporate Delivery	SYMCA Executive Team
Clare Monaghan	Executive Director of Policy and Strategic Development	SYMCA Executive Team
Damian Allen	Chief Executive, City of Doncaster Council	City of Doncaster Council
Kate Josephs	Chief Executive, Sheffield City Council	Sheffield City Council
Sharon Kemp	Chief Executive, Rotherham MBC	Rotherham MBC
Sarah Norman	Chief Executive, Barnsley MBC	Barnsley MBC
Colin Blackburn	Assistant Director - Housing, Infrastructure and Planning	SYMCA Executive Team

Sarah Pugh (Minute Taker)

**Apologies:**

Martin Swales	SYMCA Executive Team
---------------	----------------------

186      **Welcome and Apologies**

The Chair welcomed attendees to the meeting and apologies were noted as above.

187 **Announcements**

The Mayor wished members a happy new year, and noted that he was looking forward to a year of significant change for South Yorkshire, including working to re-open Doncaster Sheffield Airport, building greater investment in the region's economy, and fixing the region's public transport system.

188 **Urgent Items**

None.

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

None.

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

Those Members with membership of the Local Government Pension Scheme declared an interest in item no. 12, noting the dispensation granted in accordance with the Constitution.

191 **Reports from and questions by members**

None.

192 **Receipt of Petitions**

None.

193 **Public Questions**

J Carpenter presented the following questions:

*"Bus services in South Yorkshire continue to deteriorate. Reliability is appalling - it is no joke waiting for buses that don't materialise on cold wet winter days. As a member of Better Buses for South Yorkshire I voice our concern at the delayed progress of the franchising process. Please will you disclose the timetable for the stages involved?"*

*Also, as transport was one of the main themes of the SY Citizens' Assembly, please can you say when its findings will be published, or do we have to wait till after the prospective Youth Assembly reports?"*

The Mayor responded that he agreed with the concerns raised, and stated his commitment to fixing public transport in South Yorkshire.

He noted that the MCA funds many services, and tries to keep fares discounted for passengers, but that's since the pandemic, the cost to South Yorkshire for declining commercial networks has risen from £7m to £21m. He added that South Yorkshire had missed out on Government funding by around £30 per

head relative to Greater Manchester, the West Midlands, or West Yorkshire.

He stated that the law places limits on the steps which must be followed before a franchised bus system can be agreed, and that it was not possible to predict a timeline due to possible challenges which may arise through both audit and public consultation.

Finally, he stated that the Citizens' Assembly had concluded in December 2023, and that he hoped that the final report would be published in the next few weeks.

194 **Minutes of the meeting held on 14th November 2023**

**RESOLVED** that the minutes of the meeting held on 14<sup>th</sup> November 2023 be agreed as a true and accurate record.

195 **Assurance Framework Review**

An update was presented on the Review of the Assurance Framework, which noted that:

- Systemic changes made to the Framework in the current year had had a positive impact on the development of schemes,
- Any further feedback on the Framework for 2024/25 was welcomed from all Local Authorities.

**RESOLVED:** to note the update.

196 **Supertram Business Plan 2024/5**

The Supertram Business Plan 2024/5 was presented for approval.

The report noted that:

- The proposed 2024/24 Transport Levy budget was accounted for in the Business Plan,
- The Tram operating organisation would be governed by the MCA, and led by a Board made up of both MCA and operating body representatives.

Cllr Hunt welcomed the item and stressed the importance of the tram as a method of public transport for many communities in South Yorkshire.

Mayor Jones noted that a programme of tram asset renewal would be required, and that Government expects this to be funded through City Region Sustainable Transport Settlement (CRSTS) monies. She noted that South Yorkshire had received comparatively less transport funding than other regions, and called for greater fairness in funding allocations across regions.

Mayor Jones also noted misinformation which had been circulated on the 'CRSTS 2' allocation, and stated that the indicative £1.45bn had not yet been allocated. She again called on the government to provide specific funding for tram renewal, to free up monies for funding bus services.

Cllr Houghton stressed that bus services are the priority for residents in Barnsley. He agreed with the maintaining the tram system due to its importance to many residents and also possible expansion in the future, but emphasised that he would like to see greater investment in to the bus network in order to meet the needs of all residents in South Yorkshire.

The Mayor noted that the MCA has always owned the tram network, but that he looked forward to it now being run in the public interest, and not commercial interests. He stated his commitment to working with Government to ensure that the tram is invested in, and forms part of a fully integrated network. He reiterated that buses are his greatest priority for South Yorkshire.

**RESOLVED:** that the Board:

1. Endorses the South Yorkshire Supertram Business Plan, which is attached as Appendix A
2. Notes that the South Yorkshire Supertram Business Plan has informed the MCA's 2024/25 budget allocation to subsidise the first year of SYFTL's operation.
3. Notes that the Business Plan will be reviewed annually by the SYFTL Board in line with the MCA's budget planning cycle and will be approved by the MCA Board.

#### 197 **Institutional Investment South Yorkshire Pension Authority**

A report on Institutional Investment by the South Yorkshire Pension Authority was presented for approval by Mayor Jones.

The report set out a proposal to enter into a Memorandum of Understanding with the South Yorkshire Pension Authority, which would help to deepen relationships with investors and ensure that investors can play an active role in the economic growth in the region.

**RESOLVED:** that the Board:

1. Note the progress made in the SYMCA's work to attract further investment into South Yorkshire ; and,
2. Agree the proposal to enter into a Memorandum of Understanding with the South Yorkshire Pension Authority.

#### 198 **Homes England Strategic Place Partnership**

A report on a Homes England Strategic Place Partnership was presented for approval by Mayor Jones. She noted that such a partnership would allow the MCA to influence more investment decisions earlier on in the process, and that other regions such as Greater Manchester and West Yorkshire had pursued similar partnerships with success.

Cllr Hunt noted that the existing partnership between Sheffield City Council and Homes England had supported the building of many new homes in Sheffield, and welcomed the proposal as an opportunity to build more housing in the region.

**RESOLVED:** that the Board:



1. Give in principle agreement to enter into a Strategic Place Partnership with Homes England.
2. Delegate authority to the Head of Paid Service, Section 73 and Monitoring Officer in consultation with the Mayor and Leaders to enter into a Memorandum of Understanding with Homes England to establish a Strategic Place Partnership

## 199 **Budget and Business Plan Development 2024/25**

A report on Budget and Business Plan Development 2024/25 was presented.

Members noted that an increase to the transport levy was being proposed, to address inflationary pressures which will lead to further pressure on the bus system.

The Executive Director Resources & Investment noted that agreement had been reached with the South Yorkshire Directors of Finance on the distribution of the levy using verified population data statistics whilst discussions were ongoing with the Office for National Statistics on the latest data releases.

The Mayor noted that the Mayor of South Yorkshire has the ability to raise a Mayoral Precept, a charge on households, but that this does not extend to funding public transport, and one had not been raised for the next financial year.

**RESOLVED:** that the Board:

1. Approve a 2% increase on the transport levy;
2. Approve the maintenance of local authority subscriptions at current levels;
3. Note the proposal to not set a Mayoral Precept for the coming year; and,
4. Approve the acceptance of £7.80m in BSIP+ Phase 2 funding.

## 200 **Programme Approvals**

A Programme Approvals Report was presented.

Members welcomed proposals and highlighted the ZEBRA 2 submission in particular as being critical to securing more buses in South Yorkshire.

**RESOLVED:** that the Board:

1. Approve a SYMCA led project change request for “Zero Emission Buses” and commitment of a further £0.28m to be funded from the CRSTS ZEBRA allocation, as detailed in 1.3
2. Approve a Barnsley Metropolitan Borough Council led project change request for “Market Gate Bridge” and commitment of a further £1m to be funded from recycled Local Growth Fund, as detailed in 1.4
3. Note the update on the ZEBRA 2 submission to the Department for Transport (DfT) and requests approval to accept any resulting grant.
4. Note the update on Project O0214 detailed in Appendix B and request acceptance of grant award.
5. Accept £3.99m of additional highways capital maintenance funding from DfT and onward award.

6. Accept £0.33m of Traffic Signal Obsolescence grant funding from DfT and onward award.
7. Progress “Bike Works Active Travel Hub” from Outline Business Case to Full Business Case and in principle approval to award £0.95m to Barnsley Metropolitan Borough Council subject to the conditions set out in the Assurance Summary
8. Delegate authority to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes above

201 **Delegated Authority Report**

The Board was provided with details of decisions and delegations made by under the Officer Scheme of Delegation since the previous meeting.

**RESOLVED** that the decisions and delegations made under delegated authority up to January be noted.

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

Signed .....

Name .....

Position .....

Date .....



**Mayoral Combined Authority Board**

**13 February 2024**

**Level 4 Devolution Framework**

---

<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Governance
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Not a Key Decision

---

**Director Approving Submission of the Report:**  
 Clare Monaghan, Executive Director – Policy and Strategic Development

**Report Author(s):**  
 Andy Gates, Assistant Director External Affairs  
 Andrew.Gates@southyorkshire-ca.gov.uk

Molly Axelby, Corporate Policy and Strategy Officer  
 Molly.Axelby@southyorkshire-ca.gov.uk

---

**Executive Summary**

This paper updates Board Members on the process the MCA is progressing to secure deeper and broader devolution, the unlocking of greater freedoms and flexibilities and stronger South Yorkshire and national government partnerships. The paper includes a summary of the Government’s Level 4 Framework for devolution and notes that the Mayor and the Leaders of Barnsley, Doncaster, Rotherham and Sheffield have now engaged with the Secretary of State for the Department of Levelling Up, Housing and Communities to signal our intention secure new Level 4 Framework opportunities.

**What does this mean for businesses, people and places in South Yorkshire?**

The devolution of further powers and resources to the MCA provides the Mayor and Leaders with more flexibility to deliver locally developed programmes and to better influence national programmes that deliver in South Yorkshire. This includes investing in

infrastructure and housing, supporting transport improvements, business investment and support programmes and better aligning skills supply with demand.

## Recommendations

Board members are asked to:

1. Note the publication of the Level 4 Framework and the opportunities this presents to the South Yorkshire MCA.
2. Note that the MCA has engaged with the formal process of securing Level 4 Framework powers in line with the guidance set out by the Government on the 23<sup>rd</sup> November 2023.

## Consideration by any other Board, Committee, Assurance or Advisory Panel

n/a

### 1. Background

1.1

On 23<sup>rd</sup> November 2023, the Government published a technical paper detailing the Level 4 Devolution Framework and the requirements any MCA seeking to secure new powers would need to meet, including scrutiny and accountability arrangements.

The Framework includes much of what was included in the Greater Manchester and West Midlands Trailblazer deals and aligns with the strategic priorities of the MCA.

It marks a change in approach from agreeing bespoke Devolution deals with individual places to more standardised 'levels' of devolution that individual areas are able to access if they meet eligibility requirements.

On the basis of the November MCA Board decision to proactively engage with Government should they make any formal indication that further devolution be available for the region, the Mayor and Leaders have confirmed to the Secretary of State for Levelling Up, Housing and Communities their intention to secure additional powers and resources from the Level 4 Framework.

The Level 4 Framework is a welcome stepping stone to further devolution; the adoption of the Level 4 arrangements will provide benefits to the MCA and enable the region to unlock greater rewards in the future, including the single funding settlement, which will support the strategic priorities of South Yorkshire.

### 2. Key Issues

2.1

#### Overview

The Level 4 Devolution Framework, attached as Appendix A to this report, sets out the powers, partnerships and functions available to eligible institutions across a range of policy areas. There is no opportunity in this process to take on additional or further powers not included in the Framework or to change wording in the Framework.

On both skills and transport, all or no elements of the thematic offer must be taken as part of the adoption of the Framework.

Most of the Level 4 Framework is not about new powers or funding; the framework centres on greater decentralisation of national funds (e.g. creation of mini-single-funding-pots for DLUHC and DfT funding) and formalised partnership working at a regional level e.g. with DWP and DCMS Arms-Length Bodies.

To access the Level 4 Framework and to secure Government commitment to enact the opportunities as quickly as possible the Mayor and Leaders were asked by the Government to confirm their intent by the end of January 2024.

The Mayor and Leaders have now done so with a response expected before the pre-election period for local elections in May. Following a response of confirmation, the MCA will seek to enter into formal engagement with Government on the implementation of the Framework in South Yorkshire.

It should be noted that any changes or adoption of new statutory functions e.g. health improvement duty, will require both formal consultation and Consent at a later stage – unless the Government uses primary legislation to bring forward the policy intent.

## 2.2

### **Analysis**

There is much to welcome in the Level 4 Framework across skills, funding simplification and formalised partnerships that align with MCA agreed priorities.

However, elements of the Trailblazers that are not included as hoped are:

- Financial freedoms and flexibilities that would be made available in a single settlement for South Yorkshire. Eligibility to access the single settlement will be considered at the Spending Review after next, and is contingent on successful delivery of the consolidated pots, and learning from the trailblazers.
- Business Rate Retention Pilot - which would provide a valuable source of revenue income for the MCA, but is not being made available to any new areas that do not currently have one.

The MCA is well placed to access the Level 4 Framework, given our track record on delivery and our strong accountability arrangements, which have been highlighted in the letter to the Secretary of State.

## 2.3

### **Implementation**

There are elements of the Level 4 Framework where the Mayor and Leaders have asked the Secretary of State for clarity and assurances, or which will require further consideration of appropriate implementation within the South Yorkshire local context.

Subject to these assurances and any relevant statutory processes required, the Mayor and Leaders have indicated their intent to access all of the opportunities available through the Framework.

In particular, assurances have been sought that funding simplification will not disadvantage South Yorkshire or any individual Local Authority.

As part of the eligibility criteria to access Level 4, the organisation has committed to implementing the Scrutiny Protocol as set out in the English Devolution Accountability Framework within one year from confirmation that Government is content for the MCA to proceed with Level 4. At present, the MCA meets much of these requirements e.g. hosting regular public Mayoral Question Time sessions, however we will develop an action plan to ensure the Protocol is robustly met.

### **3. Consultation on Proposal**

3.1 This paper seeks support to formally engage with Government to implement the Level 4 Framework in South Yorkshire.

Any changes or adoption of new statutory functions will require formal consultation and consents at a later stage.

Ongoing discussions have taken place with colleagues in our Local Authorities to shape the response to the Level 4 Framework to ensure we are able to maximise the opportunities available for the region.

### **4. Timetable and Accountability for Implementing this Decision**

4.1 A response from the Secretary of State is expected before the pre-election period for local elections in May.

Following a response of confirmation, the MCA will work with the Government on a phased implementation of the Framework in South Yorkshire.

The pace of implementation will vary considerably between different elements of the Level 4 Framework depending on resource availability and complexity. This will be driven primarily by strategic priority and level of impact.

### **5. Financial and Procurement Implications and Advice**

5.1 There are a number of elements of the Level 4 Framework that have financial implications.

Most notably, these are the creation of mini-single-funding-pots for DLUHC (Local Growth & Place and Housing & Regeneration) and DfT, alongside commitment to access the single funding settlement at the Spending Review after next (contingent on successful delivery of the consolidated pots and learning from the trailblazers).

The rationalisation of existing funding regimes could allow for a more efficient approach to financial management and move away from competitive funding bids through automatic inclusion of relevant funding streams in the consolidated pots.

There still remains significant discrepancies between MCAs due to the Government declining to offer Business rate Retention pilots in the Level 4 Framework.

---

## **6. Legal Implications and Advice**

6.1 The process undertaken at this stage does not constitute a binding agreement nor form part of the statutory process.

The legal implications of specific elements of the Level 4 Framework will be fully assessed to ensure any statutory process under the Local Democracy, Economic Development and Construction Act 2009 are followed.

## **7. Human Resources Implications and Advice**

7.1 Any arising human resource requirements will be considered as necessary as work progresses through the usual business planning process.

## **8. Equality and Diversity Implications and Advice**

8.1 As work progresses equality and diversity implications will be actively considered.

## **9. Climate Change Implications and Advice**

9.1 An Impact Assessment is not required for this activity. Further devolution of powers and/or resources may support the region to achieve our net zero ambitions.

## **10. Information and Communication Technology Implications and Advice**

10.1 There are no information and communication technology implications relating to this activity.

## **11. Communications and Marketing Implications and Advice**

11.1 Any arising communications and marketing requirements will be considered as necessary as work progresses through the usual business planning process.

### **List of Appendices Included**

**Appendix A: Level 4 Devolution Framework**

This page is intentionally left blank



[Home](#) > [Regional and local government](#) > [Devolution](#)  
> [Technical paper on Level 4 devolution framework](#)

[Department for  
Levelling Up,  
Housing &  
Communities](#)

Policy paper

# Technical paper on Level 4 devolution framework

Published 22 November 2023

## Applies to England

Contents

[Chapter 1: Policy and conditions](#)

[Chapter 2: Eligibility and access](#)

[Devolution framework](#)



© Crown copyright 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gov.uk](mailto:psi@nationalarchives.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at <https://www.gov.uk/government/publications/technical-paper-on-level-4-devolution-framework/technical-paper-on-level-4-devolution-framework>

# Chapter 1: Policy and conditions

## Introduction

This document sets out the devolution framework Level 4 policies that are on offer to existing Level 3 institutions by application to the government. This is subject to access procedures, see chapter 2. This document describes the offer of powers from the government and any requirements that institutions will need to satisfy. The Level 4 offer, and its constituent parts, are optional; institutions do not need to implement the package as a whole, unless otherwise specified. Any powers available at Level 1-3 of the framework may also be granted at Level 4.

The framework continues to be designed to be dynamic so that it can evolve and be informed by devolution deal discussions and future policy development over the coming years. The updated version, alongside Level 4 powers and functions can be found at Annex 1.

Institutions refers to eligible institutions, which are mayoral combined authorities, mayoral combined county authorities and single local authorities.

We will keep the devolution framework, including Level 4, under review; including considering any further powers as part of further deepening of devolution.

## Finance

### Funding simplification

As set out at Spring Budget 2023, the government's ambition is to roll the single department style settlement model out to all areas in England with a devolution deal and a directly elected leader over time. We are working with Greater Manchester Combined Authority (GMCA) and West Midlands Combined Authority (WMCA) to develop further detail on the single settlements. To ensure these settlements stand the test of time, we are focusing on working with the trailblazers to design the first of these settlements before rolling out further.

As a precursor, we will offer Level 4 MCAs a DLUHC-only 'consolidated pot' at the next multi-year SR, covering two investment themes – local growth and place; and housing and regeneration – which will act as a steppingstone to the full trailblazer-style single settlement. The DLUHC consolidated pot will allow for

better planning over the longer term, provide MCAs with greater freedom and reduce administrative burden.

Following successful delivery of the consolidated pot, and learning from the trailblazers, Level 4 institutions will then become eligible to receive a single department style settlement covering all devolved spending areas from the subsequent multi-year Spending Review.

### **Gainshare Gateway Reviews**

In due course, we will remove gateway reviews for eligible institutions which have passed Gateway One and meet the criteria relating to local evaluation frameworks, local transparency, and accountability. Further details on this will be shared shortly.

### **General Power of Competence**

Eligible institutions, concurrently with the mayor, will be given the local authority general power of competence where they currently possess a functional power of competence. The government expects the institutions and their mayors to be leaders for their communities in reacting to crises and promoting social, economic and institutional innovation and to be close partners for the government in a wide range of future initiatives. To that end, the government offers a General Power of Competence to any area that feels this would help them in delivering that role.

## **Skills and employment**

This offer sets out further commitments towards a more devolved adult skills system. The offer provides increased flexibility on adult skills programmes and establishes devolved institutions as the central convenors of careers provision in their respective regions. The offer is subject to these conditions:

- a. An eligible institution must have demonstrated effective management of its devolved adult education budget for a minimum of 2 years in addition to the specific conditions relating to the Free Courses for Jobs and Skills Bootcamps offers.
- b. An eligible institution must implement the Level 4 skills offer in its entirety. Eligible institutions cannot pick which skills elements to request; they must request all of them or none of them.

### **Adult education**

The government will devolve non-apprenticeship adult skills functions and grant funding to eligible institutions. This is subject to the implementation of the

trailblazer deals in GMCA and WMCA and the institution satisfying readiness criteria.

There may be specific instances when the government needs to direct the design of adult skills provision or allocation of adult skills funding. However, this will be the exception rather than the rule, in circumstances where the scale or urgency are such that a national response is judged to be required to deliver the required outcomes or where there are national skills priorities that the government believes are not being met sufficiently by the skills system.

### **Free courses for jobs**

The government will fully devolve and remove all ringfences for Free Courses for Jobs (FCFJ) funding. To access this part of the framework, the following condition must be satisfied:

The eligible institution demonstrates spending 80% of its available funding for the FCFJs offer on delivering high value Level 3 qualifications across an academic year and has a track record of delivering the current 'core offer' criteria or using the agreed 50% flexibility to address needs in the local labour market to eligible learners, addressing any barriers to Level 3 learning where necessary.

### **Skills Bootcamps**

The Department for Education (DfE) will provide eligible institutions with sector flexibility over 100% of its allocation of Skills Bootcamps funding from financial year 2025/26, subject to eligible institutions satisfying agreed performance indicators. The DfE will share with the institution relevant commissioning activity, performance information and other data on Skills Bootcamps provision that will, or is likely to, include delivery to local residents or employers. In turn, the institution commits to share relevant commissioning activity, performance information and data about local delivery.

An eligible institution must satisfy the following conditions to access this part of the framework:

- The eligible institutions must retain the core purpose, policy intent and branding of Skills Bootcamps, consistent with the national model and maintaining this model integrity including while using sector flex.
- The eligible institutions must meet performance thresholds and achieve 80% starts and 60% outcomes, to be agreed in a side agreement with local areas.
- The eligible institutions must have delivered Skills Bootcamps for at least a full year, and the DfE will need to have confidence in their assurance process.
- The eligible institutions must maintain regular engagement with DfE and fellow eligible institutions.

## Careers

With a mandate from the Secretary of State for Education, the DfE will work with eligible institutions to take forward the recommendations of the Holman review of careers education by offering a more place-based approach to careers education. This will enable the institution to act as the central convenor of careers provision in the region, creating strategic partnerships with local stakeholders to ensure that services for adults and young people align and respond to the skills needs of the local economy and with local skills planning. For adults this will include shaping and agreeing local KPIs with prime contractors of the National Careers Service and for young people this will include building on the current role of Careers Hubs and the support they provide for schools and colleges. The convening role will need to continue to align with, and respond to, the national funding and delivery of careers services.

Eligible institutions will strengthen delivery of the National Careers Service by reviewing and, where necessary, strengthening, collaborative activities and agreement of local KPIs, using existing national contractual mechanisms.

Eligible institutions will play a greater role in shaping the future national specification of an all-age careers system with the opportunity to feed into policy development for how the nationally funded careers offer evolves in the future, alongside continued engagement with the National Careers Service through locally agreed key performance indicators with regional prime contractors. This collaborative approach, including dialogue with DfE officials, will help to shape future service provision and contract specifications.

This is contingent on eligible institutions continuing to work with Careers Hubs and engaging with them at the local level.

## Local skills improvement plans (LSIPs)

The DfE will consider the future role of eligible institutions in the delivery of LSIPs and the Local Skills Improvement Fund, drawing on the lessons learned from the trailblazer deals. In particular, the government will consider aligning the boundaries for LSIPs with those of eligible authorities where they exist.

## Labour market governance

The Department for Work and Pensions (DWP) Secretary of State will ask eligible institutions to convene a new Regional Labour Market Partnership Board, which builds on the current collaborative structure that is already in place. The new board will be made up of senior officers from the eligible institution and from DWP (such as the area's Strategic Partnership Manager, Service Leader, or other appropriate HMG officials) with the authority to consider evidence, make advisory recommendations and engage in discussions proactively, to ensure that DWP, Jobcentre Plus (JCP) activity and eligible institution activity works together to improve client outcomes.

Outside this Board, discussions between the eligible institutions and JCP will take place between a single point of contact either through the area's Strategic Partnership Manager or Service Leader. Through these discussions, the new Regional Labour Market Partnership Board, and continued engagement with regional Jobcentre Plus teams, the DWP and the eligible institution will work closely to generate and/or identify, and test where feasible, approaches and initiatives that promote, and address priority needs in the area.

By taking this approach, the eligible institutions and DWP will work together to ensure value for money, better use of public funding and to achieve the best possible outcomes for clients locally and nationally.

## **Employment programmes**

DWP will consider development of new contracted employment programmes, when necessary, in response to labour market conditions. Local stakeholders have a role to play to maximise outcomes in each area. As and when the specifics of any new contracted employment programme are determined, DWP will consider the appropriate role that eligible institutions would have in the design and delivery of the programme.

## **Data sharing**

Alongside these new levers, which will ensure a stronger link between skills and jobs in the local labour market, the government and eligible institutions will work together to develop an appropriate data sharing framework that promotes information and lawful data sharing between national government and eligible institutions to aid the effectiveness of skills planning and delivery.

DWP and eligible institutions will work together to explore feasibility and potential for proportionate data sharing arrangements for programmes and services operating in the region to reduce duplication and facilitate better targeting and efficiency of an integrated employment and skills offer. This will be dependent on the work set out in the trailblazer devolution deals with the Greater Manchester Combined Authority and the West Midlands Combined Authority to establish principles for the legal, safe and secure sharing of data between the government and combined authorities.

## **Housing and land**

### **Affordable Homes Programme**

Eligible institutions, in partnership with Homes England, will be able to set the overall strategic direction, objectives and local leadership for the deployment of the Affordable Homes Programme in their respective regions from 2026.

Operational management and administration will remain with Homes England

and hence a strong partnership, such as through a Strategic Place Partnership, will be essential from the outset.

Decisions on how this will function will be taken as part of the development of the new programme over the coming year, with final decisions taken as part of the Business Case. This is subject to any relevant successor programme being agreed in the next Spending Review.

The following conditions must be satisfied for eligible institutions to access this part of the framework:

- The institution has developed a pipeline of affordable housing schemes that are deliverable within the programme's timeframes, represent good value for money and are aligned with the government's objectives for the new Programme.
- The institution has a strong track record of working effectively with both Homes England and Housing Associations
- The institution is able to provide assurance that it is able to operate effectively in the local market.
- The institution is able to demonstrate strong internal political cohesiveness and common housing aims across its geography and various planning authorities.

### **Housing quality**

DLUHC and the eligible institutions are committed to tackling poor quality housing in their area. As part of this, DLUHC will collaborate with eligible institutions to understand specific local housing quality issues in their areas and the potential solutions across the private and social rented sector. Specifically, DLUHC will facilitate the sharing of best practice and information from across the country, including from enforcement pathfinder and pilot programmes already underway.

As part of DLUHC's commitment to tackling poor quality housing, the local housing authorities within the area will be given support and powers to help manage areas of private rented accommodation in line with previous devolution deals.

### **Mayoral development orders**

Eligible institutions will be granted the power to make Mayoral Development Orders so that they can proactively grant permission for strategic development opportunities, with the local planning authority's consent.

### **Compulsory purchase powers**

The eligible institution will be given land assembly and compulsory purchase powers for housing, regeneration and economic development purposes subject



to the agreement of the local authority constituent member where the relevant land is located, and to the consent of the Secretary of State for Levelling Up, Housing and Communities.

### **Public sector land**

DLUHC will support the eligible institution to establish its own public sector land commission. This support could provide relevant contacts, establish initial engagement with relevant partners, departments and stakeholders across government and support on initial launch of any land commission. This approach could give the institution the opportunity to engage with the UK government on specific barriers, opportunities and sites within their area. A direct contact in government could also be sought from the Cabinet Office to support in the long-term but the main functionality would be maintained and operated by the institution.

Access to this offer is conditional on the eligible institution having an existing connection to One Public Estate at a local level.

### **Resilience and contingency planning**

The UK government will work to significantly strengthen Local Resilience Forums by 2030, as described in the UK government Resilience Framework. This will include a clear role for eligible institutions and their directly elected leaders in local resilience and civil contingency planning, preparation and delivery.

This is subject to the conclusion and full consideration of the Stronger Local Resilience Forums pilot programme in 2025/26, and eligible institutions having a strong working relationship with the relevant LRF.

## **Transport**

The transport offer is made available as a package of measures that eligible institutions, wishing to deepen their transport devolution settlement will be expected to draw down in its entirety.

### **Single transport funding settlement**

Subject to demonstrating an appropriate level of fiscal sustainability and broader institutional capacity/capability within the eligible institution, the directly elected leader will be responsible for a devolved and consolidated integrated local transport settlement for the eligible institution which the Government will provide the eligible institution from the next multi-year Spending Review for the length of the Spending Review period. The ambition is for the consolidated local transport budget to include all funding allocation to the eligible institution for

Local Transport. The assurance framework will build on the existing City Region Sustainable Transport Settlement (CRSTS) assurance framework and will include outputs, outcomes and circumstances where a project becomes a retained scheme and as such is subject to approval from the Government. The eligible institution should note that this may mean that they could be ineligible for some local transport funding competitions run by the central Government.

## **Bus Service Operators Grant**

In line with the commitment in the National Bus Strategy, the government is working on the reform of the Bus Service Operators Grant (BSOG). This reform activity will include public consultation that all Local Transport Authorities (LTAs) will be able to respond to. The government will devolve powers for the payment of BSOG to eligible institutions. Eligible institutions will provide support to identify the funding for bus services entirely within their boundary that is paid to commercial operators and would be suitable to be devolved both currently and following future national reform.

## **Zero Emission Buses**

Eligible institutions may wish to consider a range of mechanisms to drive increased Zero Emission Bus (ZEB) uptake. This can include procurement and the adoption of local ZEB strategies. The Department for Transport (DfT) is committed to working with the eligible institution in considering these mechanisms to help them decarbonise their bus fleets.

DfT expects that eligible institutions will publish and implement strategies to decarbonise their local bus fleet, in line with the relevant government strategies and guidance. This would include setting dates for when they expect to no longer purchase non-zero emission buses and to achieve an all zero-emission bus fleet.

## **Rail**

The government is committed to supporting eligible institutions in seeking a new rail partnership with Great British Railways (GBR), once established. Partnerships will support further integration with other transport modes. They will also ensure the priorities of the eligible institution, where these are coordinated and compatible with surrounding areas and the needs of the national network, can be taken into consideration in future.

Building on this partnership, the government:

a. Encourages eligible institutions to join the Rail Data Marketplace, providing greater access to local rail data and improving local scrutiny of performance. By adopting an 'open by default' approach, the Rail Data Marketplace will remove barriers and make it easier for partners to work with the railway industry.

b. Commits to ongoing engagement with eligible institutions on the Long-Term Strategy for Rail. Once established, Regional teams in GBR will work with local partners to consider local priorities and strategies as part of long-term, strategic, planning.

c. Supports identification of worthwhile opportunities for regeneration, commercial and housing development in and around rail stations. The establishment of GBR creates an opportunity to increase commercial income and the local responsibilities of the eligible institutions will help to realise this. The Government will support discussions between the eligible institution and other relevant organisations, including Network Rail, Great British Railways Transition Team and London & Continental Railways, to explore land use option.

## **National Highways**

National Highways will review the working relationship between eligible institutions and National Highways to identify opportunities for improved engagement and closer working on issues of common interest to support the delivery of eligible institutions' local transport plans.

## **Integrated ticketing**

The government is committed to delivering on the Levelling Up Transport Mission, that by 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.

The government recognises the wider benefits of integrated ticketing and fares capping, especially for passengers. The government acknowledges the desire of eligible institutions to make progress in this area and give passengers the confidence of paying the best value fare regardless of which transport mode they use, and without having to decide in advance which type of ticket to buy.

The ownership, operation and funding arrangements in place for different modes of transport around the country mean that delivering fully integrated ticketing is a complex and resource-intensive endeavour, with significant funding and commercial challenges. Previous experience suggests an incremental approach is likely to be the most effective in delivering benefit to passengers in the near term, while driving progress against longer-term goals.

**On rail**, the government's current priority is to agree rail 'Pay As You Go' (PAYG) pilots in Greater Manchester and West Midlands by the end of 2023, with a view to implementing these pilots by 2025.

- These pilots will enable the government to test key aspects of PAYG, including fares principles (such as the approach to capping), the customer proposition, technical solutions and other considerations in the delivery of a PAYG scheme.

- The proposed pilot in the West Midlands will use well understood, and deliverable, ITSO (Integrated Transport Smartcard Organisation) smartcard technology and require passengers to obtain a card and create an account.
- The proposed pilot in Greater Manchester will use contactless EMV (Europay Mastercard Visa - a payment method based on a technical standard for smart payment cards) technology, which will enable passengers to use their own phone or credit/debit card for 'tap in tap out' payments as in London, but is less developed and will be more complex to overlay on existing rail systems.
- Testing 2 different technical approaches in 2 different areas will allow the government to better understand which approach is more successful and brings the best value for money enabling easier and quicker wider roll-out to other areas.

The government will build on these pilots to inform and support further regional ambitions in this space. The government will discuss the early findings and any lessons learned from the pilots in Greater Manchester and the West Midlands with other places. This could enable other places to explore a rail ticketing solution from 2026 onwards, alongside the bus/light rail solution referenced below.

**On bus**, the government's 2021 guidance on Bus Service Improvement Plans sets out that Local Transport Authorities (LTAs) and bus operators should assume that a technical back-office solution for full bus multi-operator contactless ticketing will be made available and therefore should not seek to develop this independently. The government has asked Project Coral (a consortium of bus operators), West Midlands Combined Authority and Midlands Connect to develop a multi-operator contactless ticketing solution for bus and light rail, to be made available to all LTAs across England.

- Building on the £2 bus fare the government has funded across England through to December 2024, this will enable multi-operator fares capping on bus and light rail outside of London, using cEMV contactless payment methods.
- It is expected that the ticketing solution will be procured by summer 2024, and following successful development and testing will then be made available to all LTAs in England (outside of London).
- Once the solution is made available, eligible institutions will (subject to funding) be able to take it up in line with local needs.
- Our initial focus is on developing and implementing a multi-modal solution across bus and light rail. In the longer-term we expect the solution to include rail and (where relevant) other transport modes and we have ensured this will be factored into the development of the solution.

Ahead of providing any further place-specific support, the government would expect eligible institutions to have used their existing powers and functions to full effect to drive integration in their areas based on their local needs, including:

- The Advanced Ticketing Scheme powers under the Transport Act 2000 to establish multi-operator and multi-modal (including rail or light rail services by agreement) ticketing schemes, which require bus operators to sell and accept any ticket on a particular technology e.g. smartcard.
- LTAs with Enhanced Partnership (EP) schemes in place or pursuing franchising can also require bus operators to provide a suite of tickets based on a standard set of 'zones'; and to apply consistent rules to tickets e.g., eligibility for concessions; and set a price for a multi-operator ticket. Franchising gives LTAs full control over fares and ticketing.
- LTAs with responsibility for setting fares on light rail networks or other modes in their area can use the bus powers above to integrate some aspects of bus and light rail ticketing.

In October 2023, the government committed £100 million across the North and Midlands to support the development and rollout of contactless and smart ticketing. Further details will be provided in due course.

## **Key Route Network**

Where the eligible institution and its directly elected leader does not have a Key Route Network (KRN), the directly elected leader and institution will set up and coordinate a KRN on behalf of the directly elected leader. This will allow the most important local roads to be managed in a strategic way across the area to improve traffic flow and reduce congestion. This will also allow for the introduction of traffic management measures to, for example, improve public transport, cycling and walking infrastructure, improve bus journey times and to introduce lane rental schemes to minimise disruption and smooth traffic flow for all road users. The constituent councils will remain the highway authority for their area, responsible for the management and operation of the local highway network in line with their statutory duties and taking account of the needs of all road users, including drivers.

The directly elected leader will take on a power of direction allowing them to direct member highway and traffic authorities in the exercise of their powers with regard to the KRN. The power of direction will ensure the mayor has the full range of levers available to deliver their Local Transport Plan and the priorities of the institution and realise the full benefit of the government-funded local transport investment.

## **Taxis and Private Hire Vehicles**

In partnership with constituent councils, the eligible institutions will develop a single set of taxi and private hire vehicle licensing standards, incorporating the government's Statutory Taxi and Private Hire Vehicle Standards and Taxi and Private Hire Vehicle Licensing: Best Practice Guidance, which all constituent councils will then apply. The eligible institutions will lead work to create a single shared service for processing taxi and private hire vehicle licence applications in the area.

Eligible institutions will lead work to ensure enforcement and compliance action can be taken against any licence issued by a licensing authority in the area by either all licensing authorities in the area or the single shared service. These commitments will be implemented within 18 months of the Level 4 agreement, unless otherwise agreed with the Department for Transport.

The government is exploring transferring taxi and PHV licensing to both combined authorities and upper-tier authorities and will be engaging stakeholders on this in due course. Moving licensing would enable eligible institutions to benefit from the efficiency savings of bringing licensing under one authority. If following engagement this policy was taken forward, primary legislation would be needed. If the government decided not to move licensing on a national level, the government would still be prepared to consider seeking a legislative slot to enable the Secretary for State to transfer licensing in areas where there was agreement of all the lower-tier or unitary authorities.

### **Pavement parking**

In partnership with constituent councils, the eligible institution will work to identify pavement parking problems across the area and, in cooperation with constituent councils, will seek to develop a consistent approach to the restriction and enforcement of pavement parking, using available powers as appropriate. This will provide consistency to drivers, whilst also helping to provide a consistent level of service for people using the pavement and increasing accessibility for disabled users and those with children. The government is currently considering its response to the national pavement parking consultation.

### **Active travel**

To ensure consistency in the quality and safety of schemes, Active Travel England (ATE) will provide support to ensure walking and cycling schemes are designed and delivered to high standards, including compliance with Local Transport Note 1/20 (LTN 1/20). The eligible institutions will work with ATE and all partner/constituent authorities to boost capability and improve the design quality of all active travel schemes funded by the government and those that are locally funded, including for cross-modal schemes that have active travel elements, such as a corridor or transport interchange scheme. All cycling and walking schemes funded by the government must be approved by ATE as complying with LTN 1/20. ATE will prioritise larger, more complex schemes for specific ATE design review. In many cases, eligible institutions with smaller, less complex schemes will receive standing guidance, which will avoid delaying schemes unduly. ATE capability ratings will continue to be considered when allocating consolidated funding that includes active travel infrastructure.

## **Net zero, climate change and natural capital**

## **Devolution of net zero funding pilot including buildings retrofit**

The government will consider devolving net zero funding, including for retrofitting buildings, to the eligible institution. This is subject to the outcome of the trailblazing pilots committed to in the deeper devolution deals with the GMCA and WMCA. After the pilots, the government, GMCA and WMCA will undertake a review of the effectiveness of this approach to consider and agree whether to continue it, if so in what form. The government will then consider whether to extend this arrangement to the eligible institution.

## **Clean heat**

The government has confirmed its intention to establish heat network zoning in England. Under the zoning proposals, zoning coordinators within local government will be able to designate areas as heat network zones where heat networks are going to be the most cost-effective way to decarbonise heating and hot water within the zone. This will enable the appropriate level of local government to assume the role of heat network zoning coordinator and play a key role in the delivery of heat decarbonisation infrastructure. This includes requiring certain buildings to connect to heat networks within the zones. Government is committed to have heat network zoning in place by 2025.

## **Strategic energy system planning**

The government recognises the strategic role institutions can play in planning our future energy system for net zero, with its ability to convene local authorities, the strategic transport authority, energy infrastructure providers and other key stakeholders, and is committed to ensuring that devolved regional institutions such as Combined Authorities have a meaningful role in planning our future energy system for net zero.

The government is considering the role of local area energy planning in delivering net zero and supporting efficient network planning, working closely with Ofgem and its review of local energy institutions and governance. As part of their ongoing work, the government and Ofgem will explore how local area energy plans can support local action, investment and delivery by energy system stakeholders.

As outlined in Ofgem's review - of local energy institutions and governance, there is a need to look further at roles and responsibilities at a sub-national level, particularly to address known issues around coordination and accountability. The eligible institutions are encouraged to engage both with this discussion and the future systems and network regulation workstream, which looks specifically at network investment.

## **Networks**

To overcome the energy crisis and meet our future needs, it is more important than ever that we rapidly develop a smarter, more integrated, low carbon

energy system. Investment by network operators is central to achieving this, as is having the right input from stakeholders to inform it.

As part of the current electricity distribution price control framework which started in April 2023, Ofgem required DNO Electricity Distribution to engage with the eligible institution and other local stakeholders to inform its business plans. Where additional allowances are granted during the period, Ofgem expects DNO electricity distribution to engage with the eligible institution and other local stakeholders to provide them with confidence that their proposed investment will meet local needs and enable the delivery of net zero and green growth objectives.

## **Climate change and natural capital**

The Department for Environment, Food and Rural Affairs (Defra) will work towards the appointment of the eligible institutions as the responsible authorities for the local nature recovery strategy (LNRS) for their area, where they are not already the responsible authority.

Defra will work closely with eligible institutions to ensure they are supported as the LNRS responsible authority in the future, including by making available Defra group expertise and data, and working together on delivery of the LNRS.

## **Innovation, trade and investment**

### **Trade and investment**

The Department for Business and Trade (DBT) will work with local partners including eligible institutions to gain a holistic view of the UK's business environment's competitiveness vis-à-vis its peers specific to our ability to attract regional investment. Eligible institutions will provide referrals for potential DBT Investment Champions from the local area. DBT will agree to make appointments based on intake capacity and selection criteria.

Eligible institutions will have support from the Office for Investment at the regional level. This will concentrate around two core elements – capital investment and traditional foreign direct investment (FDI). Both parties will work together with the aim of maximising large-scale inward investment (>£100 million) – utilising the eligible institution's knowledge of capital investment propositions and opportunities, priority sites, innovation, and sector/clustering opportunities. The eligible institution will provide/signpost to public support to help land inward investment; and the Office for Investment will engage with high-value projects and provide a cross-Whitehall convening role working together to increase the profile of the eligible institution's area internationally as an investment destination.



DBT will jointly support investor relationships with access to information, local support and facilitation as needed to retain and attract high-profile companies in the UK. This includes partnering on external investor propositions, content for events and digital marketing material.

DBT will support the development of a specific investment plan. This includes helping develop the 'investability' for key local assets such as Freeports, Investment Zones and economic clusters, and presenting these to the international business community. Alongside this, DBT will create a more formal network of local investment promotion agencies and will seek to improve access to its network of Investment Champions to help inform city region investment priorities and provide peer support to future investors.

### **Business support**

DBT will establish a Strategic Productivity Forum - a collective arrangement with several eligible institutions as a forum to discuss closer working and co-operation regarding the delivery of local and national business support interventions.

Eligible institutions will have the opportunity to raise local priorities for future business support and advisory services to inform and influence government's future development of business support. DBT will also work in partnership to help increase the take up in their areas of national business support interventions.

Where there is a British Business Bank Nations and Regions Investment Fund that includes their area, eligible institutions will have the opportunity to discuss this. The referral network between the institutions, commercial lenders and the British Business Bank UK funds will be strengthened to make it easier for more local businesses to access the finance they need.

Partnership working and collaboration between eligible institutions and the British Business Bank's UK network representatives for the relevant area will be strengthened to stimulate informed demand for finance among businesses. This may involve joint events and initiatives, as well as knowledge sharing.

### **Export**

DBT will support the development and implementation of institution-specific export plans / international strategy and seek to develop institution-specific events and other activity based on local priorities.

### **Partnership working**

Further to any wider established principles for the legal, safe and secure sharing of data between the eligible institution and the government, we will work to share more of the intelligence and data owned by each party, to better inform

mutual planning and strategy, within the requirements of UK General Data Protection Regulation (GDPR) or other data protection obligations.

DBT will jointly seek to maximise the engagement of appropriate businesses and stakeholders in global trade opportunities and activity created and identified as a result of this deeper devolution agreement and maximise the opportunity for regional businesses and stakeholders to contribute to national policy consultations, including the development of new Free Trade Agreements, for example by responding to Calls for Input that inform the mandate for Free Trade Agreements.

## **Innovation**

This part of the offer is only accessible to MCAs.

Local government plays an important role in building regional innovation capabilities, working in partnership with local researchers and industry and the government is committed to strengthening their voice in the national research and innovation ecosystem. We need to support research and development clusters to attract private investment harnessing the innovation economy to deliver benefits to all.

To achieve this the Department for Science, Innovation and Technology (DSIT) will periodically invite the eligible MCAs to articulate their research and development priorities to UK Research and Innovation (UKRI). These eligible MCAs should demonstrate that their priorities are informed by inclusive and well governed engagement with stakeholders from their local research and innovation ecosystem.

DSIT and UKRI will consult elected mayoral authorities on the development of relevant future research and innovation strategies. UKRI will help eligible MCAs to identify regional comparative innovation advantages and relevant funding opportunities, including through co-developed regional action plans with Innovate UK. UKRI will publish regional data on its investments through its Gateway to Research portal to enable eligible MCAs to identify relevant opportunities.

## **Culture and tourism**

A subset of DCMS arms-length bodies (ALBs) will scope the potential for a collaborative partnership with eligible institutions, subject to factors such as institutions' ambitions across relevant DCMS ALB priorities (e.g. culture, heritage, communities, the visitor economy and sports); priority of the place for ALBs; and sufficiency of ALB resourcing.

If taken forwards, the partnership, supported by DCMS, would share expertise and insight across (some or all of) culture, heritage, sport, communities and the visitor economy (as applicable), in order to maximise the impact of funding and policy decisions taken within the eligible institution's area by members of the partnership.

A key area of focus for the partnership would be for eligible institutions and ALBs to share information on their priorities and plans across the relevant policy areas. This would facilitate a shared understanding among the partnership of potential opportunities for alignment, recognising that culture, heritage, sport and the visitor economy all play a strong role in supporting places and communities to thrive - and that this effect is maximised when individual decisions take into account the wider context of other plans and decisions being made for an area.

All partnership members would retain their autonomy for individual decision-making. The partnership would not prejudice ALB decisions around national grant funding processes or their national priorities. ALBs would also seek to use the partnership to deliver their national priorities, which will remain paramount. The scale of each ALB's involvement in the partnership would be dependent on the specific context and degree of alignment identified between individual priorities. DCMS would be involved in discussions as appropriate.

The partnership would be reviewed annually, and subject to future capacity and appetite could be renewed up to a five-year period.

## **Public health**

### **Health services**

The Department of Health and Social Care (DHSC) encourages eligible institutions to work in partnership with their local Integrated Care Systems (ICSs) as well as regional Directors of Public Health from the Office for Health Improvement and Disparities to improve population health outcomes.

Eligible institutions will be supported to take on a health improvement duty which will require them to take steps they consider appropriate to improve the health of their residents, concurrent with the existing duty of their constituent upper-tier councils. This duty will complement the health improvement role of local authorities and their Directors of Public Health, making it easier for eligible institutions to participate alongside local authorities in initiatives that can improve health and to consider health proactively as part of key strategies and investment decisions.

## Technical adjustments to historic statutes or guidance

The government invites eligible institutions to advise on, as they may identify them, changes to statutory guidance or legislation they would like to see to support them in meeting their objectives. This could consist of disapplying or removing local legislation which they consider restrictive to delivering their designated functions.

The motivation for this change is to widen the scope of policy action at the local level to include delivery of their defined functions in ways which are currently constrained by provisions which may have been introduced in the past, but have accumulated over the years without specific attention and without being essential to the government's policy, and the effect of which is to cumulatively restrict the ability of local areas to pursue their functions.

The scope of this invitation would be narrow, as it is a streamlined process for only a narrowly defined set of asks. Proposals that will be considered are limited to ones which:

- a. Help unblock a particular initiative within the broad scope of the functions set out in the areas' deal and the devolution framework.
- b. Are not on a contentious issue or contradict stated government policy.
- c. Would not have a net negative fiscal impact for central government.

Requests would not be considered as a route outside of the devolution framework to take on additional powers or reopen deal negotiations.

The government's commitment to such proposals is to invite them on a standing basis, for areas with 'Level 4' devolution; review any requests within the context of the government's priorities, available resources and Parliamentary time, and act as such constraints permit. No guarantees can be given on the prospect of any particular change.

The types of change the government might consider could include:

- a. Changes to secondary legislation, such as orders applying to specific geographic areas or local authorities; or lists of bodies to which specific legislation is applicable to.
- b. Legislative reform orders, if the change required is appropriate for that vehicle.
- c. Changes to statutory guidance, if it met the rest of the above limitations.

## Access to powers previously devolved elsewhere

The government will also welcome proposals from eligible institutions for devolution to them of any other power previously devolved to another MCA, MCCA, or Local Authority within England, including powers offered in Levels 1-3 of the devolution framework.

## Chapter 2: Eligibility and access

### Eligibility criteria

#### Eligibility test

Level 4 of the devolution framework will be available to combined authorities, combined county authorities and local authorities with an implemented Level 3 deal including a directly elected leader in post, unless specifically indicated otherwise.

Level 4 will be offered once areas can provide confidence in the capacity, governance and culture of the institution to manage its activities effectively and take on further powers. Ministerial decisions on this test will be taken in the round. The government will engage with individual areas before making decisions on this test.

Institutions accessing the Level 4 offer that are subject to investigation, notice or intervention by the Department of Levelling Up, Housing and Communities, with regards to concerns about the institution's finances, operation, and administration of local government services are also unlikely to meet this test.

Once new mayors and other directly elected leaders are elected, institutions with newly agreed 'Level 3' deals will be eligible to apply for access, so long as they can meet the tests set out. Completion of the transfer of powers is contingent on areas maintaining compliance with the criteria and requirements set out here.

#### Accountability requirement

Areas must confirm in their application that they will report on how they are implementing the Scrutiny Protocol, ([further detail on this here](https://www.gov.uk/government/publications/scrutiny-protocol-for-english-institutions-with-devolved-powers) (<https://www.gov.uk/government/publications/scrutiny-protocol-for-english-institutions-with-devolved-powers>)), as set out in the English Devolution Accountability

Framework (EDAF), within 1 year of confirmation from the Secretary of State that the Government is content to proceed with a Level 4 agreement.

Areas will be expected to write to the Secretary of State to confirm they are implementing the Scrutiny Protocol by this deadline. The government will expect to see how areas are implementing all of the key principles and additional scrutiny e.g., Mayor or directly elected leader Question Time in the Scrutiny Protocol.

In the future, the government will expect areas to adopt MP sessions to further enhance scrutiny, similar to those arrangements being established in GMCA and WMCA and any lessons learned from application there. This will be considered when institutions receive single departmental-style funding settlements.

### **Readiness conditions**

Final transfer of each policy area will be subject to areas demonstrating compliance with specific readiness conditions for each policy. These are set out alongside the corresponding policy area.

## **Access arrangements**

### **Operation of Level 4 of the devolution framework**

In line with the above eligibility test, where an area meets the eligibility criteria and accountability, it can apply at any time to access further powers from the devolution framework from that level.

The powers and functions in this framework have been collectively agreed by the government and are agreed policy. So long as an area can demonstrate that they meet the relevant eligibility criteria and readiness conditions, and subject to any required legislation, the government will transfer the function/power to that area in co-operation with them.

Any subset or combination of powers, unless otherwise specified, may be applied for – there is no obligation to take all the powers on offer.

Level 4 areas are also invited to discuss with the government, should they wish to take on any power previously devolved to another area in a Level 2 or 3 devolution deal but not currently available to them, the possibility of accessing that power.

No further powers will be offered via the deeper devolution route here other than those set out in this document. Any further deepening of devolution will take place via a separate process to review and deepen Level 4 as a whole.

## Applying for Level 4 devolution – step-by-step guide

The institution will decide which parts of the framework it would like to apply for (note that the readiness conditions for certain powers within the framework may include a requirement to take certain powers all at once in a ‘basket’ for policy alignment purposes). A final decision on this must be made by the mayor or directly elected leader with the agreement of all constituent members in the case of an eligible devolved institution or with the agreement of Cabinet in a single local authority (SLA).

The institution will then submit their application in a form of a letter to the Levelling Up Secretary. This letter will have to confirm:

- a. The institution meets the eligibility criteria
- b. A commitment to reporting on the implementation of the Scrutiny Protocol within 12 months of the Levelling Up Secretary confirming HMG’s agreement to proceed.
- c. The elements of the framework for which the institution is applying. This must be set out verbatim from the framework and cannot include additional asks or amendments of the government.
- d. Where that element of the framework requires new powers and functions, the institution will follow the procedure as set out in legislation for conferring these to a combined authority/combined county authority or local authority. For combined and combined county authorities this includes the requirement for public consultation. For a local authority whilst this is not required by legislation, we do expect a consultation to be carried out.
- e. The institution understands that the speed at which commitments are implemented will depend on their ability to demonstrate it has met the readiness conditions HMG has specified for each policy.
- f. The mayor or directly elected leader has the agreement of all constituent members in the case of an MCA/MCCA and the agreement of their Cabinet in an SLA.

The Levelling Up Secretary will then consider the application and respond via correspondence.

If the Levelling Up Secretary is content to proceed, officials from the relevant government departments will work with the institution to implement the commitments.

The institution will undertake, where appropriate, the public consultation as committed.

The conferral of functions will be subject to the Levelling Up Secretary being satisfied that the relevant statutory tests have been met including having required consents, and parliamentary approval of the secondary legislation.

If the Levelling Up Secretary considered that the area does not meet the eligibility criteria, they would respond via correspondence setting out the reasons why.

This page is intentionally left blank





## Mayoral Combined Authority Board

13 February 2023

### South Yorkshire Investment Zone Update

---

<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Policy Decision
<b>Funding Stream:</b>	Not applicable
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Not applicable

---

#### **Director Approving Submission of the Report:**

Tom Bousfield, Corporate Director of Growth, Business, and Skills

#### **Report Author(s):**

Joseph Quinn, Innovation Project Director  
[Joseph.Quinn@SouthYorkshire-CA.gov.uk](mailto:Joseph.Quinn@SouthYorkshire-CA.gov.uk)

---

#### **Executive Summary:**

This report provides an update on the development of South Yorkshire Investment Zone and outlines the programme of activity and delivery framework.

#### **What does this mean for businesses, people and places in South Yorkshire?**

A successful Investment Zone will unlock public and private investment in South Yorkshire, alongside raising the profile of the region. The flexible funding offer of £160m, which is deployable across a range of interventions (R&D, skills, infrastructure, business support, planning and development) will drive innovation-led growth that will lead to more employment, higher pay and higher living standards in South Yorkshire.

#### **Recommendations:**

That the Board:

1. Supports the governance arrangements and the interventions outlined in Section 2 of this report.

#### **Consideration by any other Board, Committee, Assurance or Advisory Panel**

## 1. Background

- 1.1 South Yorkshire was announced as the UK's first Investment Zone (IZ) on the 13<sup>th</sup> of July 2023. The programme was associated with £80m of funding over five years beginning in 2024/25.
- 1.2 In November 2023's Autumn Statement, the Government announced that the term and funding allocation for the approved IZs would increase, from an initial £80 million over five years, to £160 million over ten years. Government have set the expectation that current IZ proposals should remain largely unchanged in response to the extended funding offer.
- 1.3 In response to the challenging timescales outlined by DLUHC, work has been taken forward to meet these timescales in collaboration with our Local Authorities and partners. Delegated authority to progress through the gateway stages was received at the MCA Board on the 5<sup>th</sup> of June 2023. Further approval was received for the lead sector, geographical focus, governance, and the broad areas of intervention at the MCA Board in July 2023.
- 1.4 Extensive development work has taken place collaboratively between the MCA and Local Authority officers, University partners, Planning teams and meetings of the Finance Directors. We have now completed the submission of each of the required gateway documents covering, Vision, Sector and Geography, Governance, Interventions, and Delivery. Final feedback on the last of the Gateway documents is expected to be received by the 22<sup>nd</sup> of January.
- 1.5 Once the gateway process is finalised and any delivery arrangements agreed, we will receive a Memorandum of Understanding to sign. This will reflect what has been agreed during the gateway process and delivery planning phase. It will constitute our agreement with DLUHC and will be brought forward to the MCA for agreement. This will be the final step before the release of year 1 funding, which will be confirmed via a grant determination letter.

## 2. Key Issues

- 2.1 **Governance:** In the proposal to Government, existing MCA Governance processes have been recommended as the decision-making vehicle for the Investment Zone and its associated funding. This will ensure fair representation from relevant stakeholders across the region whilst not adding any additional layers of bureaucracy.
- 2.2 In addition to MCA Governance, Government has requested the presence of a sector-specific advisory group.
- 2.3 **IZ Advisory Group:** To meet the Government request, the MCA will establish an Advisory Group, which will include representation from the MCA, all four Local Authorities, the two Universities and sector-specific businesses. The Advisory

Group will make recommendations to the MCA Board. Other responsibilities of the group will include:

- Development of yearly delivery plans for deployment of the IZ resources and powers that will accelerate economic growth, secure additional investment, commercialise R&D and support the development of the lead and sub sectors. This will be subject to MCA board approval.
- Development and on-going management of IZ risks and issues.
- Development of specifications for commissioned activity.
- Provide guidance on proposals for investment.

The group will meet initially on a bi-weekly basis and will be required to undertake specific actions for endorsement through the existing governance structure.

- 2.4 It should be noted that under these arrangements South Yorkshire Mayoral Combined Authority will remain accountable for the use of public funds. The Advisory Group does not have any decision-making powers: all recommendations will require approval or endorsement from the MCA Board.
- 2.5 **Interventions:** IZ interventions will be mission driven, focusing on producing clean, green, heat, power and flight; tackling ill-health; and harnessing robotics, AI and frontier technology to create more good jobs and fulfilling careers in South Yorkshire.
- 2.6 The interventions set out below should be seen as interchangeable and designed to be packaged to meet the specific needs of each individual company we engage with to unlock significant additional private investment. This additional investment will be critical to delivering enhanced employment opportunities for our local communities.
- 2.7 Our approach to IZ intervention package has four distinct elements:
- **Capital, Infrastructure and Feasibility Fund:** This element of the South Yorkshire IZ will deliver capital investment to facilitate business starts, scales and relocations within the IZ geography by removing viability gaps that are restricting investment. This could support: infrastructure improvements; capital contributions, where there is high private sector match investment; incubation and grow-on space.
  - **Skills and employability support:** This element could support: sector specific training through the expansion of the SY Skills Bank; increasing entrepreneurship through training and mentoring schemes; and, addressing economic inactivity through the implementation of forthcoming recommendations from the Pathways to Work Commission.
  - **Business Ecosystem development:** This element could support: scale-up support to fast growing businesses; driving innovation diffusion and adoption; supply chain diversification and development; increasing SY commercial IP development through greater spin out activity; and, promoting student entrepreneurship.
  - **Planning System Capacity Fund.** The IZ policy prospectus dictates the requirement for provision of a supportive and business-minded planning

environment that accelerates decision making, unlocks barriers, and provides investor certainty. Provision will be made for a dedicated team of IZ planning officers to provide one-to-one support throughout the planning process (funding for an additional officer in each planning authority).

- 2.8 **Tax incentives:** Given the high rates of displacement experienced in the use of these instruments, flexible spend was favoured over the submission of tax incentives.
- 2.9 **The Prioritisation of Investment Zone Funding:** Interventions above will be provided subject to clear, consistent criteria. Funding will be provided subject to the following conditions being met:
- i. **Strategic fit:** Does the proposal meet the vision set out in the IZ document? Is there a clear market failure case for investment?
  - ii. **Value for money:** What are the benefits compared to the costs?
  - iii. **Match funding:** (IZ Prospectus stipulation) – Does it cross the threshold of at least 60% match funding from the private sector? Note: 20% is acceptable in exceptional circumstances for horizontal intervention.
  - iv. **Deliverability:** Will the project, and the private sector investment it is predicated on, be delivered over a five-year window? Are appropriate resources in place to secure delivery?
  - v. **Productivity growth:** Will the proposal deliver productivity growth?
  - vi. **Affordability** – Scale of the funding ask.
  - vii. **Innovation:** How innovative is the proposal and how does it differ and learn from previous attempts to intervene?
- 2.10 **Additional support:** To support the on-going operation of the Investment Zone the following additional provision will be put in place.
- **Comprehensive Marketing and engagement:** Commissioned to provide communication and marketing of inward investment propositions and for wider engagement and trade activity. This would follow regional branding and narrative to ensure we do not diverge and create multiple narratives across SY. This will result in a comprehensive communication and engagement strategy and delivery plan.
  - **Intelligent Website:** Specific funding will be ringfenced for the commissioning of a new South Yorkshire platform that will provide a single platform for activity across the region. This will include support to dynamically deliver the right content to users at the right time, quickly and accurately – ensuring the provision and services which are more likely to be of relevance to them are accessed quickly.
- 3 **Options Considered and Recommended Proposal**
- 3.1 Government has designated the MCA as the lead body for South Yorkshire's Investment Zone. This paper is to update, inform and seek endorsement from the MCA Board for the recommended arrangements and the additional detail provided regarding the Investment Zone interventions.

#### **4. Consultation on Proposal**

- 4.1 SYMCA officers have formed a steering group with Local Authority Executive Directors and University representatives that meets on a weekly basis to guide the development process, provide check and challenge and to receive timely updates on discussions with government. This steering group acts as a channel to inform the Mayor, Leaders and Chief Executives.
- 4.2 Further engagement and consultation are taking place with businesses across the region including with the Business Advisory Board to soft test proposals throughout development.

#### **5. Timetable and Accountability for Implementing this Decision:**

- 5.1 N/A

#### **6. Financial and Procurement Implications and Advice**

- 6.1 Subject to proposals meeting specified requirements, government will offer SYMCA £160m over ten years for its Investment Zone. Increased capacity will be funded via the 4% administration allowance. This is in line with the model used during the development of UKSPF.

#### **7. Legal Implications and Advice**

- 7.1 The report is seeking MCA Board support and does not raise any direct legal implications. As the MCA has approved the application for funding previously, the Finance Director has delegated authority under the constitution to approve and sign the MOU to be received from DLUHC.

#### **8. Human Resources Implications and Advice**

- 8.1 The MCA has budgeted for the recruitment of a programme team to focus on delivering the significant outputs required for the IZ proposal between 2024/25 – 2034/35.
- 8.2 Additional resource requirements for planning support has been allocated to Local Authority partners.

#### **9. Equality and Diversity Implications and Advice**

- 9.1 The IZ prospectus requires leveraging the bottom-up energy of local talent, knowledge, and networks to deliver sustainable growth that benefits local communities. This will be a priority and the MCA will ensure the proposal benefits communities across South Yorkshire.

#### **10. Climate Change Implications and Advice**

- 10.1 The IZ will support removing carbon from power, propulsion and production (manufacturing). This research, development and commercialisation will ultimately drive UK's and the world's transition towards a net zero future. All future proposals

will be required to outline the implications and mitigation of the activity on the climate.

**11. Information and Communication Technology Implications and Advice**

11.1 Initial engagement has been undertaken to discuss IZ related technology requirements. Following approval support will be provided to support development of website specifications.

**12. Communications and Marketing Implications and Advice**

12.1 Funding provision for communication and marketing has been allocated to the IZ intervention package. Following formal approval, the communication and marketing team will provide advice and guidance on support arrangements.

12.2 Initial engagement has been undertaken to discuss IZ related technology requirements. Following approval support will be provided to support development of website specifications.

**List of Appendices Included**

None



## Mayoral Combined Authority Board

Tuesday, 13 February 2024

### AEB and Skills Programme Approvals

<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Funding Decision
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan of Key Decisions?</b>	No
<b>Director Approving Submission of the Report:</b>	
Tom Bousfield: Corporate Director Growth Business and Skills	
<b>Report Author(s):</b>	
Fliss Miller: Director of Skills <a href="mailto:fliss.miller@southyorkshire-ca.gov.uk">fliss.miller@southyorkshire-ca.gov.uk</a>	
Joe Gardner: Head of Contracts and Performance <a href="mailto:joe.gardner@southyorkshire-ca.gov.uk">joe.gardner@southyorkshire-ca.gov.uk</a>	

#### Executive Summary

This report is seeking approval from the Board to a new, simplified approach to procuring provision from independent training providers as part of the adult skills budget. It is also seeking approval of the end of year allocation position for academic year 2022/23.

#### What does this mean for businesses, people and places in South Yorkshire?

Through the strategic delivery of the programme the MCA is investing in the people and businesses of South Yorkshire to deliver economic growth, improve living standards and provide the skills needed for a resilient working population.

#### Recommendations

- That Board members:
- a. Approve the new, simplified three-year framework for procuring skills provision from independent training providers;
  - b. Approve the end-of-year positions on the Adult Education Budget and Free Courses for Jobs (FCFJ) budget;

- c. Approve the implementation of DfE's updated Adult Skills Fund rates and the proposed approach to Multiply allocations;
- d. Delegate authority to the Executive Director of Resources and Investment and Corporate Director of Growth, Business and Skills to use any unallocated Multiply grant funding to award further contracts, in consultation with the Portfolio Lead for Skills; and,
- e. Note the award of grant funding accepted under officer delegations: £0.04m from Careers and Enterprise Company for expansion of Careers Hub Primary Pilot, and £3.00m from DfE for Skills Bootcamps Wave 5

### Consideration by any other Board, Committee, Assurance or Advisory Panel

None.

## 1. Background

### Adult Education Budget Background

- 1.1 Since August 2021 the Adult Education Budget (AEB) was devolved to South Yorkshire Mayoral Combined Authority to deliver training support provision to residents in South Yorkshire aged 19+ across the academic year August to July.

SYMCA currently commissions provision using Grant Allocations and contracted provision, via a framework split over 4 lots, and is split into the following:

- Lot 1 – supporting residents into employment including DWP SWAPS (Sector Work Academy)
- Lot 2 – Supporting employed, at risk of redundancy and self employed
- Lot 3 - Key worker support for 19-24
- Lot 4 – test and Learn Key Worker model

Early findings from the AEB evaluation have recommended the simplification of the current arrangements as it has restricted learner progression due to providers not having contracts to deliver across the different lots.

- 1.2 AEB 24/25 Procurement approach

The proposal is to procure with just two lots. This will make delivery simpler and more transparent for providers and will reduce arbitrary ringfences between lots.

Lot 1 will bring in more focussed and specialist training provision and support our grant mainstream provision.

#### **Lot 1 - Employed/Unemployed/Self Employed**

- Aligned to existing grant delivery plans
- Unemployed - Inactive - linking into UKSPF support
- Employed, self-employed, at risk of redundancy
- 19+, Legal entitlements, Maths & English, RQF, Non-Regulated

Lot 2 will support residents furthest away from the labour market, and support to reducing barriers including the progression across all commissioned provision including:

#### **Lot 2 - Reducing barriers – Key Worker support**

- All of the above including:



- Hard to reach residents
- Recognising specialist provision
- Deliver non-regulated programmes to support progression
- Filling the gaps of Grant provision and ACL
- Support and on-going support to increase achievements and progressions onto higher level aims and into employment
- Progression into eligible AEB training courses in Lot 1 and grant provision.
- Should not duplicate - unemployed and economically Inactive/UKSPF, and other SYMCA programmes working hand in hand
- This Lot will continue to support residents when UKSPF finishes

The intention is to procure a framework for provision of up to £10m per year for 2024/25 - 2026/27 academic years (up to £30m total over 3 years), approval for overall 2024/25 allocation for procured provision will be sought at a future MCA Board following confirmation of budget from DfE. Individual contract awards will be made under officer delegations within this.

This aligns with the findings of the AEB evaluation and the direction of travel of the skills strategy (in development). It also aligns with the core principles embedded in the devolution deal concerning the Adult Education Budget – i.e. to support a set of legal entitlements, to support residents at 19+, and to ensure that our commissioning approach does not destabilise our South Yorkshire based grant provision including FE colleges and Local Authorities.

#### 1.4 **Evaluation**

AEB is currently being evaluated in three stages to drive further performance improvements. Stages one and two are looking at the process of procured and grant provision including the strategy for commissioning. Stage three is evaluating the impact of training provision and how the new devolved powers have benefited outcomes and destinations for our residents.

Early findings from stages one and two of the evaluation have highlighted the positive impact of devolved powers, including the delivery of funding during the pandemic and performance improvements between years 1 and 2. Further information will be provided in due course.

## 2. **Approvals**

### 2.1 **22/23 AEB and FCFJ Academic year final position**

For the 2022/23 academic year the MCA Board is asked to approve the final positions for the Adult Education Budget and the Free Courses for Jobs budget. This includes overpayments, where providers have over-delivered against their allocations and clawbacks where providers have under-delivered. These are as follows:

For the Adult Education Budget:

	<b>AEB*</b>	<b>FCFJ</b>
Grant Allocations	£31.10m	£1.11m

Procured Provision	£7.50m	£2.18m
Audit and Administration	£1.50m	£0.03m
<b>TOTAL</b>	<b>£40.10m</b>	<b>£3.33m</b>

*\*For AEB, Grant Allocations includes core, growth and test and learn allocations, Procured Provision includes core and test and learn allocations.*

<b>Provider</b>	<b>Allocation (£m)</b>	<b>Delivered (£m)</b>	<b>Over / Under (£m)</b>
Barnsley College	£2.39	£2.74	<b>£0.35*</b>
Barnsley MBC	£2.00	£2.04	£0.04*
Northern College	£2.63	£1.90	-£0.73
DN Colleges Group	£4.09	£3.33	-£0.76
City of Doncaster Council	£0.73	£0.73	<b>£0.01*</b>
Longley Park SFC	£0.05	£0.11	<b>£0.06*</b>
RNN Group	£5.21	£5.08	-£0.13
Sheffield City Council	£1.97	£1.91	-£0.06
Sheffield College	£11.37	£10.77	-£0.60
WEA	£0.60	£0.40	-£0.20
Chesterfield College	£0.06	£0.07	<b>£0.01*</b>
Procured Provision	£7.50	£5.68	-£1.82
Audit and Administration	£1.50	£1.00	-£0.50
<b>TOTAL</b>	<b>£40.10</b>	<b>£35.77</b>	<b>-£4.33</b>

*\*MCA Board approval sought to pay delivery in excess of grant allocation*

And for Free Courses for Jobs:

<b>Provider</b>	<b>Allocation (£m)</b>	<b>Delivered (£m)</b>	<b>Over / Under (£m)</b>
Barnsley College	£0.35	£0.17	-£0.18
Northern College	£0.08	£0.07	-£0.01
DN Colleges Group	£0.19	£0.19	-£0.01
RNN Group	£0.08	£0.12	<b>£0.04*</b>
Sheffield College	£0.35	£0.23	-£0.12
WEA	£0.05	£0.02	-£0.03
Chesterfield College	£0.01	£0.01	£0.00
Procured Provision	£2.18	£0.18	-£2.01
Audit and Administration	£0.03	£0.00	-£0.03
<b>TOTAL</b>	<b>£3.33</b>	<b>£1.02</b>	<b>-£2.31</b>

*\* MCA Board approval sought to pay delivery in excess of grant allocation*

## 2.2 AEB 24/25 Funding Rates

As part of DFE's Adult Skills Fund (which is the new name for Adult Education Budget), that commences in 24/25 academic year, SYMCA intends to adopt the Adult Skills Fund rates in 2024/25 and review the rates for 2025/26 as part of the

commissioning process. In 2025/26, we envisage the funding calculation would be based on the Adult Skills Fund rates.

For non-regulated aims, DFE have still not made the decision if this funding is to move to the new tailored learning approach, and until we receive clarification and to not disadvantage providers provision the MCA's preferred approach is to continue formula funding using current (2023/24) rates.

### 2.3 Multiply Approvals

The 2023/24 and 2024/25 Multiply allocation model as previously approved in March 2023 is based on a population-based split between each area to ensure that LA partners have clear oversight of the delivery of Multiply in each area so that activity can be co-ordinated.

For the final year of Multiply 2024/25 approval of MCA Board is sought to award grants up to the maximum allocations outlined below, with the grant award amount being proportional to final delivery totals in 2023/24. Any local authority achieving 97% or more of their 2023/24 allocation would receive 100% of their indicative 2024/25 allocation. Where 2023/24 delivery is less than 97% the local authority would receive an equivalent percentage, as their 2024/25 allocation.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Barnsley College	£0.03m	-	-
DN Colleges Group	£0.01m	-	-
Northern College	£0.01m	-	-
RNN Group	£0.07m	-	-
Sheffield College	£0.23m	-	-
Barnsley MBC	£0.12m	£0.42m	£0.41m
City of Doncaster Council	£0.36m	£0.42m	£0.41m
Rotherham MBC	£0.13m	£0.41m	£0.41m
Sheffield City Council	£0.34m	£0.87m	£0.82m
In Work Support	-	£0.05m	£0.11m
Capacity Building	-	£0.11m	£0.12m
Management and Administration	£0.22m	£0.25m	£0.27m
<b>TOTAL</b>	<b>£1.52m</b>	<b>£2.53m</b>	<b>£2.53m</b>

Delegated approval is sought for the Executive Directors of Resources and Growth, Business and Skills, in consultation with the Portfolio lead for Education, Training and Skills to utilise any unallocated funding at the start of 2024/25 -to award additional grant to individual local authorities, and / or to procure and award contracts directly to maximise delivery across South Yorkshire.

### 2.4 Grant awards under officer delegations

The MCA Board is asked to note the following grant awards received under officer delegations:

- £0.04m from Careers and Enterprise Company for an expansion of the Careers Hub Primary Pilot programme (to deliver from March 2024 – March 2025)

- £3.00m from DfE for Wave 5 Skills Bootcamps (to deliver from April 2024 – March 2025)

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Approve all recommendations.

#### **3.2 Option 1 Risks and Mitigations**

Linking both procured and grant funded delivery to a new skills strategy, associated funding rules and rates, and greater use of devolved flexibilities may represent a step change for providers in how we commission AEB, therefore support for providers and robust performance management is needed to mitigate the risk of under delivery linked to unfamiliar approach.

There is a risk of underperformance in the first year regarding the potential inclusion of new providers, which will require time to setup new provision. However, our performance management approach will mitigate some of these risks, where we can respond to under and over performance pro-actively.

#### **3.3 Option 2**

Reject some, or all, of the recommendations

#### **3.4 Option 2 Risks and Mitigations**

Rejection of the recommendations in this report would mean less capability to align delivery to the emerging skills strategy, negatively impacting delivery and the benefits achievable to the residents of South Yorkshire.

Since the devolution of AEB to SYMCA in 2021 procured providers have either left or gone out of business due to poor Ofsted results or financial challenges, and a more robust, responsive and placed based provision is needed to mitigate these challenges.

#### **3.5 Recommended Option**

Option 1

### **4. Consultation on Proposal**

4.1 Consultation on Skills Strategy and wider proposals linked to this with Portfolio Leads for Education, Training and Skills, and South Yorkshire local authorities, colleges and provider networks.

### **5. Timetable and Accountability for Implementing this Decision**

5.1 Subject to approval of the recommendations in this report, procurement will be launched, and discussions around indicative AEB and FCFJ grant allocations will commence in month.

5.2 The recommendations in this report will be implemented through delivery in academic year 2024/25, starting August 2024.

### **6. Financial and Procurement Implications and Advice**

6.1 All recommendations in this report are fully funded from respective grant awards from DfE to SYMCA for AEB, FCFJ and Multiply, and will be included in the MCA's budget for the 2024/25 financial year.

6.2 AEB framework procurement is led by the SYMCA Procurement team.

## 7. Legal Implications and Advice

7.1 The legal implications of the projects have been fully considered by a representative of the Monitoring Officer

## 8. Human Resources Implications and Advice

8.1 N/A

## 9. Equality and Diversity Implications and Advice

9.1 Appropriate equality and diversity considerations are taken into account as part of the development of the Skills Strategy and associated implementation actions for AEB.

## 10. Climate Change Implications and Advice

10.1 Appropriate climate change considerations are taken into account as part of the development of the Skills Strategy and associated implementation actions for AEB.

## 11. Information and Communication Technology Implications and Advice

11.1 N/A

## 12. Communications and Marketing Implications and Advice

12.1 Communications and Marketing are included in business planning for both AEB and Multiply. Implications for marketing for successful procurement have been duly considered and implemented with the support of the Communications team.

**List of Appendices Included: N/A**

**Background Papers: N/A**

This page is intentionally left blank



**Committee/Board Name and Date of Meeting:**  
 Mayoral Combined Authority Board

**Meeting Date:**  
 13 February 2024

**Report Title**  
 South Yorkshire Airport City: Outline Business Case

---

<b>Is the paper exempt from the press and public?</b>	Part Exempt (Exempt Appendix)
<b>Reason why exempt:</b>	The information contained in the Appendix (assurance summary) is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person including the MCA. It is considered that the public interest in maintaining the exemption of the content of the appendix outweighs the public interest in disclosing the information, as publication could prejudice the financial affairs of the Authority and City of Doncaster Council.
<b>Purpose of this report:</b>	Monitoring/Assurance
<b>Is this a Key Decision?</b>	Yes
<b>Has it been included on the Forward Plan?</b>	Yes

---

**Director Approving Submission of the Report:**  
 Martin Swales, Chief Executive and Head of Paid Service

**Report Author(s):**  
 Gareth Sutton, Executive Director Resources & Investment  
 Gareth.sutton@southyorkshire-ca.gov.uk

---

**Executive Summary**

Since the closure of Doncaster Sheffield Airport (DSA), the Mayor, MCA, City of Doncaster Council (CDC), and other partners have worked to find opportunities to re-establish the airport and aviation activity.

Whilst commercial negotiations with the Peel Group and potential airport operators remain ongoing, CDC have now prepared an Outline Business Case (OBC) detailing their vision for South Yorkshire Airport City – taking control of the airport, re-establishing operations under a new business model, and using the asset as an anchor for growth at the wider Gateway East site.

The proposal detailed within the business case would allow for a 10-year plan to drive economic growth in Doncaster, with the anchoring reinstated airport and the UK's first Investment Zone providing the catalyst to position Doncaster in the vanguard of the next industrial revolution through a sustainable aviation hub. Building on core South Yorkshire applied research strengths – as evidenced through McClaren, Boeing, Rolls-Royce, and Hybrid Air Vehicles choosing to locate in the region – the opportunity exists to locate new advanced manufacturing developments at Gateway East connected to global markets through Doncaster Sheffield Airport.

This report summarises the proposal, the associated need for public funding, and the independent assessment of the business case.

The report recommends that the Board approve the progression of the project to Full Business Case, highlighting the need for commercial negotiation and procurement activity to be undertaken to inform a final funding decision.

### **What does this mean for businesses, people and places in South Yorkshire?**

Prior to its closure DSA supported an estimated 2,700 jobs in the regional economy, contributed an annual net GVA of £108.4 million, and created an annual welfare gain of approximately £49.5m.

The proposal detailed in this business case presents the opportunity to recover lost jobs and then grow them through the development of the wider Gateway East area into a centre for advanced manufacturing and sustainable aviation.

Linking the return of aviation to the UK's first Investment Zone could present significant opportunities for businesses and communities in Doncaster and the wider region, helping address long term challenges in productivity, worklessness and low wages, and poor life outcomes that hold South Yorkshire back.

### **Recommendations**

1. Approve the progression of the South Yorkshire Airport City project to Full Business Case
2. Agree to an update report being brought to the MCA Board in March 2024

**Consideration by any other Board, Committee, Assurance or Advisory Panel**  
Programme Board 23 January 2024

---

## **1. Background**

- 1.1 In July 2023 the MCA approved the award of £3.1m to the City of Doncaster Council (CDC) to support the development of a business case to re-establish aviation activity at Doncaster Sheffield Airport (DSA).



- 1.2 That business case would inform commercial negotiations with third parties and would be a necessary precursor to accessing public funds from the MCA, should they be required.
- 1.3 Since this point progress has been made by CDC towards a commercial agreement with the Peel Group as owners of the DSA site, whilst procurement activity is underway to assess market interest from potential future airport operators. This progress has shaped and informed next steps.
- 1.4 With support from professional advisors, CDC have now prepared an Outline Business Case (OBC) and submitted this into the MCA's assurance processes. These processes follow Government guidelines in how schemes should be appraised before public funding is formally committed.
- 1.5 The OBC outlines the vision for South Yorkshire Airport City (SYAC) and the potentially significant benefits that could accrue to Doncaster and the wider South Yorkshire region from its delivery.
- 1.6 This vision is predicated on CDC taking control of DSA and facilitating a new ownership model for the operation of the airport. The OBC proposes that these steps could also provide the catalyst for economic development at Gateway East, with the airport anchoring a sector specific focus on aviation related advanced manufacturing, advanced engineering and the growing jet-zero and decarbonisation industries.
- 1.7 The OBC notes other areas within the UK have linked the presence of an airport and aviation activity to growth stimulators such as freeports and enterprise zones, recognising the potential to do similar with the re-establishment of DSA and the Investment Zone opportunity site at Gateway East.
- 1.8 The OBC is prepared on a number of core assumptions that are stress tested and, as required, considers alternatives to the core proposition. The OBC concludes that the reopening of the airport and the South Yorkshire Airport City concept provides the best opportunity to secure economic growth and wellbeing.
- 1.9 To enable these gains the OBC notes that there is likely to be a requirement for material public sector funding to support initial capital reinstatement works and revenue requirements. The OBC is prepared on the basis that this funding could be derived from the long-term Gainshare commitment that the MCA has made available to support broad economic growth in Doncaster through the delivery of its Place Investment Plan, in which this scheme is prominent. Elements of activity could also be supported from other MCA funding that has been set aside to support this project.
- 1.10 In line with funding requirements, the OBC has now been reviewed by independent assessors. This process is required by Government and supports the MCA to review complex schemes and support business case development.
- 1.11 This assessment notes the potential benefits of the proposal, but also the known risks inherent in complex commercial propositions such as this. Predictable project specific risks around key variables - such as the ability to recapture the patronage

that has been lost since the closure of the airport and the challenges of reopening the airport – are also highlighted.

- 1.12 The assessment further provides helpful suggestions on how the next iteration of the business case could be strengthened to best support the case and allow for a thorough informed assessment by decision-makers.
- 1.13 The assessment notes that at this stage of the process much of the information that is ultimately required to support value-for-money considerations and take an informed view of relative risk and reward is still unknown. This largely reflects that commercial negotiations with the Peel Group and procurement exercises for potential airport operators are still in progress.
- 1.14 These commercial exercises will shape the requirement for public resource in the short and long-term and help shape the approach to the mitigation of financial and operating risk. Commercial arrangements will also help inform legal opinions around State Aid. It is likely that a State Aid assessment will be required from the Government's Subsidy Advice Unit.
- 1.15 Further detail on the business case and the independent assessment is provided in the appended Assurance Summary. This document is exempt from publication due to the sensitive commercial information pertinent to ongoing negotiations.
- 1.16 This report proposes that the Board approve the progression of the scheme to Full Business Case. Progression will allow for ongoing commercial activity to complete, the business case to be strengthened, allowing the Board to make a fully informed funding decision.
- 1.17 It is recommended that an update on progress be brought to the Board in March.

## 2. Key Issues

### Strategic Context and Timeline

- 2.1 Since its establishment in 2014 the MCA has shown a continued commitment to supporting aviation at DSA and wider economic growth in Doncaster.
- 2.2 The timeline highlights activity over the years, leading to this point:
  - 2017** – Award of £1.24m grant to DSA to support increased cargo capacity, funded from the MCA's Business Investment Fund
  - 2018** – Opening of the Great Yorkshire Way airport link road, part funded from the MCA's City Region Investment Fund (£13m)
  - 2019** – Advance of a £3.5m loan to support airport growth, funded through the MCA's Business Investment Fund
  - 2020** – Advance of a further £5.0m loan to support new airport growth activity, funded through the MCA's Business Investment Fund
  - 2021** – Recognition of the importance of the airport in the MCA's 20-year Strategic Economic Plan
  - 2022 March** – Earmarking of £138m of MCA Gainshare funding to support Doncaster's economic growth, to be made available in annual instalments of £5.3m from 2024/25 for 26 years
  - 2022 July** – Peel undertake a 'strategic review' on the future of DSA

**2022 September** – MCA offer bridging financial support to the Peel Group to enable operations to continue at DSA whilst a buyer was found

**2022 October – Airport Closed**

**2022 October** – MCA provides financial support to enable the judicial challenge on the decision to close the airport.

**2023 June** – MCA endorsement of the Doncaster Place Investment Plan in which DSA featured prominently

**2023 June** – Agreement to award £3.1m of grant to Doncaster to prepare a business case to support the reestablishment of the airport

**2023 December** – Receipt of the OBC for South Yorkshire Airport City and submission into assessment processes

**2024 February** – Consideration of the OBC by the MCA Board.

### Funding

- 2.3 This report notes that the proposal could be funded, in full or in part, from the MCA Gainshare funding that has been earmarked to support the economic growth of Doncaster.
- 2.4 Gainshare funding refers to the money committed to South Yorkshire through the Devolution Deal agreed by the MCA, South Yorkshire local authorities and Government.
- 2.5 To-date, £120m of Gainshare funding - representing 4 years of allocations - has been committed to activity across South Yorkshire. This funding was deployed in support of the Renewal Action Plan which sought to help stimulate growth after the economic disruption of the pandemic.
- 2.6 Money has been committed to skills and business support activity, place regeneration schemes, flood alleviation works, transport investment – particularly helping safeguard at risk bus services – and has also been committed to feasibility studies to help generate a pipeline of investment propositions into the future.
- 2.7 In 2022 the MCA agreed to forward commit future allocations of the Gainshare funding to five investment plans. This was comprised of four Place Investment Plans, representing the growth ambitions of each of the four local authority areas, and one Plan for Growth, which would set out region wide ambition and be led by the MCA.
- 2.8 Funding was earmarked to each plan on a per-capita basis, with £138m earmarked to Doncaster, to be released in twenty-six annual instalments of c. £5.3m each year as funding was received by the MCA from financial year 2024/25 onwards.
- 2.9 In June 2022 the Doncaster Place Investment Plan was submitted and endorsed by the MCA Board. This Plan set out the broad growth ambitions for Doncaster, covering requirements to invest in the city, its towns, villages, and key employment sites. The South Yorkshire Airport City proposal featured prominently in this Plan.
- 2.10 The financial requirements of this proposal are likely to be in excess of the annual allocations of Gainshare that can be made available to CDC. This is likely to mean that borrowing would be required by the CDC to support cash flow in the near term until annual funding allocations catch up with initial outlays. Whilst borrowing in this manner is permissible and common practice for local authorities it does come with

associated interest costs. The business case has been prepared in a manner that reflects this in a prudent way.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Approve the progression of the South Yorkshire Airport City to Full Business Case.

#### **3.4 Option 1 Risks and Mitigations**

Progressing the scheme to Full Business Case is likely to incur further development costs. The MCA has previously committed to funding business case development activity in full with resource earmarked to this activity.

#### **3.5 Option 2**

The MCA could choose not to progress the South Yorkshire Airport City scheme to Full Business Case.

#### **3.8 Option 2 Risks and Mitigations**

Rejecting progression of the scheme would prejudice the ability of CDC to continue commercial negotiations with Peel and procurement activity with potential airport operators.

#### **3.13 Recommended Option**

Option 1

### **4. Consultation on Proposal**

4.1 N/A.

### **5. Timetable and Accountability for Implementing this Decision**

5.1 The Executive Director Resources and Investment will implement this decision immediately.

### **6. Financial and Procurement Implications and Advice**

6.1 The MCA has previously provided CDC with access to £3.1m of resource to support the development of this business case and other associated professional services activity.

6.2 The OBC notes the likely requirement for public subsidy to support the proposal and requests that this be found in part from the long-term allocation of Gainshare capital and revenue funding that has been earmarked to the delivery of the CDC Place Investment Plan. This funding remains available and can be disbursed to CDC in annual allocations commensurate to the release of funding from Government to the MCA. MCA receipts earmarked to this activity also remain available.

6.3 The report also notes that the business case has been prepared on a broader basis than solely the return of aviation activity. The proposal sets the reopening of the airport as the anchor and catalyst for wider economic growth at Gateway East,

through the creation of a new advanced manufacturing and sustainable aviation Hub.

- 6.4 The broader proposal affords the opportunity to consider how financial tools available through the Investment Zone package – noting that Gateway East is designated an Investment Zone opportunity site - can be brought to bear to create mutually reinforcing benefit. Within the bounds of funding conditionality, aligning Investment Zone funding and tools to Gainshare funding offers the potential for multiplier effect, helping to mitigate risk and accentuate benefit.
- 6.5 The report notes the significant financial risk inherent in the project and in the complex commercial arrangements such as that proposed. A balanced assessment of the relative risk and reward is, however, not possible until the conclusion of commercial negotiations and the completion of procurement exercises. This activity will inform the commercial operating model, the approach to risk mitigation, and ultimately the requirement for public investment and any ongoing risk carried by the public purse.
- 6.6 Costs associated with progression of the scheme to Full Business Case can be accommodated within the original funding envelope made available by the MCA for this activity.
- 6.7 CDC continue to lead the negotiation with airport owners and the procurement exercise to attract a new operator. Public investment remains contingent on the successful completion of those negotiations.
- 6.6 The MCA will continue to provide strategic advice and support to CDC in relation to the wider regeneration of the development of the Gateway East site, with plans for the delivery of the Investment Zone on the agenda at this Board. Unlocking the full economic growth of that area will be mutually beneficial for the airport and wider growth, with the potential to bring greater funding to bear.

## **7. Legal Implications and Advice**

- 7.1 In general providing funding to for the proposed scheme falls within the MCA's powers to promote economic development and regeneration within its area.
- 7.2 The recommended option to approve the progression of this scheme to Full Business Case on the basis of information supplied in the Outline Business Case. As the commercial negotiations being carried out by CDC with the landowner and prospective airport operators are ongoing the financial information within the Outline Business Case is incomplete. However, the Assurance Framework allows flexibility for further work to be carried out in preparation of the Full Business Case. Conclusion of the commercial negotiations prior to the submission of the Full Business Case will allow a full financial breakdown to be submitted and assessed before final approval. The recommended option is, if approved, not therefore considered to be unreasonable.
- 7.3 The outline business case confirms that CDC have taken independent legal advice in respect of whether any funding granted by the MCA would constitute a subsidy under the Subsidy Control Act 2022. CDC confirm the advice they have received is that CDC will not be acting as an enterprise for the purposes of subsidy control in

carrying out the scheme. As a result, the funding to CDC will not constitute a subsidy. CDC acknowledge that the funding passed by them to the selected airport operator will be a subsidy and an assessment by the Subsidy Advice Unit will be required prior to the funding being released to the operator.

## **8. Human Resources Implications and Advice**

8.1 None

## **9. Equality and Diversity Implications and Advice**

9.1 None

## **10. Climate Change Implications and Advice**

10.1 The OBC recognises that reinstatement of aviation activity will inherently lead to related air-based carbon emissions.

10.2 Mitigating factors are considered, including the displacement of air traffic from other airports and the promotion of the clean or low carbon aviation sector. References are further made to the aspiration to development of a rail station at the airport, for which funding was earmarked from current CRSTS1 funding.

10.3 The OBC also highlights that other options – such as the demolition of the airfield/airport infrastructure and construction of new buildings – would also likely lead to material embodied carbon generation.

## **11. Information and Communication Technology Implications and Advice**

11.1 A communications plan has been developed with relevant stakeholders to raise awareness of the Outline Business Case

## **12. Communications and Marketing Implications and Advice**

12.1 A communications plan has been developed with relevant stakeholders to raise awareness of the Outline Business Case

### **List of Appendices Included**

A Assurance Summary (Exempt Item)

### **Background Papers**

None.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank





## Mayoral Combined Authority Board

13 February 2024

### Programme Approvals

<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Funding Decision
<b>Is this a Key Decision?</b>	Yes
<b>Has it been included on the Forward Plan?</b>	Yes

**Director Approving Submission of the Report:**  
Gareth Sutton, Executive Director Resources & Investment

**Report Author(s):**  
Sue Sykes, Assistant Director Funding, Monitoring & Reporting  
Sue.Sykes@southyorkshire-ca.gov.uk

#### Executive Summary

This report seeks progression of two investment scheme subject to conditions set out in the Assurance Summary.

#### What does this mean for businesses, people and places in South Yorkshire?

This report is seeking approval for one gainshare funded investment, and to enter into contract for the investment proposal which will support the MCA's aspirations.

#### Recommendations

This report recommends that the Board approves:

- a. Progression of "Crossed Wires Podcast Festival" from FBC to full approval and award of £0.30m convertible loan to Crossed Wires Ltd subject to the conditions set out in Assurance Summary B.

- b. Delegate authority to the Head of Paid Service in consultation with Mayor Coppard - in his position as the Portfolio Lead for Transport - for consideration of the “Transport Innovation Fund pilot schemes” as detailed in 1.5
- c. Delegate authority to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes above.

### **Consideration by any other Board, Committee, Assurance or Advisory Panel**

Programme Board  
Programme Board

18 January 2024  
01 February 2024

## **1. Background**

1.1 This report seeks approval from the MCA Board for progression of two investment scheme.

1.2 Further details are provided on the proposal in the main body of the report.

### **1.4 Crossed Wires Ltd Crossed Wires Podcast Festival Progression to Full Award**

This project seeks £0.30m in commercial loan or equity finance to contribute towards a total scheme cost of £0.325m at an intervention rate of 92.3%

The funding will enable the project to showcase the best of South Yorkshire, working with national podcasts but involving local institutions.

The festival will bring the best podcasting talent in the country to handpicked, iconic venues in Sheffield across an exciting weekend of events in the summer of 2024 opening up Sheffield’s festival season. The ambition is for this festival to be the go-to, annual event for podcast fans around the UK and beyond. The aim is for it to become podcasting’s version of the Edinburgh Festival. To add to the festival vibe and add extra engagement for people from the city and be an information point for visitors to Sheffield, the applicant will run a bar operation to ticket holders on Barker’s Pool.

The applicant is willing to explore different funding options - with the opportunity to provide working capital through a loan facility, a convertible loan / equity arrangement if the project becomes commercially successful. This is to be explored further by MCA Executive and external advice will be sought.

The proposed transaction would be underwritten against MCA resource and not place a call on Gainshare monies earmarked to local authority Place Plans.

Appendix A provides a summary of the project assurance and any suggested conditions of award.

### **1.5 Transport Innovation Fund Pilots**

A one-off Transport Innovation Fund (TIF) of up to £2.5m from treasury management windfall was established by the Combined Authority in August 2023, to support innovative transport projects in South Yorkshire.

TIF funding is not intended to provide further, short-term protection to bus services, but instead to support innovative transport-related proposals that demonstrate the potential in the future to offer a more efficient means of supporting individual and community mobility than the current approach.

Discussions have taken place over the autumn with Local Authority transport leads to set out a range of potential projects before reaching an agreement on the preferred scheme for each area. These schemes meet the vision of the fund and can be delivered within budget, as per the terms set out by Leaders in August 2023.

In discussions with Leaders, there is a strong appetite to pilot trials of Demand Responsive Transport (DRT) across the region to investigate whether this offers a more cost effective way of serving areas that struggle to maintain a timetabled bus service. SYMCA will seek specialist support to develop the DRT schemes proposed by Local Authority partners, and work in collaboration with transport colleagues, to design the best scheme for the area.

The TIF scheme proposals are:

- Barnsley Working with Taxis to further improve evening transport capacity
- Doncaster Demand Responsive Transport scheme to improve rural connectivity and accessibility for residents in Norton/Askern
- Rotherham Demand Responsive Transport scheme to improve mixed rural and urban connectivity and accessibility for residences in Dinnington and South Rotherham.
- Sheffield Stocksbridge Towns Fund to pilot a shuttle service in the town through revenue support (via the payment of concessionary reimbursement)

These proposals are to be delivered and evaluated by the end of March 2025 and if successful, could offer an innovative way of reducing pressure on the tendered services budget.

## **2. Options Considered and Recommended Proposal**

### **2.1 Option 1**

Approve all recommendations.

### **2.2 Option 1 Risks and Mitigations**

Approval of the progression of the investment propositions will result in a commitment being made against the programme budget and continuation of activity.

### **2.3 Option 2**

Reject some, or all, of the recommendations.

### **2.4 Option 2 Risks and Mitigations**

Rejection of the recommendations in this report would mean the region foregoing the forecast benefits arising from the investment and the delivery of the activity at risk.

## 2.5 **Recommended Option**

Option 1

## 3. **Consultation on Proposal**

3.1 Discussions for this proposal has continued with the Portfolio Leads and SYMCA business partners.

## 4. **Timetable and Accountability for Implementing this Decision**

4.1 Subject to the approval of the recommendations and approval by the MCA, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into legal agreements for the schemes.

## 5. **Financial and Procurement Implications and Advice**

5.1 All proposals presented within this report can be fully funded from available resource.

## 6. **Legal Implications and Advice**

6.1 The legal implications of the proposal have been fully considered by a representative of the Monitoring Officer.

## 7. **Human Resources Implications and Advice**

7.1 None.

## 8. **Equality and Diversity Implications and Advice**

8.1 Equality and diversity implications are taken into account as part of the proposal considerations

## 9. **Climate Change Implications and Advice**

9.1 Climate change implications are considered as part of the proposal considerations.

## 10. **Information and Communication Technology Implications and Advice**

10.1 None

## 11. **Communications and Marketing Implications and Advice**

11.1 The approval provides positive opportunities to highlight the difference the MCA's investments will make to people and places across South Yorkshire and how Members are taking action to support the region's recovery from COVID.

## List of Appendices Included

A 

Assurance summary – Crossed Wires Podcast Festival
--

## Background Papers

None.

This page is intentionally left blank

## 1 – SCHEME DETAILS

<b>Project Name</b>	Crossed Wires Podcast Festival	<b>Type of funding</b>	TBC
<b>Grant Recipient</b>	CROSSED WIRES LTD	<b>Total Scheme Cost</b>	£325,000
<b>MCA Executive Board</b>	MCA Board	<b>MCA Funding</b>	£300,000
<b>Programme name</b>	Gainshare Revenue	<b>% MCA Allocation</b>	92%
<b>Current Gateway Stage</b>	BJC	<b>MCA Development costs</b>	£42,000
		<b>% of total MCA allocation</b>	14%

## 2 – PROJECT DESCRIPTION

*Is it clear what the MCA is being asked to fund?*

Yes, it is clear what the MCA is being asked to fund which is start-up costs for the Crossed Wires Festival. The festival will bring the best podcasting talent in the country to handpicked, iconic venues in Sheffield across an exciting weekend of events in the summer of 2024 opening up Sheffield's festival season. The ambition is for this festival to be the go-to, annual event for podcast fans around the UK and beyond. The aim is for it to become podcasting's version of the Edinburgh Festival. The project will showcase the best of South Yorkshire, working with national podcasts but involving Sheffield institutions such as Warp Films and big-name celebrities like Jarvis Cocker, Joe Root and Jess Ennis. To add to the festival vibe and to add extra engagement for people from the city and be an information point for visitors to Sheffield, the applicant will run a bar operation to ticket holders on Barker's Pool.

<b>Activity</b>	<b>Y1</b>
Venue hire: City Hall and Crucible	£20,000

8 shows @ £2.5k p/show	
Staffing Festival Director (Business Case development, festival organisation & management) Branding & Design – Sheffield Based graphic designer Website design and build	£50,000
Artist bookings 8 high profile podcast shows (e.g. Tailenders, Rest is Politics) @ £20k per act	£105,000 (50% of this required in deposit asap)
<b>Total</b>	<b>£175,000</b>
<b>SYMCA investment (of which £42,000 has been paid up front through Project Feasibility fund)</b>	<b>£150,000</b>
SCC investment	£25,000

As the scale of the festival increases and it becomes more financial sustainable then the MCA funding will reduce.

**Year 2: £100,000 (SYMCA funding)**

**Year 3: £50,000 (SYMCA funding)**

**The applicant is willing to explore different funding options - with the opportunity to provide working capital through a loan facility, a convertible grant to loan / equity arrangement if the project becomes commercially successful. This is to be explored further by MCA and external advice will be sought.**

### 3. STRATEGIC CASE

*Options assessment*



	<p><i>Is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p> <p>The SMART objectives are based on numbers of tickets sold in the first year and then increased attendance targets for subsequent years which maps the growth and success/sustainability of the festival.</p> <p>Because this is a unique project the options open to it are limited, however the viable alternative of combining with another festival such as Doc Fest has been considered and is appropriate. There is a clear rationale for the selection of the standalone option and its scale and of the selection of the venues and timing of the event to compliment other activities in and around the City.</p>
Statutory requirements and adverse consequences	<p><i>Does the scheme have any Statutory Requirements?</i></p> <p>N/a</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p> <p>No</p>
FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).	<p>There is a clear alignment with the SEP as the festival enhances SY reputation and attracts more businesses to the area. It will increase economic activity through jobs created within the festival and its supply chains and the visitor numbers that the event will attract into the region.</p> <p>The value of cultural projects has a personal and positive impact on people which creates a sense of wellbeing. Research suggests that it could be the social aspect of cultural activities which may improve their well-being.</p> <p>The applicant is working with Cowboy E-bikes to sponsor the festival and run cycling tours for delegates, also we will encourage cycle-to-work for all employees.</p> <p>The bars will operate with reusable plastic glasses, where an incentive will be put in place to ensure the festival goers are recycling.</p>

#### 4. VALUE FOR MONEY

##### Monetised Benefits:

VFM Indicator	Value	R/A/G
Net Present Social Value (£)	£24,397	
Benefit Cost Ratio / GVA per £1 of SYMCA Investment	1.16	

<i>Cost per Job</i>					
<b>Non-Monetised Benefits:</b>					
<i>Non-Quantified Benefits</i>					
<b>Value for Money Statement</b>					
<p><i>Taking consideration of the monetised and non-monetised benefits and costs, and the uncertainties, does the scheme represent value for money?</i></p> <p>The applicant has undertaken an impact evaluation assessment of the project based on the year 1 target of 25000 admissions per year for the first three years and on the assumption of 45% of visitors being from outside Sheffield. Based on this then the BCR for the MCA investment is 1.16. If the SCC funding is included, then this produces a BCR for the public sector investment of 1.08.</p> <p>This does represent low Value for money. However, this is based on grant funding and using prudent attendance figures over the three-year period. The expectation is that those attendance figures will increase, and the benefits continue to accrue long after the public sector funding ends and so would represent a sound investment. Additionally, should the funding be structured such that the MCA receives a degree of recompense for the future success of the project then this will increase the value to the public purse.</p> <p>The justification of the selection of the preferred option is clear based on quantified/monetised benefits. The alternative viable option has not been considered from an economic perspective. However, given that the costs is stated to be the same it is unlikely that combining the pod cast festival with Doc Fest would result in as many additional visitors to the city and therefore the VFM would be lower.</p>					
<b>5. RISK</b>					
<p><i>What are the most significant risks and is there evidence that these risks are being mitigated?</i></p> <p>Only the risk below only have been provided but these do capture the main aspects of the project. Risk 3 is a key one and given that this is new event, the probability and impact ought to be high at this embryonic stage.</p>					
No.	Risk	Likelihood (High, Med, Low)	Impact (High, Med, Low)	Mitigation	Owner
1	Lack of availability of suitable venues	Med	Med	Crossed Wires have successfully secured early funding to allow for cash deposits on chosen venues.	HB

2	Unable to secure chosen podcast artists	Med	Med	Crossed Wires have successfully secured early funding to allow for cash deposits on chosen artists.	HB
3	Low ticket sales	Med	Med	Crossed Wires have good contacts and expertise in publicity and marketing	HB
4	Artists cancel attendance at shows	Med	Med	Spread of 8 shows plus fringe events means a single cancellation will not derail the festival. Crossed Wires will have cancellation insurance.	HB

*Do the significant risks require any contract conditions? (e.g. clawback on outcomes)*

- Year 2 funding should only be released if year 1 objective is achieved or bettered.
- No specific outputs/outcomes have been set out in the BJC or supporting appendices.
- Other contract conditions will depend on whether grant or some other form of funding.

*Are there any significant risks associated with securing the full funding for the scheme?*

No

*Are there any key risks that need to be highlighted in relation to the procurement strategy?*

No

## 6. DELIVERY

*Is the timetable for delivery reasonable?*

Yes, the timetable for delivery is reasonable with early-stage key activities having been undertaken using feasibility funding from MCA. The proposed timing of the event is explained fully and is proposed to be the optimum to fit in with/avoid other events in the city and elsewhere.

*Is the procurement strategy clear with defined milestones?*

As bookings of venues and artists will be negotiated with a single provider in each case and as the applicant has carefully chosen venues and acts, then as such there will be no competitive process in procuring venues and services.

*What is the level of cost certainty and is this sufficient at this stage of the assurance process? Has the promotor confirmed they will cover any cost overruns?*

The cost certainty is 95% which is based on the fact that the prices for venues and acts are confirmed. The spend profile provided broadly aligns with the key milestones but all of year 1 funding is assumed to be spent in 23/24 but given that the event does not start until Jun 24 then it is possible that some of the expenditure slips into 24/25 financial year.

The promoter has confirmed they will cover any cost overruns.

*Has the promoter demonstrated clear project governance and identified the SRO? Has the SRO or other appropriate Officer signed of this business case?*

The applicant is a newly formed company Crossed Wires Ltd. The applicant has set out the backgrounds of each of the company directors who each have a breadth of experience in the podcast/entertainment fields. The company will be led by festival director Hannah Bennett and the SRO is James Ohara one of the co-founders.

The BJC has not yet been signed.

*Has public consultation taken place and if so, is there public support for the scheme?*

n/a

*Are monitoring and evaluation procedures in place?*

The applicant will gather data from attendees, both on the ground and via electronic feedback. They will also seek to gather data around local economic benefits such as hotel stays to inform future festival planning. Crossed Wires Ltd will share all data and information gathered with Sheffield City Council as co-funder. There are no additional monitoring requirements for the SCC investment.

## 7. LEGAL

*Has the scheme considered Subsidy Control compliance or does the promoter still need to seek legal advice?*

The project has considered subsidy control and has submitted a letter of confirmation that the company will not breach the £315k Minimal Financial Assistance level. However, that is only considering the MCA funding. The funding from SCC is also part of the subsidy and so would take the funding over the limit.

The preference for the MCA is that the funding would be by way of a loan convertible to Equity and that this be on commercial terms so as not to be subsidy. However, it is not clear whether such terms will be acceptable to the applicant and whether they would seek softer terms that would constitute subsidy.

## 8. RECOMMENDATION AND CONDITIONS

<b>Recommendation</b>	Approval of BJC subject to satisfactory pre-conditions
<b>Payment Basis</b>	Convertible Loan/Equity (terms to be agreed)
<b>Conditions of Award (including clawback clauses)</b>	

**Pre-conditions to BJC Approval**

- Confirmation regarding agreed form of investment
- Inclusion of relevant outputs/outcomes to form part of the funding contract

**Conditions of Contract**

- Year 2 & 3 funding only released if applicant can demonstrate that the previous year's objective has been achieved or bettered.
- Loan/Equity Investment Terms to form part of contract

This page is intentionally left blank



## Mayoral Combined Authority Board

13 February 2024

### Decisions & Delegated Authority Report

<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Governance
<b>Funding Stream:</b>	Not applicable
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Not a Key Decision

**Director Approving Submission of the Report**  
 Martin Swales, Chief Executive/Head of Paid Service

**Report Author(s)**  
 Ellen Hinsley  
[ellen.hinsley@southyorkshire-ca.gov.uk](mailto:ellen.hinsley@southyorkshire-ca.gov.uk)

#### Executive Summary

This paper updates the Mayoral Combined Authority on:

- Decisions and delegations made by the MCA
- Decisions and delegations made by the Officer Scheme of Delegation

#### Recommendations

Members are asked to note the decisions and delegations made.

#### List of Appendices Included

A **Appendix A** – Decisions and delegations made by the MCA

This page is intentionally left blank



Row	Date of delegation	Decision	Delegation	Delegated to	Financial value
172	19 December 2023	CRSTS Northern Communities	Progression of “Northern Communities” and release of development funding of £3.5m to Sheffield City Council	Gareth Sutton	£3.5m
173	20 December 2023	Skills Bootcamps Wave 4	To award a contract increase to:  1. Aim 2 Learn, increasing their contract by £78,000, taking their contract value to £306,000 (additional 26 learners), and 2. Construction Skills, increasing their contract by £63,000, taking their contract value to £273,000.00 (additional 18 learners).	Fliss Miller	£141,000
174	20 December 2023	SYFTL – Supertram Network & Security Upgrades	Award to Insight at a cost of £132,744.64	Gareth Sutton	£132,744.64
175	20 December 2023	SYFTL Supertram Depot Phase 2. Installation of WiFi	Award to Insight at a cost of £103,816.11	Gareth Sutton	£103,816.11
176	20 December 2023	SYFTL – Supertram hardware	Award to Insight at a cost of £100,956.79	Gareth Sutton	£100,956.79
177	20 December 2023	Approval to award contract to purchase ballasted rail for the tram network	supply and deliver 300 metric tons of ballast	Pat Beijer	£373,200.00.

178	10 January 2024	Appointment of Consultant for Bus Lane Review Implementation Project	Approval to award the contract to Pell Frischmann Consultants Ltd for an amount which includes a 15% risk/contingency allowance and an allowance of 5% for the effect of inflation in future years i.e. £299,320.	Pat Beijer	£252,342.03 with a 15% risk/contingency allowance and an allowance of 5% for the effect of inflation in future years i.e. £299,320
179	15 January 2024	Mass Transit QS and Engineers fees	Progress next stage of design in line with agreed programme. Appoint Mott MacDonald at a cost of up to £600,581 and appoint Turner & Townsend at a cost of up to £250,785 to progress stage 1 of the detail design for the Depot and substation and associated tasks for Mass Transit project using the existing contracts. (Progression beyond stage 1 assumes approval of OBC and funding for future stages to cover gap to OBC approval)	Pat Beijer	Up to £851,366
180	19 January 2024	Cannon Brewery	Progression of "Cannon Brewery" from FBC to full approval and award of £4.99m Brownfield Housing Fund to Capital & Centric (505) Ltd for Stage 1 of the scheme subject to the conditions within the Assurance Summary	Gareth Sutton	£4.99m

181	29 January 2024	UKSPF Approvals Jan 24	<p>Progression of UKSPF projects to full approval and award</p> <ul style="list-style-type: none"> <li>a. Progression of “Rotherham Town Centre Events” to full approval and award of £0.28m UKSPF funding to Rotherham Metropolitan Borough Council</li> <li>b. Progression of “RIDO Incubation Enhancement Project” to full approval and award of £0.17m UKSPF funding to Rotherham Metropolitan Borough Council</li> <li>a. Progression of “Children’s Capital of Culture” to full approval and award of £0.89m UKSPF funding to Rotherham Metropolitan Borough Council</li> <li>b. Progression of “RMBC Visitor &amp; Leisure Economy” to full approval and award of £1.06m UKSPF funding to Rotherham Metropolitan Borough Council</li> <li>c. Variation to funding agreement for Growing Barnsley’s Local Economy” to full approval and award of £0.10m UKSPF funding to Barnsley Metropolitan Borough Council</li> </ul>	Gareth Sutton	£2.5m
182	29 January 2024	Broom Wickersley Extension Corridor (Active Travel & Bus Priority Measures)- SBC	Progression of “Rotherham East Cycle and Bus Priority Package” and release of development funding of £1.48m to Rotherham Metropolitan Borough Council	Gareth Sutton	£1.48m

This page is intentionally left blank