

Wednesday, 8 July 2020

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

## NOTICE OF MEETING

You are hereby invited to a meeting of the Sheffield City Regional Local Enterprise Partnership to be held at **Virtual Meeting**, on: **Thursday, 16 July 2020** at **11.00 am** for the purpose of transacting the business set out in the agenda.



Dr Dave Smith  
**Chief Executive**



You can view the agenda and papers at [www.sheffieldcityregion.org.uk](http://www.sheffieldcityregion.org.uk) or use a smart phone camera and scan the QR code:

## Member Distribution

James Muir (Chair)	Private Sector LEP Board Member
Nigel Brewster (Vice-Chair)	Private Sector LEP Board Member
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Gemma Smith	Private Sector LEP Board Member
Laura Bennett	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Peter Kennan	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Alison Kinna	Co-Opt Private Sector Member
Bill Adams	TUC Representative
Professor Dave Petley	University of Sheffield
Councillor Chris Read	Rotherham MBC
Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority
Councillor Julie Dore	Sheffield City Council
Mayor Ros Jones CBE	Doncaster MBC
Councillor Sir Steve Houghton CBE	Barnsley MBC

## SCR - Local Enterprise Partnership

Thursday, 16 July 2020 at 11.00 am

Venue: Virtual Meeting



### Agenda

Agenda Ref No	Subject	Lead	Page
1.	Welcome and Apologies	Mr J Muir	
2.	Declarations of Interest <ul style="list-style-type: none"><li>In relation to any agenda item</li><li>In relation to any activity since the last formal meeting</li><li>In relation to any forthcoming activity</li></ul>	Mr J Muir	
3.	Notes of Last Meeting	Mr J Muir	5 - 10
<b>Strategic Development</b>			
4.	Economic Renewal Plan	Mr Felix Kumi-Ampofo	11 - 52
5.	Getting SCR Building	Mr Mark Lynam	53 - 62
6.	GatewayEast Economic Blueprint	Mr Mark Lynam	63 - 80
7.	Careers Hub	Jacque Chambers	81 - 86
8.	Local Growth Fund (LGF) Programme	Ms Sue Sykes	87 - 90
<b>Governance</b>			
9.	Board Diversity	Mrs C James	91 - 96
<b>For Information</b>			
10.	Mayoral Update	Mayor Dan Jarvis	97 - 98
11.	Chief Executive's Update	Dr D Smith	99 - 100
<b>Date of next meeting:</b> Thursday, 10 September 2020 at 11.00 am <b>At:</b> 11 Broad Street West, Sheffield S1 2BQ			

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**SCR - LOCAL ENTERPRISE PARTNERSHIP**

**MINUTES OF THE MEETING HELD ON:**

**THURSDAY, 21 MAY 2020 AT 11.00 AM**

**VIRTUAL MEETING**



**Present:**

James Muir (Chair)	Private Sector Member
Nigel Brewster (Vice-Chair)	Private Sector
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Gemma Smith	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Peter Kennan	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Bill Adams	TUC Representative
Professor Dave Petley	University of Sheffield
Councillor Chris Read	Rotherham MBC
Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority
Mayor Ros Jones CBE	Doncaster MBC
Councillor Sir Steve Houghton CBE	Barnsley MBC

**Officers in Attendance:**

Dr Dave Smith	Chief Executive	SCR Executive Team
Dr Ruth Adams	Deputy Chief Executive	SCR Executive Team
Noel O'Neill	Chief Finance Officer/S73	Sheffield City Region
	Officer	
Mark Lynam	Director of Transport, Housing and Infrastructure	SCR Executive Team
Sharon Kemp	Chief Executive of Rotherham Metropolitan Borough Council	Rotherham MBC
Sarah Norman	Chief Executive	Barnsley MBC
Craig Tyler (Minute Taker)		

**Apologies:**

Laura Bennett	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Councillor Julie Dore	Sheffield City Council
Steve Davenport	
Charlie Adan	Sheffield City Council
Damian Allen	Doncaster MBC

1        **Welcome and Apologies**

The Chair welcomed members and officers to the first virtual meeting of the SCR LEP Board.

Members' apologies were noted as above.

2        **Declarations of Interest**

None.

3        **Notes of Last Meeting**

It was agreed the notes of the previous meeting were an accurate record.

4        **Economic Implications of COVID 19**

A report was received to consider the economic implications of Covid-19 and to present an update on the SCR Economic Recovery Plan.

The report proposed the development of the Sheffield City Region (SCR) Economic Recovery Plan (ERP) is a vitally important move to mitigate the worst effects of the Covid-19 crisis and ensure a strong and timely recovery towards a more resilient economy and society.

It was noted the ERP will set out SCR's primary response to Covid-19 and will be aligned with the Strategic Economic Plan (SEP). The ERP will be the bridge to the SEP, in that it will set out the more immediate to medium term actions we need to take.

The meeting considered:

- the alignment of the city regional plan with local district level recovery plans,
- the alignment of the economy with wider societal issues facing places,
- the need to recognise that the actions required to aid recovery have very different timeframes and need to be sequenced correctly for maximum effect
- the importance of flexibility and the need to deploy recovery activity quickly and efficiently

It was suggested the SCR's capability to derive funding for recovery from central government will be enhanced if our asks are ambitious and well communicated, with support evident from all public and private sectors.

RESOLVED, that the Board notes the economic implications and the process proposed to react to the Covid crisis and plan for recovery.

5        **Approach to Working with Businesses**

Item restricted.

## **Energy Strategy**

A report was received to present the final draft SCR Energy Strategy for approval. It was confirmed the Strategy as presented encompasses the amendments previously agreed by the LEP Board.

It was proposed that the 'strategy' as presented presents the SCR's ambition and an outline road map for achieving that ambition, rather than being a fully costed strategy per se and will act as a basis for determining where the SCR needs to prioritise effort and investment and in doing so inform our plans.

It was agreed the document presents very good baseline data and is therefore capable of supporting the development of those plans.

The meeting discussed the importance of aligning our energy strategy with our carbon net-zero ambition and where this will need to be evident in our action plans.

It was noted plans will be drafted in a manner which enables supporting new technologies to be pulled in as they become commercially available.

Questions were raised around references to research assets and a request made for the report authors to re-check some of those references.

Action: Mark L to address the questions raised in relation to the research assets.

It was suggested there is still a great deal of intelligence that can be drawn on to support the development of the strategy and plans to ensure it is fully ambitious and requested that all such evidence be submitted as soon as possible for consideration.

The meeting recognised that the strategy needs to be written mindful of the covid pandemic and ensure the thinking of employers in respect of how and when they proposed to return to full operation is captured.

RESOLVED, that the LEP Board notes the SCR Energy Strategy as recommended by the SCR Infrastructure Board and notes the proposed next steps for implementation, including the revisions required ahead of submission to the MCA.

## **LGF Update (year end 19/20 & 20/21 Programme)**

A report was received to inform the Board of the LGF Year end 2019/20 position and set out the 2020/21 LGF programme activity, noting this is the final year of the current six-year LGF programme.

It was reported the 2019/20 position was of 100% spend and delivery and that whilst a 2020/21 grant of £43.2m is expected this year this is still to be formally confirmed by government.

Members thanked the SCR Executive Team for the report and discussed how

there might be more delegated decision making at a local level to speed up our ability to invest LGF funding.

RESOLVED, that the Board:

1. Notes the 2019/2020 Year End position
2. Notes the predicted 2020/21 LGF programme activity

## 8 **Annual Performance Review**

A report was received to present the outcome of the 2019 / 2020 LEP Annual Performance Review.

It was reported that following the conclusion of the Review, it has been confirmed that the Sheffield City Region LEP has attained 'good' for the themes of delivery and governance and 'requirements met' for strategic impact.

RESOLVED, that the Board notes the outcome of the Annual Performance Review.

## 9 **LEP Annual Report 2019-20 and Delivery Plan 2020-21**

A report as received reminding members of the requirement of the LEP Review 2018 that all LEPs are required to publish an end of year report to outline the activities, outputs and achievements that have been delivered in the preceding financial year, and an annual delivery plan of activities for the coming year.

The report therefore presented, for approval, the LEP Annual Report (2019-20) and Delivery Plan (2020-21). It was noted these have been combined into a single document rather than separate documents for ease.

It was noted the document needs to be published by 31<sup>st</sup> May this year and any comments should be received in good time.

Members were asked to note the key achievements listed at section 2.2 of the report.

RESOLVED, that the Board:

1. Endorses the content of the LEP Annual Report (2019-20) and Delivery Plan (2020-21)
2. Delegates final approval of the final document to the Chief Executive, in consultation with the Chair, to comply with the requirement to publish by the 31st May 2020.

## 10 **Mayoral Update**

The Mayor presented the mayoral update and highlighted the key economic matters contained within his report.

The meeting considered matters of finance in more detail and the wider



potential effects of the covid pandemic on local government.

11

## Chief Executive's Update

A report was received to provide Members with a general update on activity being undertaken by the LEP.

Questions were received from Cllr Dore who was unable to attend the meeting. Below is the listed questions and responses.

Q. As the Mayor has now set up his Social and Economic Recovery Group; does this cause implications for the LEP Board, undermining its role and the role of the Members of the LEP?

A. The linkages between the work of the LEP Board and the Economic Recovery Group were formalised at the commencement of the Recovery Planning process. The LEP Chair is a Member of the Recovery Group, and as part of this work convenes a business focused sub-group which is led by the LEP Chair / Vice Chairs, with involvement of other Board Members. Private sector LEP Board Members have been invited to provide input to the developing Recovery Plan. Following discussion of this question and response Private Sector Members of the LEP Board did not express any sentiment of their role being undermined.

Q. In a news bulletin from the SCR Mayor it stated that three businesses had had their loans extended. Who were these three companies? Who took the decision to extend the loans and on what basis, what are the implications of extending these loans and which other companies have loans with the SCR? As a matter of courtesy, shouldn't Members of the LEP be informed of these decisions, prior to it being published?

A. The three companies were Gulliver's Valley, DSA and Yorkshire Wildlife Park. There have been no changes to the amount of debt to be repaid or the outcomes to be delivered by these companies as a result of these decisions. It is merely a deferral of the repayment dates. The decision to extend the term of the loan was made by the S73 Officer; The Constitution allowing the Finance Director to determine the standard payment methods that may be used to collect income and responsibility for debt recovery and general sound financial management of the Authority. James Muir writes a briefing for the LEP Private Sector Members each week and advised Private Sector Members of this matter in his briefing on 3rd April 2020. The deferred repayments will be reported to the MCA in the delegated authority report. In response to the question Mayor Jones asked for a further update on the implication of income deferral on the budget. The S73 Officer reported that the loan repayments had not been factored into the profile of the capital programme budget for future spend.

Q. Price Waterhouse Cooper - why was this organisation appointed to work with the SCR, on what basis and for how long? Who made the decision?

A. A tender was issued on the 12th February 2020 for a company to support the work of the LEP in revising the approach to business support

and growth aligned to the approach in the economic plan. The outcome of the procurement process was to award to PWC. Due to the pandemic and potential for a recession and significant economic downturn this work was delayed refocusing energies toward developing an economic recovery plan. SCR utilised the flexibility in the procurement regs linked to COVID (PPN 01/20 (Procurement Policy Note - Responding to COVID-19) published by government), whereby contracting authorities are able to utilise exceptions to public procurement regulations. SCR has made a direct award due to extreme urgency (regulation 32(2)(c) to appoint PWC to support the Economic Recovery Plan, as the successful bidder in a related procurement exercise that had been openly run and awarded and based upon the skillset identified in their winning business support tender. The decision was made to award the additional deliverable to PWC by the Statutory Officers utilising their delegated authority as set out in the Constitution.

The meeting discussed how the Covid pandemic might impinge on both revenue and capital budgets and treasury management activity.

Action: Noel to circulate further information to members to explain how LGF loan repayments are factored into budget forecasting.

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

Signed .....

Name .....

Position .....

Date .....

16<sup>th</sup> July 2020

**SCR RENEWAL ACTION PLAN**

**Purpose of Report**

This report presents the draft SCR Renewal Action Plan.

**Thematic Priority**

This report relates to all of the existing and future Strategic Economic Plan priorities.

**Freedom of Information**

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

**Recommendations**

The Board is asked to

1. consider and endorse the draft SCR Renewal Action Plan
2. to agree to take forward the delivery planning through the appropriate Thematic Boards.

**1. Introduction**

- 1.1 The development of the Sheffield City Region (SCR) Renewal Action Plan (RAP) is important move to mitigate the worst effects of the Covid-19 crisis and ensure a strong and timely recovery towards a more resilient economy and society. The RAP is aligned with the Economic Plan (SEP) and will act as a bridge to the SEP, setting out the more immediate term actions we need to take and should allow us to reset and confirm our priorities and the sequence of interventions needed in the medium to longer term.
- 1.2 The RAP has been designed with three linked horizons in mind – Relief (immediate term) Recovery (medium term) and Resilience (long term). The interventions in the draft RAP developed so far are designed to be delivered within the next 12 to 18 months to bring immediate **Relief** to local people, employers and businesses.
- 1.3 The draft RAP is attached at Appendix 1 for consideration by the Board and will be presented to the MCA at its next meeting for final approval.

**2. Proposal and Justification**

**2.1 Economic impact of Covid-19**

The RAP focuses upon three main areas of action:

- People
- Employers
- Place

The evidence clearly showed that the areas above will face the greatest challenges and thus should be the focus of all our activity. These challenges laid bare by the evidence are briefly summarised below.

## 2.2 People

The global and national economic outlook is widely predicted to be bleak, albeit it is difficult to quantify just how bad the economic impact will be.

The potential impact on the City Region could be devastating for our communities, particularly the predicted rise of unemployment. There is also expected to be a significant loss of training opportunities, at least in the immediate term. This includes those made unemployed, forced into unemployment by personal circumstances, those currently on the job retention scheme though at risk of unemployment, and those to be made unemployed in the next 6 – 12 months.

### 2.12 Employers

There are immediate concerns of the liquidity of many businesses in SCR. It is expected that as supportive measures reduce or are discontinued, the business base will face pressing cashflow, invoicing and investment challenges. There is a risk of widespread insolvencies, due to a lack of demand and/or inability to operate in the wake of COVID-19 impacts. This includes those businesses over leveraged through loans and Central Government support, who will no longer be viable once Central Government support ends.

### 2.15 Place

Our places are feeling the effects of social distancing measures and reductions in disposable income due to furlough measures or loss of income due to increased unemployment. This is most stark in our urban centres which are facing current challenges with their space configuration and mobility and could see longer term issues, particularly with property values.

With the potential closure, or failure, of high street retailers our urban centres face an uncertain future. This includes the knock-on impacts on wider determinants of health and wellbeing, community, inclusion, transport, housing and employment / engagement opportunities

### Responding to the challenges

Appendix 1 provides more detail on the interventions proposed but the high-level objectives are presented below:

- **People** - *we will invest to ensure local people have the opportunity to develop their skills, and to find, stay and progress in work*
- **Employers** - *We will invest to ensure employers can survive, adapt and thrive*
- **Places** - *We will invest to create jobs and thriving places, in a way that reduces inequality and enhances our environment*

### 2.16 Next steps and timescales

This paper proposes that the Board considers and endorses the RAP. This will put the City Region will be in a stronger position as we engage with central Government and other partners.

The AP will be presented to the MCA at its July 2020 meeting. Once approved, implementation plans will be developed via the appropriate Thematic Boards. These will be presented to the LEP and MCA Boards at the September meetings and delivery will begin as soon as funds are available and allocated.

### 3. Consideration of alternative approaches

- 3.1 The document aligns many views on recovery, renewal and resilience and the preparation of the RAP involved input from stakeholders to shape evidence, options, approaches, objectives and the ambition. At every stage of the process, we have been guided by LEP and MCA members.

### 4. Implications

#### 4.1 Financial

The RAP will help to secure additional funding from Government for SCR. Delaying its completion may hamper our ability to secure the investment, people, employers and place need.

The costs associated with the completion of the RAP, have been accounted for within the existing approved budget.

#### 4.2 Legal

There are no legal issues for this paper.

#### 4.3 Risk Management

If endorsement is delayed, the LEP, MCA and partners' ability to secure additional funding from the new Government and deliver on our ambitions could be weakened.

#### 4.4 Equality, Diversity and Social Inclusion

The emerging RAP will help to address poverty and the health and wellbeing of the local populations and therefore will contribute to improving social inclusion. Covid-19 is disproportionately affecting vulnerable groups – from a health and economic perspective and the RAP seeks to target these groups.

### 5. Communication

- 5.1 Proactive communications will be delivered across a range of channels, including digital, social and traditional media, following approval of the strategy.

The LEP and MCA will work with partners and stakeholders (e.g. MPs) to deliver this communication. A communication plan is available.

### 6. Appendices/Annexes

Appendix 1 – Draft Renewal Action Plan

<b>REPORT AUTHOR</b>	<b>Jonathan Guest</b>
<b>POST</b>	<b>Senior Economic Policy Manager</b>
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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ. Other sources and references: N/A.

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Draft Document

**SCR RENEWAL  
ACTION PLAN**

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# Executive Summary

The Sheffield City Region (SCR) has been hit hard by COVID.

In response, we have developed a **Renewal Action Plan (RAP) to deliver a jobs-led recovery**. Our aim to provide immediate help for our people, employers and places, while also contributing to our longer-term goals and the transformation of our City Region. It must make us:

- **Stronger** – an economic transformation to create not just a bigger economy but a better one: higher-tech, higher skill, and higher-value;
- **Greener** – a green transformation to decarbonise our economy, improve our environment, and revolutionise our transport; and
- **Fairer** – a transformation of wellbeing and inclusion, raising our quality of life, reducing inequality, and widening opportunity.

The investment we are asking for will not just deliver a jobs-led recovery to rescue the South Yorkshire economy; it will also start to ‘level it up’. It will back our people and our entrepreneurs when they need it the most, and create better, as well as more, jobs. It will accelerate the transition to Net Zero Carbon while making our communities stronger. It will help not just South Yorkshire, but the whole country.

Our Renewal Action Plan has been developed in close partnership with our business community, councils, universities and other partners. It focuses on the immediate relief we must provide over the coming 12-18 months (*depending on how long it takes to fully control this virus*) and the seeds we must sow now to build back better. That support is targeted around three areas of action:

- **People** – supporting people adapt to the new economy and be better able to access higher-skilled jobs
- **Employers** – supporting businesses to adapt, survive and thrive in the new environment
- **Places** – stimulating the local economy to create jobs, and transform our places

Our approach in the next 18 months will:



**Give a hand up for people to improve their skills, get back to work, remain and/or progress in work, or set up in business**



**Accelerate our Net Zero Carbon transition**



**Back our wealth and job creators**



**Get South Yorkshire moving by foot, bike, bus, tram and train**



## Put cranes in the sky and spades in the ground

### The challenge ahead

We are a growing economy with huge untapped potential. We are home to world-class companies and universities and have powerful strengths in high-precision engineering and design, materials, manufacturing, healthcare, digital and creative technologies, future mobility and clean energy.

The same capabilities that put the City Region at the heart of the world's first industrial revolution can put us at the centre of the fourth – producing new materials, new processes, and new answers to the environmental, social, and wellbeing challenges facing the UK and the world.

With our strong research capabilities, major employment sites, local engineering and manufacturing supply chains, and strengths in low carbon technologies, we are well- placed to help drive the Net Zero Carbon transition for the whole country.

Our economic base is shifting towards a more productive and low carbon future, but that transition is far from complete – and the impact of COVID-19 threatens to undermine our progress.

The public health impact of the disease has been particularly strong on deprived areas, BAME people, the disabled and other vulnerable people in South Yorkshire. The economic impact is also uneven –and centred upon our deprived communities and on women.

Already, the City Region has seen some communities face far higher levels of unemployment, furloughing and business closure than the national average. One in three of our 18 to 24-year old employees (excluding students) have already lost jobs or been furloughed.

### What we can do, what we need

The investment we are requesting would create wide-ranging benefits: mitigating the worst socio-economic impacts of COVID, getting 55,000 people in work or training, helping 25,000 businesses to adapt and innovate, and accelerating key strategic objectives like decarbonisation. Details and costing for each action to help our people, employers and places are set out below<sup>1</sup>. To achieve this ambitious vision, we require £1.72bn of investment. We will invest our own funds as part of this, but further support is needed.

### Why we can deliver

- Strong and accountable leadership – through our MCA and directly elected Mayor, we have robust, transparent, and democratically accountable leadership. This includes appropriate assurance mechanisms. The MCA works extremely closely with the LEP to combine the best of public and private sector leadership.
- Track record of delivery at scale – since 2012, the LEP and MCA have created 15,150 jobs and 2,200 apprenticeships; assisting 6,000 learners; leveraging £319m of investment and supporting 24,000 companies. The MCA is now two-thirds of the way through the delivery of its multi-year

<sup>1</sup> Detailed costs and benefits will be produced as the plan is developed further.

Growth Deal, which is forecast to eventually create more than 68,000 jobs, support 14,000 learners and leverage £1.6bn of investment.

SUPPORT PROGRAMME OBJECTIVES	INVESTMENT REQUIRED <sup>2</sup>	TARGETS AND OUTCOMES
Help people find jobs and adapt to the new economy	£770m	Helping 35,000 people re-engage with labour market, creating benefits such as: <ul style="list-style-type: none"> <li>• 3,000 apprenticeships and other training positions</li> <li>• NEET levels below national average</li> <li>• Higher share of leavers/graduates in education or work within 12-18 months.</li> </ul>
Support employers to adapt, survive and thrive despite COVID	£380m	Over 25,000 businesses supported: <ul style="list-style-type: none"> <li>• COVID-adapted working environments</li> <li>• Reduced carbon emissions</li> <li>• 15,000 jobs created through supply chain re-shoring / localising</li> <li>• Invoice and cashflow support</li> <li>• Investment to innovate and thrive.</li> </ul>
Infrastructure investment to level up our economy, create jobs, and transform our communities	£570m	Strengthened communities and urban centres underpinned by: <ul style="list-style-type: none"> <li>• Maintained cycling and walking rates</li> <li>• Uplift in urban footfall and spend</li> <li>• Created/supported across 6,000 new jobs across infrastructure programmes</li> <li>• Improved local economy resilience and health and wellbeing.</li> </ul>

<sup>2</sup> This is the upper range of modelled cost estimates.

## Foreword

**PLACEHOLDER FOR FOREWARD FROM MAYOR, LEP CHAIR and ENDORSEMENTS**

DRAFT

# 1 Introduction: A Stronger, Greener and Fairer SCR

This Renewal Action Plan (RAP) sets out the actions needed to accelerate a **jobs-led economic, social and sustainable recovery** in the wake of COVID-19. The UK, like many other countries, has experienced a nationwide “lockdown” that has put most social interactions on hold, dramatically reduced business activity, and may have fundamentally changed the way the world will operate in future. The long-term impacts are yet to be seen and fully understood.

In response, the SCR Mayoral Combined Authority (MCA) has developed this plan which aims to provide immediate help for our people, employers and places, while also contributing to our longer-term goals and the transformation of our City Region. It must make us:

- **Stronger** – an economic transformation to create not just a bigger economy but a better one: higher-tech, higher skill, and higher-value;
- **Greener** – a green transformation to decarbonise our economy, improve our environment, and revolutionise our transport; and
- **Fairer** – a transformation of wellbeing and inclusion, raising our quality of life, reducing inequality, and widening opportunity.

The purpose of this Plan is to provide the MCA with a detailed action plan that will articulate the next steps to renew the economy. A clear distinction has been made between immediate relief from COVID-19 (<1 year), recovery and long-term renewal (1-3 years and 3+ years respectively), aligned with the Strategic Economic Plan (SEP).

The investment we are asking for will not just **deliver a jobs-led recovery** to rescue the South Yorkshire economy; it will also help **‘level it up’**. It will back our people and our entrepreneurs when they need it the most, and create better, as well as more, jobs. It will accelerate the transition to Net Zero Carbon while making our communities stronger. It will help not just South Yorkshire, but the whole country.

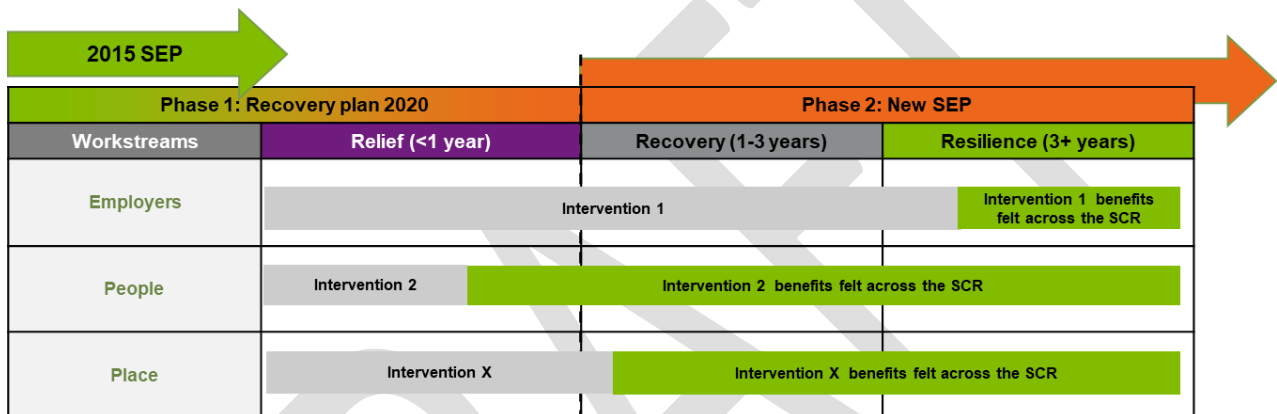
## 2 Renewal Priorities

### 2.1 Relationship between the Strategic Economic Plan (SEP) and Renewal Action Plan

The RAP has been developed to align with the SEP. The diagram below (**Figure 1**) highlights the interdependencies and complementarities. The SEP, its evidence base, and the changing context, form the foundation of the RAP.

The RAP is a COVID-19 specific, jobs-led plan, focused on addressing the direct and indirect impacts of the pandemic. Given that many of the interventions directly needed for socioeconomic renewal relate to pre-COVID-19 problems, and have medium or longer timescales for implementation and benefits realisation, there is considerable and deliberate overlap with the SEP.

**Figure 1: Interdependency between the RAP and SEP**



Note: The RAP and SEP are also part of a wider suite of documents which outline existing and planned activities and priorities for the MCA and partner organisations.

The implementation and impact timing of each intervention will vary. Some interventions can be implemented in the short-term, and realise benefits quickly, whereas others require immediate intervention to gather the necessary momentum but will realise more significant benefits in the longer-term. This reinforces the inherent link between the RAP and the SEP.

**Our aim is to deliver a jobs-led recovery which changes the path of our economy and creates a stronger, greener and fairer South Yorkshire.**

### 2.2 Strategic Focus and Horizons

The LEP and MCA’s policy objectives (Growth, Inclusion and Sustainability) which are set out in the draft new SEP, have helped to frame the immediate response, as well as our longer-term ambitions. They also represent a framework to examine our current and future challenges, aspirations and the changes or innovations that are needed to deliver positive change. The policy objectives shape three transformative horizons for SCR:

- **An economic transformation:** creating not just a bigger economy but a better and stronger one, with better jobs, more innovation and greater resilience.
- **A transformation for wellbeing and inclusion:** improving our quality of life, reducing inequality, and widening opportunity.

- **A green transformation:** decarbonising our economy, improving our environment, transforming our transport infrastructure.

COVID-19 has created a monumental shift in our society and economy. The viability of business-as-usual ways of life will continue to be affected, and transformational change throughout society and the economy will be required. These three transformative horizons highlight the complexity of COVID-19 and present the action and change needed to avoid damaging economic and social shocks in SCR.

The rest of this RAP focuses on three action areas:

 <p><b>Local People</b></p> <p><i>We will invest to ensure local people have the opportunity to develop their skills, and to find, stay and progress in work</i></p>	 <p><b>Employers</b></p> <p><i>We will invest to ensure employers can survive, adapt and thrive</i></p>	 <p><b>Places</b></p> <p><i>We will invest to create jobs and thriving places, in a way that reduces inequality and enhances our environment</i></p>
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### 2.2.1 Local People

***Our promise: We will invest to ensure local people have the opportunity to develop their skills, and to find, stay and progress in work***

The short-term loss of employment and training opportunities may persist into the medium to long term if significant interventions are not quickly developed and implemented. SCR is likely to see a spike in unemployment towards the end of the Job Retention Scheme, and then subsequently in waves, depending on how the pandemic evolves. People at risk include those made unemployed directly, those forced into unemployment by the knock-on impacts, those currently on the job retention scheme who may yet be at risk of unemployment, and those yet to become unemployed in the next six months.

### 2.2.2 Employers

***Our promise: We will invest to ensure employers can survive, adapt and thrive***

The widespread closure of businesses, including SMEs and large corporations, due to a lack of demand and/or inability to operate in the wake of COVID-19 impacts, is a significant challenge to the City Region. This has led to a deep depression in business turnover, with a potential for a deep recession depending on the course of the pandemic and the wider socio-economic fundamentals. Particularly at risk are businesses which are over-leveraged through loans and other forms of liquidity injection, and which may no longer be viable without further support, irrespective of the viability of their operating models. Also, likely to struggle are businesses which fail to adapt to new regulations, those which operate in vulnerable sectors of the economy, and those with fragile business models.

### 2.2.1 Places

***Our promise: We will invest to create jobs and thriving places, in a way that reduces inequality and enhances our environment***

With the long-term closure or failure of high street retailers, our urban centres and local communities face an uncertain future. This includes the knock-on impacts on wider determinants of health and wellbeing, inclusion, transport, housing, pollution, leisure and employment / engagement opportunities.

### 3 Immediate Relief: Critical Interventions

The interventions set out below are the steps that the MCA and partners will take within the next 12-18 months to counter the most immediate problems caused by the pandemic and to capitalise on areas of opportunity. They have been prioritised here based on their potential for rapid impact and the protection they can offer to the most vulnerable populations and organisations. They are focused around the three areas of action presented in Chapter Two.



**People**



**Employers**



**Places**

DRAFT



## 3.1 PEOPLE

### Delivering a jobs-led recovery where people access secure employment and adapt to the new economy



People



Employers



Places

#### 3.1.1 Context for Interventions

There are several challenges facing our people as a result of COVID-19, some of which are set out below:

##### Unemployment



**Unemployment is rising across the UK and in the SCR**, presenting a critical challenge for all. In SCR, unemployment has historically been higher than the national average. Pre-Covid-19 it was 5.3% compared to the national average of 4.0%.

##### Pay



Unemployment challenges are compounded by low wage levels within the City Region. Prior to COVID-19, **average wages in SCR were 15% lower than the national average**. Furthermore, pre COVID-19, almost **1 in 3 of local people worked in low wage jobs**<sup>3</sup> and these jobs have been **disproportionately affected** as evidenced unemployment and furloughing statistics<sup>4</sup>. Post-crisis, the pay gap may well get worse. There is a need to address the quality, as well as supply, of job opportunities to ensure a structural increase in welfare and prosperity.

##### Recruitment



Businesses have felt dramatic negative effects due to COVID-19 with over **23% experiencing a decrease in turnover of more than 50%**<sup>5</sup> and over half seeing their turnover decrease. This has led to streamlined business operations where reduction in training, administrative and operating investments are likely. Many employers have suspended recruitment altogether which is being reflected in job posting data. For example, during most of April all local authorities in SCR saw a fall of between 10-15% in job postings. In an economy where many businesses do not invest in training or R&D, this can exacerbate economic development issues.

##### Education

The education industry has experienced dramatic disruption, in some cases, worse than the private sector. SCR's universities, AMRC, UTCs, colleges, schools and private training providers are some of the most important economic and social

<sup>3</sup> IBID

<sup>4</sup> OBR 2020, Resolution Foundation 2020

<sup>5</sup> 6th April 2020 to 19th April 2020 - Business Impact of COVID-19 Survey (BICS)



assets in South Yorkshire. **The immediate challenges they face relate to cashflow and finances** with recruitment figures for next year dropping by 50% for some courses in HE and FE on current application rates. There are concerns around students on employer-led programmes (e.g. **apprenticeships**) with some providers seeing a drop of 75% in applications to programmes for 2020/2021.

### Workforce Pipeline



COVID-19 will likely harm the in-house development of **skilled workers** by employers. This has knock-on implications for **workplace-based training opportunities**, such as apprenticeships, meaning the pipeline of skilled labour is expected to constrict. Consequently, employers will suffer skills shortages and loss of institutional knowledge in the coming years as existing staff retire or change employers, increasing their recruitment and training costs.

It is apparent that some specific cohorts face greater exposure to adverse impacts, than others. Several groups in the labour market are usually impacted more than others during recessions. This includes young people, women, the disabled, and Black, Asian and Minority Ethnic (BAME). For example, early evidence shows that 1 in 3 of 18 to 24-year-old employees (excluding students) have lost jobs or been furloughed, compared to 1 in 6 adults aged 25-54 nationally. This will exacerbate existing challenges for these groups<sup>6</sup>. The different population groups will require tailored, additional support as the full extent of the challenges become clear:

- **Age:** There are approximately 433,000 young people in SCR who have already seen their education disrupted. This could also continue to impact upon future employment or continuing education opportunities. Unemployment for 16-24 year olds pre-COVID-19 in SCR was already higher than the national average, at 14% compared to 11% in 2019<sup>7</sup>.
- **Gender:** Women make up over half of SCR's population and measures to combat COVID-19 have impacted upon several female-dominated industries. This, plus women's (additional and traditional) care responsibilities caused by school and childcare closures and the pre-existing gender pay gap, could make the gender outcomes of the recession particularly stark.
- **Disability:** The approximately 230,000 people with disabilities in SCR are more likely to already be socially or economically isolated or polarised and the current situation could exacerbate this.
- **Ethnicity:** The 110,000 people from BAME backgrounds in the SCR and the UK are among the poorest socio-economic groups. People from BAME backgrounds in SCR are also more likely to work in atypical employment (e.g. gig economy) or sectors vulnerable to economic shocks.
- **Disadvantaged communities:** Many disadvantaged communities face multiple deprivation challenges. One indicator of disadvantage and deprivation, students eligible and claiming free school meals, is around 5% higher in SCR than the national average in both primary and secondary schools.<sup>8</sup> Communities with higher deprivation indicators can often face multiple challenges in accessing work or education.

Supporting people in these communities is critical to ensuring that inequality does not grow and highlights the importance of a jobs-led recovery.

<sup>6</sup> See Resolution Foundation, IFS and Centre for Cities 2020

<sup>7</sup> Annual Population Survey 2019

<sup>8</sup> Department for Education, *Schools, Pupils and their Characteristics: January 2019*

### 3.1.2 South Yorkshire Works – an SCR Jobs Programme

We will deliver a **Jobs Programme** called ‘**South Yorkshire Works**’, which has four interventions:

1. **Train to work:** to upskill the workforce at scale
2. **Back to work:** to match people to opportunity, especially in industries like clean energy, health and care, advanced manufacturing and construction
3. **Young people’s skills guarantee:** support young people to progress to work or in education
4. **Overcome barriers:** remove barriers to training and employment for vulnerable groups

<b>South Yorkshire Works: Train to Work</b>	
<b>Context</b>	This intervention guarantees that any individual who wants and needs education, training or an apprenticeship will have an opportunity to do so <sup>9</sup> and be supported into sustainable employment. It draws upon past jobs programmes during recessions such as the Future Jobs Fund, and adapts it to the current situation, including linking to opportunities for growth, targeting disadvantaged groups, incentivising work placements and the acquisition of higher level skills.
<b>To do what</b>	The aim of this intervention is to give people the skills they need to secure employment and earn more. The MCA will guarantee work experience, apprenticeships, and training for all those who need them, and subsidise wages to incentivise employment– reducing unemployment and helping people remain in work and progress to better jobs. We will also provide support (e.g. coaching) to enable people remain in employment.
<b>Delivery</b>	<p>The intervention will be delivered by local institutions (e.g. HE, FE colleges and training providers and existing delivery mechanisms). Organisations that already run education and training programmes (e.g. apprenticeships) have a strong existing network of relationships with local businesses. These organisations will work closely with employment support partners to improve targeting. This will be supported by the existing relationships with businesses, though the ability for wider business leaders to be engaged directly will be explored. Training that delivers higher level skills and placement into sustainable and meaningful employment will be incentivised.</p> <p>It is also important that the programme ensures there is effective geographical and labour market coverage.</p> <p>This will be supported by co-working with local mental health providers and other support services, where delivery organisations will be encouraged to utilise referral pathways to provide individuals with wider support, or information on where this can be accessed.</p>
<b>Targets</b>	<p>This intervention will target approximately <b>20,000 people</b>. Targets and routes into employment will be optimised for the following groups:</p> <ul style="list-style-type: none"> <li>• Young people (and apprentices, graduates and leavers);</li> <li>• Women;</li> <li>• Disabled;</li> <li>• People from BAME background; and,</li> <li>• People from disadvantages backgrounds</li> </ul>

<sup>9</sup> *Noting this is reliant on employer’s capacity to take on apprentices*

	<p>Targets will be set with each partner of the programme, including the SCR CA (e.g. Local Authorities, SCR, Health Partners) on the target numbers, with the focus always on securing sustained employment.</p> <p>As a recognition of the importance to take a lead, SCR MCA commits to employ 3% of staff headcount as new apprentice starts by 2022.</p>
<b>Outcomes</b>	The MCA anticipates an increase of <b>3,000 apprentices and over 17,000 other education, training, and paid work experience positions</b> in 18 months leading to sustainable employment <sup>10</sup> . The programme will also be structured to help fill skills gaps that hold back our tech companies, placing people in sustained employment.
<b>Investment required</b>	<b>£375m - £450m</b> is required over 18 months to subsidise training and apprenticeships, and top up incomes to the level of the living wage. The estimated unit cost will vary with an average of <b>£12,500-£15,000 per person per year</b> .
<b>Requirements</b>	<p>Requirements include:</p> <ul style="list-style-type: none"> <li>• Identification of suitable existing coordination infrastructure to act as delivery vehicles and leads.</li> <li>• Identification of existing assets and programmes which can be scaled up.</li> <li>• Establishment of referral pathways and impact framework for subsidisation.</li> <li>• Education and business sector collaboration to manage delivery.</li> <li>• Skills and capabilities to develop and run the programme at a regional level.</li> </ul>

## South Yorkshire Works: Back to work

<b>Context</b>	The focus on this intervention will be solely on finding employment opportunities for people out of work. Given the economic shocks and constricting market opportunities, the unemployment rate could potentially reach 15% in the 'worst-case' scenario which would equate to approximately 100,000 unemployed, a rise of 64,000 compared to 2019 <sup>11</sup> .
<b>To do what</b>	Facilitate a matching programme between growth sectors, job openings and unemployed individuals. People will also be connected with wider services to help remove barriers to employment not related to skills (e.g. disability support, health support).
<b>Delivery</b>	<p>SCR MCA will work with <b>existing local employment support services</b> (e.g. national delivery partners - JCP, National Careers Service etc and local employment support services). The programme will build on the successful Working Win pilot run across the City Region, and lessons learnt, including the need to connect people with wider services to help remove barriers to employment (e.g. disability support or health support).</p> <p>A second phase of programme will support <b>newly employed individuals to remain and progress in work</b>. This will likely include a <b>career partner</b>, who will provide support and</p>

<sup>10</sup> Employment targets to be developed as programme develops. It is expected to be a high proportion of the numbers undertaking the programme.

<sup>11</sup> *Annual Population Survey 2019*

	advice. Potential actions could include weekly “check-ins” and working through any challenges to reduce drop-out rates.
<b>Targets</b>	This intervention will target an initial <b>10,000 unemployed people</b> with targeting of the programme towards vulnerable cohorts and communities.
<b>Outcomes</b>	This will contribute to SCR’s unemployment rate returning to pre COVID levels (5% or lower). It will also contribute to a rise in economically active people in SCR.
<b>Investment required</b>	The estimates cost is <b>£2.25m - £3m</b> over 18 months to support individuals out-of-work (who do not require re-skilling) back into employment. The estimated unit cost is <b>£150 per person</b> .
<b>Requirements</b>	Requirements include: <ul style="list-style-type: none"> <li>• Identification and integration of existing employment support services</li> <li>• Facilitation by local employment support service firms</li> <li>• Communication and marketing to stimulate uptake, taking note of potential stigma against employment support services</li> <li>• Collaborative approach between employment support services and local businesses, efficiently identifying and matching opportunities</li> <li>• Strong relationships between employment support, local businesses and local authorities</li> </ul>

<b>South Yorkshire Works: Young people’s skills guarantee (Post 16)</b>	
<b>Context</b>	This intervention is about restoring opportunities available to leavers and graduates across the education landscape which have reduced or disappeared due to COVID – helping them address the gaps which might be a barrier to the transition to employment or further studies, and which are not targeted by other support programmes. During particularly challenging times, it is critical to support the young generation, ensuring they continue their development, whether it is further education or building their own careers. It is known that certain cohorts are facing particularly challenging times in finding employment or their next steps in education.
<b>To do what</b>	We will guarantee opportunities for our leavers and graduates who have seen a reduction in prospects. This also includes support for young people transitioning from one form of study to another and then into work. Individuals will also be supported by enhanced careers information, advice and guidance. Education, work, training and mentorship activities to be delivered will include: <ul style="list-style-type: none"> <li>• Subsidised digital, technical and applied education and training programmes;</li> <li>• Matching up cohorts for work, training and mentoring opportunities;</li> <li>• Scaling-up existing programmes around: <ul style="list-style-type: none"> <li>○ Employment;</li> <li>○ Progression; and,</li> <li>○ Careers advice and supporting disadvantage pupils in schools.</li> </ul> </li> </ul>

<p><b>Delivery</b></p>	<p>Education and training providers and local employment services will work together to identify, with specific emphasis on deprived communities, those most at risk of falling into long-term disengagement with the jobs market due to COVID-19. This information will be collated across the City Region to provide a holistic view of the challenge and to identify opportunities for collaboration. Young people will be provided with an informed view of the various routes and options at their disposal. This will be focused on the following areas:</p> <ul style="list-style-type: none"> <li>• <b>Skills development training courses, drawing upon existing programmes and organisations where possible.</b> These courses will focus on providing a bridge between education and employment, focusing on employability, digital, technical and applied skills. These will be facilitated by FE institutions and funded through the MCA.</li> <li>• Partners across SCR will work together with HE and FE institutions to <b>match up cohorts of students through a mentorship and training scheme</b>, utilising communication campaigns and trusted local delivery vehicles to highlight the opportunity for cohorts and provide a bridge to next steps (e.g. employment or study), new skills and experience of other skill-sets.</li> <li>• <b>Existing programmes</b> (e.g. South Yorkshire Future, RISE, Careers and Enterprise Coordinators) will be scaled-up support to leavers, graduates or students into employment or next steps in education. This support will be based on alignment to the strategic priorities of the region (e.g. economic growth, inclusivity and sustainability).</li> </ul> <p>All will be developed with local education and training providers so that targeted support can be provided, and where required, programmes are created to fill gaps and guarantee opportunities for vulnerable or 'at risk' cohorts.</p>
<p><b>Targets</b></p>	<p>This intervention will target <b>4,500 people</b> with a specific focus upon the most 'at-risk' young people.</p>
<p><b>Outcomes</b></p>	<p>Young job seekers will be supported to secure and remain in employment commensurate with their skills and ambition. It will ensure that <b>NEET levels are below the national average</b>. Success will be measured by a greater share of young people staying in employment or in education after <b>6 and 12 months</b>. Targets will be developed through current graduate and leaver surveys. Data will be confirmed with longitudinal data on outcomes.</p>
<p><b>Investment required</b></p>	<p><b>£1.5 - £3m</b> over 18 months to support 16-24-year-olds into employment, training, or education. Estimated unit cost is <b>£240 per person</b>. This excludes apprenticeship and traineeship grants which are captured in the Train to Work programme</p>
<p><b>Requirements</b></p>	<p>Requirements include:</p> <ul style="list-style-type: none"> <li>• Support from educational institutions within SCR.</li> <li>• Collaboration across partners to identify young people not receiving support.</li> <li>• Resource requirements to undertake matching programme.</li> <li>• Identification and unification of existing organisations intervening and supporting struggling students.</li> <li>• Close working between education and business sectors.</li> <li>• Capacity within the labour market and education sector to provide each individual, that would like to engage with the intervention, with the option to pursue their interest development plans.</li> </ul>

## South Yorkshire Works: Overcome barriers

<p><b>To do what</b></p>	<p>The MCA proposes to provide an income grant which will support our most disadvantaged people to eliminate barriers to beginning or continuing education, training and employment. The intervention is about supporting social mobility and reducing inequality. We will use grants to support incomes for the most impacted cohorts not just in employment but in training as well, helping them overcome barriers such as:</p> <ol style="list-style-type: none"> <li>1. <b>Childcare:</b> School closures have meant at least one care giver must remain at home every day for most households. This will dramatically impact single parent families, individuals who are unable to work from home and for those that can it can adversely affect their job performance.</li> <li>2. <b>Digital upskilling:</b> remote/flexible working has become the new norm for many. Consequently, digital literacy is essential for employees to continue their job. This poses a potential challenge for low skilled workers that may not have received IT training. Individuals will be encouraged to sign up to digital training courses facilitated by local education and training providers.</li> <li>3. <b>Digital Assets:</b> Lack of technology and digital access is a major barrier for many households. This impacts the whole family; parents are unable to work, while children will not be able to join online classes. It is paramount that these gaps are addressed with urgency in order to prevent growth in inequality.</li> <li>4. <b>Transport:</b> Public transport use is more prevalent within low income cohorts meaning that reductions or cancellations will impact these groups the most. By providing basic income to access to public transport, the SCR can ensure these groups can continue to engage with the community. This will be delivered in a way that is sensitive to public transport capacity challenges. Therefore, other options like loaning active travel options (e.g. e-bikes) will be considered.</li> <li>5. <b>Housing:</b> The MCA will work with partners to ensure people have the support they may need to secure affordable housing or to be able to stay in their homes (e.g. pay their rent or mortgage).</li> </ol>
<p><b>Context</b></p>	<p>The income grant will be allocated to the most disadvantaged people within the City Region to eliminate barriers to access skills training opportunities and employment. A similar approach has been adopted in Spain where the Government introduced a Minimum Basic Income to 850,000 selected households with payments ranging from €461 to €1,015. This is expected to reach around 2.5 million people and reduce child poverty significantly among those incorporated within the scheme.</p>
<p><b>Delivery</b></p>	<p>As an immediate priority, funds will be managed and disbursed by local authorities and third sector partners who will also be responsible for targeting.</p> <p>The long-term wellbeing and financial resilience of residents is even more important now. The MCA also proposes to build upon the Good Credit South Yorkshire which began in 2019 and provide guidance to all supported to improve access to fair credit, reduce the need for borrowing and seek to improve the local credit environment to ensure that is sustainable.</p>
<p><b>Targets</b></p>	<p>The target is to help at least <b>15,000 people</b> to re-engage with the labour market. This will</p>



	be focused upon the most vulnerable parts of our population, allowing them to pay for or subsidise key services (e.g. childcare, public transport, technology, digital skills) which is often a barrier to progress.
<b>Outcomes</b>	Unemployment benefit claimant counts have risen due to COVID-19 <sup>12</sup> . Specific targets will be dependent on nature of eventual support (e.g. caring responsibilities or digital skills). Empowering individuals to work (e.g. at home) and/or stay in education or training will allow them to support their families and re-engage with the labour market. Addressing challenges and the provision of digital assets and/or childcare could help people embrace job opportunities. This will result in numerous positive outputs for the City Region, such as lower UC claimants, higher levels of wellbeing, inclusion, productivity and income tax. In addition to direct benefits to the exchequer, this will result in avoided costs for the NHS on physical and mental health, and local economic multiplier effects.
<b>Investment required</b>	<b>£285m - £315m</b> over 18 months to support individuals to re-engage with the labour market by overcoming multiple barriers. Estimated unit cost is <b>£13,000 per person per year</b> to top up existing income support during training.
<b>Requirements</b>	Requirements include: <ul style="list-style-type: none"> <li>• Identification of vulnerable cohorts to be targeted, focusing on those in 'hard to reach' places.</li> <li>• A responsive programme structure that is flexible, ensuring support reaches vulnerable groups in a timely manner.</li> <li>• Strong collaboration with local authorities to ensure a consistent research and quantification process that is impartial and equitable.</li> </ul>

For those who would otherwise face long-term unemployment, investing in people to improve their skills and overcome barriers to good employment will reap substantial rewards. Accounting only for reduced exchequer costs associated with supporting unemployed people, South Yorkshire Works, the SCR Jobs Programme, has a high benefit cost ratio, producing at least £2.20 for each £1 invested. Excluded from the figure are anticipated local economic multiplier effects due to more employment, which further strengthen the investment benefits.

<sup>12</sup> Between March 2020 and April 2020, JSA and UC claims in the SCR rose from 30,860 to 50,905, representing an increase of 40%.



## 3.2 EMPLOYERS

### Support for employers to adapt, survive and thrive and deliver a jobs-led recovery

#### 3.2.1 Context for Interventions

One of the largest indirect economic impacts of COVID-19 has been the knock-on effects to businesses and employers. High streets and shopping centres closed, supply chains have been disrupted and many production lines have stalled as economic conditions tightened. Businesses are facing a range of challenges and the prospect of mass insolvency will become a reality if mitigation measures are not effective and timely.

Government has responded by offering a range of financial support packages to prop up companies at risk. While this is clearly critical to keeping businesses afloat, more can be done to support organisations to survive, adapt, and be resilient to the evolving environment. SCR has had a less than national average rate of uptake for certain support schemes due to a larger portion of the SCR's firms not eligible for support.

Further challenges facing our employers are summarised below:

#### Varied impacts on our sectors



COVID-19 affects all sectors of the economy, however the effects differ across market segments. **Technology and logistics are experiencing high demand** due to the lockdown measures; however, this may well be short term before there is a return to a “new normal”. Besides these segments, the wider economy is experiencing a contraction, with many companies issuing profit/loss warnings. **Hospitality and retail services, which employs almost 17% of the SCR workforce have been significantly affected. In the short-term and the longer-term prospects are not positive.**

#### Insolvency



The SCR business base is diverse, and the structure of the economy meant that the initial impact was in line with or even better than the national trend<sup>13</sup>. However certain segments are under now pressure, such as **aerospace and automotive manufacturing**. In addition, **micro and small businesses are being disproportionately affected** due to minimal liquidity buffers, restricted access to capital and not meeting the criteria for government support schemes.

#### Business support



The current crisis and the emerging new normal are preoccupying entrepreneurs and business leaders alike. **They are attempting to understand how to adapt and survive this crisis.** This adaptation requires flexibility to restart operations in a safe and social distanced manner. There is demand from **small businesses across the SCR for support in certain business operational functions** (HR, Financing, Legal and IT). This is a national problem but can be influenced at the city regional level. **Business representative groups have stated that firms find the range of**

<sup>13</sup> SCR Business insights

government support difficult to navigate<sup>14</sup>.

#### Cash flow and invoicing



**Cash is critical for business survival**, as once liquidity dries up and a company is unable to meet its liabilities, it will become insolvent irrespective of underlying profitability. This is a wider problem in the UK due to COVID-19. **It is estimated that the value of late invoices has increased to 39.2%, while the volume of late invoices has increased to 53.4%<sup>15</sup> for business to business activity.** Late invoices will mean that businesses already struggling are uncertain to receive their compensation at the agreed date. This financial uncertainty means that viable business may run out of cash awaiting their invoices to arrive. This will adversely affect micro and small businesses as many do not have the liquidity to weather economic shocks.

#### Technology uptake and benefiting



To maintain social distancing at workplaces for the foreseeable future, the necessity of technology has become apparent. **Technology investment is one of the key aspects of the overall low levels of investment in the United Kingdom compared with other countries post-2007<sup>16</sup>.** Since 2007, companies have met demand growth through increased hiring. However, investment has fallen due to a combination of low demand, overcapacity, and uncertainty, creating a job-rich but investment-weak recovery. Investment into digital and other aspects that increase productivity lagged peers. This is now materialising with an accelerated catchup period. The Humber LEP's *ICT for Growth* scheme in light of COVID-19, received new applications that exceeded funding by 400% of the total programme's funding.

#### Sustainability



Prior to COVID-19, there was significant evidence that sustainable businesses outperformed the market due to several reasons (market growth, lower cost of capital, better governance etc.). This trend was also seen during the COVID-19 downturn with **environmental, social and governance (ESG) and sustainable firms outperformed the market during COVID-19 due increased resilience<sup>17</sup>.** Many **businesses will need to undergo significant change** to comply with the Government Carbon Emission targets and regulations.

### 3.2.2 Interventions to support employers to adapt, survive and thrive despite COVID

Two investment programmes with a total of five interventions will support organisations to adapt and grow, unlocking significant multipliers for the local and national economy:

- Investment Programme 1: Backing employers to adapt and survive:
  1. Services and knowledge support for COVID adaptation

<sup>14</sup> Comptroller and Auditor General - National Audit Office, 2020. *Business Support Schemes. HC 20 SESSION 2019-20.* [online] Department for Business, Energy & Industrial Strategy. Available at: <<https://www.nao.org.uk/wp-content/uploads/2020/01/Business-support-schemes.pdf>> [Accessed 3 June 2020].

<sup>15</sup> Invoice-tracker.sidetrade.com. 2020. *The Sidetrade Unpaid Invoice Tracker.* [online] Available at: <<https://invoice-tracker.sidetrade.com/>> [Accessed 2 June 2020].

<sup>16</sup> Bughin et. al, 2017. *Solving the United Kingdom's productivity puzzle in a digital age.* www.mckinsey.com, [online] Available at: <<http://pinguet.free.fr/mckprodukt18-.pdf>> [Accessed 3 June 2020].

<sup>17</sup> Paun, A., 2020. *ESG Stocks Did Best In COVID-19 Slump.* [online] Gbm.hsbc.com. Available at: <[https://www.gbm.hsbc.com/insights/global-research/esg-stocks-did-best-in-corona-slump?\\_lrsc=ccb36746-1bbe-4d98-85db-0c3bfa89806c](https://www.gbm.hsbc.com/insights/global-research/esg-stocks-did-best-in-corona-slump?_lrsc=ccb36746-1bbe-4d98-85db-0c3bfa89806c)> [Accessed 3 June 2020].

2. Digital upskilling for our organisations
- Investment Programme 2: Backing employers to accelerate growth:
  3. Flexible investment and recapitalisation
  4. Flexible investment and recapitalisation
  5. Employer leadership support
  6. Supply chain and procurement support

***Investment Programme 1: Backing employers to adapt and survive and support a jobs-led recovery***

1: Services and knowledge support for COVID adaptation	
<b>Context</b>	<p>A significant challenge for business survival in the context of COVID-19 is the ability to operate within the evolving regulatory environment with ever changing customer behaviours. To remain viable, organisations must adapt their practices and be COVID-secure.</p> <p>Organisations can benefit from a service that builds upon central government advice and support. This intervention will improve signposting to key business function support across the City Region (e.g. licensing webpages, business rate slips etc.) to more impactfully share key information (and improve uptake of support as well as data collection on support requirements).</p>
<b>To do what</b>	<p>The MCA proposes to provide employers specialist business support that will help them adapt and survive this crisis. This will include for example cashflow insights, HR, legal and health &amp; safety, and health and wellbeing, particularly employee mental health.</p> <p>This is about giving employers – especially SMEs – the knowledge support they need to adapt and survive. It includes scaling up our business support offer, especially around specialist areas like HR, legal, company formation and structure (including cooperative models), health and wellbeing (especially mental health), and health &amp; safety (including COVID adaptations).</p> <p>We will also provide intelligence to help companies make informed cashflow and invoicing decisions, negotiate terms and improve reliability in income projections, reducing the threat of cashflow problems to SMEs especially.</p>
<b>Delivery</b>	Growth Hub, partner institutions across public and private sectors.
<b>Targets</b>	Support up to <b>10,000 firms</b> navigate the end of furloughing/ redundancy, reduce cashflow threats, and adapt successfully to the health, wellbeing and safety challenges.
<b>Outcomes</b>	Arrest any decline in business stock and survival rates will improve. Anticipated impacts will include direct jobs created and safeguarded, and eventual sustained GVA and productivity rise.
<b>Investment required</b>	<b>£2m-£2.5m</b> to provide businesses with access to specialised COVID-19 adaptation support and invoice intelligence. Estimated unit cost is <b>£110 per employer</b> .

<b>Requirements</b>	<p>Requirements include:</p> <ul style="list-style-type: none"> <li>• Uptake and engagement across at-risk business segments and those that would most benefit.</li> <li>• Effective division of roles and responsibilities across the Growth Hub and LA capabilities to ensure support is provided at the appropriate spatial level.</li> <li>• Monitoring and data collation of the delivery vehicles.</li> <li>• Communication and marketing to spread awareness and uptake from business support services.</li> <li>• Identification, or close working with Chambers, FSB and wider partners to identify areas of specialist support for clear signposting to.</li> <li>• Alignment with central governmental objectives.</li> <li>• Business support to outreach to companies who require support to access other forms of credit if terms with suppliers are restricted as a result of cash flow risk support.</li> </ul>
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## 2: Digital upskilling for our organisations

<b>Context</b>	The nature of the COVID-19 pandemic has meant that a key survival strategy across a range of organisations is to adapt operations to a virtual environment, in which products and services can be fulfilled through online platforms. This has accelerated prevailing trends towards digitisation, requiring a timely and scaled response to reach organisations at risk of being 'left behind'.
<b>To do what</b>	<p>The MCA proposes to provide SMEs and other small organisations with the opportunity to digitally upskill, and to use technology to transform their operations by providing access to funding, establishing digital upskilling partnerships and building upon our existing assets.</p> <p>This is about supporting employers (especially micro and small enterprises) to adapt to the new environment through digital upskilling, and accelerating technology adoption to transform operations. Its key elements will include:</p> <ul style="list-style-type: none"> <li>• grants to enable flexible/remote working</li> <li>• scale up existing IT upskilling programmes</li> <li>• enable access to cloud computing and cyber security provision.</li> </ul>
<b>Delivery</b>	Growth Hub, LAs and digital skills providers will lead delivery.
<b>Targets</b>	The intervention will target <b>10,000 SMEs</b> to adapt to the hybrid working environment.
<b>Outcomes</b>	Arrest any decline in business stock and survival rates will improve. Anticipated impacts will include direct jobs created and safeguarded, and eventual sustained GVA and productivity rise.
<b>Investment required</b>	<b>£16m - £18m</b> is required to support digitisation, productivity and competitiveness. Estimated unit cost is <b>£1,600 per employer</b> .
<b>Requirements</b>	Requirements include:

	<ul style="list-style-type: none"> <li>• Effective targeting of organisations those that would most benefit</li> <li>• Driving uptake and engagement through communication and marketing tools</li> <li>• Establishing partnerships and relationships with providers and customers, utilising the region’s strengths and assets</li> </ul>
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***Investment Programme 2: Backing employers to accelerate growth and deliver a jobs-led recovery***

<b>3: Flexible investment and recapitalisation</b>	
<b>Context</b>	<p>The evidence clearly shows that many businesses with viable plans and growth models are under immense pressure and need further investment to survive this crisis. The threat of mass insolvency on a scale not seen with the great depression is real and support should be provided wherever possible to give employers a chance.</p> <p>On the other hand, some activities in the economy are experiencing significant growth. Growth opportunities are emerging, and many businesses are looking to expand. Business start-ups tend to increase in the immediate aftermath of an economic crisis and support is needed to nurture them and to back innovation.</p> <p>This support will also ensure there is growing demand for labour, which is crucial to balance the supply side, people focused interventions presented earlier. It will also help ensure that public money to support businesses generates the greatest possible return and advances our strategic objectives as far as possible.</p>
<b>To do what</b>	<p>The MCA proposes to provide locally administered business loans and grants to support growth Plans. These are vital as several SCR businesses did not meet the criteria to access support from central government. Additionally, this support will not just sustain businesses, but will allow them to grow and effectively respond to the new normal.</p> <p>This is about deploying a range of flexible investment mechanisms to support the adaptation and survival of viable companies and accelerate growth. It includes grants, loans and patient equity investment to help companies struggling with short-term market conditions to survive; to seed innovation and encourage start-ups, and allow businesses to invest, adapt, and grow without over-leveraging.</p> <p>Support would be structured to incentivise and advance innovation from concept to commercialisation, support strategic growth sectors (including advanced manufacturing, health and wellbeing, modern methods of construction and clean energy), workforce upskilling and the Net Zero transition.</p> <p>Also includes support for business and entrepreneurs to explore different ownership models and structures (including equity/ stock issues and mutualisation) and enabling changes to allow this.</p>
<b>Delivery</b>	<p>Delivery will be via the Growth Hub and existing models, and with LAs and, where necessary, through special investment vehicles.</p>

<b>Targets</b>	Support available to <b>10,000 businesses</b> and significant investments (including equity stakes) in up to <b>500 businesses</b> aligned with the policy objectives of the MCA. This will include organisations with different ownership structures like cooperatives and social enterprises.
<b>Outcomes</b>	Business stock will begin to grow. Increase business birth rate over the next 12 months. Significant contributions to reducing carbon footprint and improving social inclusion. Equity investments will seek competitive rates of return and induce local economic multiplier effects.
<b>Investment required</b>	<b>£280m - £320m</b> to invest as appropriate in grants, loans, equity and other support as necessary to help business survival and create the enabling conditions that drives productivity at scale. Estimated unit cost of will vary widely, with an average of <b>£850,000 per employer</b> .
<b>Requirements</b>	Requirements include: <ul style="list-style-type: none"> <li>• These loans or grants would be made conditional on organisations committing to deliver wider socio-economic value in the City Region, such as environmental sustainability, innovation, social inclusion, job retention, and good employment practices</li> <li>• Deploy organisational capabilities across the SCR to effectively and efficiently administer loans / grants</li> <li>• Communications requirements to make clear the offer available to businesses, and eligibility as to avoid misunderstandings of the purpose of the intervention</li> </ul>

#### 4: Employer leadership support

<b>To do what</b>	<p>The MCA proposes to provide leadership, strategic, and operational support to our organisations, enabling them to accelerate the radical change and make the key decisions needed to for their businesses to grow. The proposal will help businesses to think creatively and strategically in the wake of COVID-19 impacts.</p> <p>This is about supporting our business leaders to improve strategic decision making, helping accelerate growth while improving preparedness for the changes ahead, most of which were well underway prior to COVID. This includes support to enable decision making on investment in technology (e.g. AI), low carbon transition, employee health and wellbeing, social responsibility and to develop new markets and innovative operating models.</p>
<b>Background</b>	Beyond measures to make immediate adaptations to business operations, the future viability and direction of organisations must be reconciled with a changed, and changing, environment. Leaders will benefit from tailored support horizon-scanning, identifying market opportunities, and rethinking operating models, which will enable them to develop plans for long-term business survival.
<b>Delivery</b>	Delivery will be led by the Growth Hub and local partners.



<b>Targets</b>	Support up to <b>1,000 businesses</b> to improve overall business leadership and decision making.
<b>Outcomes</b>	Arrest any decline in business stock. Longer term impacts such as GVA and productivity rises will be quantified in accordance with timeframe and scope.
<b>Investment required</b>	<b>£5m</b> to support and improve business leadership and decision making. Estimated unit cost is <b>£5,300 per business</b> .
<b>Requirements</b>	Requirements include: <ul style="list-style-type: none"> <li>• Skills required to provide innovation and leadership support.</li> <li>• Strong intelligence and insight 'offer'.</li> <li>• Relationships with existing delivery vehicles and assets to assist in providing this support.</li> <li>• Communication channels to market the support available.</li> </ul>

### 5: Supply chain and procurement support

<b>To do what</b>	<p>The MCA proposes to support organisations to exploit supply chain opportunities to enable growth. Additionally, the MCA proposes to work with partners, especially the public sector and anchor institutions to pool and leverage their procurement in order to drive up social value and increase local content.</p> <p>This is to support our businesses to exploit supply chain opportunities that emerge. It is also about the MCA, local authorities and anchor institutions pooling and leveraging procurement wherever possible to shorten supply chains and drive up local content and social value.</p>
<b>Background</b>	The unprecedented nature of COVID-19 is challenging and disruption international supply chains and leading to businesses exploring alternatives to their pre-COVID situation. This is providing opportunities for reshoring and increasing local demand as businesses look closer to home to fulfil secure their supply chains. It is also a significant opportunity to influencing procurement decisions within organisations seeking to deliver social value throughout their communities.
<b>Delivery</b>	Delivery will be led by the MCA, LAs and other anchor institutions.
<b>Targets</b>	The target is to support 300 businesses initially and to protect 15,000 jobs.
<b>Outcomes</b>	The programme will utilise baseline figures on local spend and supply chains to identify improvements. The MCA will work with Department for International Trade to exploit re-shoring potential.
<b>Investment required</b>	<b>£31m</b> is required to re-shore supply chains and leverage economic and social benefits through procurement. Estimated unit cost is <b>£100,000 per employer</b> .
<b>Requirements</b>	Requirements include: <ul style="list-style-type: none"> <li>• Business support to outreach to companies who require support to access other forms of credit if terms with suppliers are restricted as a result of cash</li> </ul>

	<p>flow risk support.</p> <ul style="list-style-type: none"><li>• Supply chain expertise</li><li>• Procurement expertise, and the ability to influence procurement policies throughout public sector, other anchor institutions, local organisations</li><li>• Organisational structures to provide this support formally</li></ul>
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The design of interventions is ongoing but similar programmes<sup>18</sup> of interventions delivered high value for money, with BCRs between 2:1 - 5:1. This does not include many of the indirect and wider impacts observed in similar programmes (e.g. productivity and innovation).

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<sup>18</sup> Government-funded business advice programmes delivered by Business Link and programmes run by the British Business Bank.



## 3.3 PLACES

### Infrastructure investment to level up our economy, create jobs and transform our communities

Place plays a vital role in the lives of our residents - it's where we live, where we work, and it's how we travel. The MCA and LEP's immediate response has therefore considered how job creation can be accelerated, and how people and businesses can be better connected in the wake of COVID-19. The impact of this crisis on place, however, is still evolving rapidly and it is unclear at this time what intervention programmes will achieve the desired impact. Urban centres are slowly unlocking, and public transport continues to be constrained by social distancing and public confidence.

#### 3.3.1 Context for Interventions

Our high streets, neighbourhoods, urban centres, and their supporting infrastructure are all being affected in unprecedented ways by COVID-19. The nature of social distancing has led to spaces and infrastructure being perceived very differently, and this may be an enduring legacy of the pandemic. At present, we cannot be sure of the full extent of the impacts of COVID-19 on local communities, though we can be sure they will be substantial, both exacerbating existing problems and creating new ones.

The shift towards the "new normal" is presenting challenges, but also once in a lifetime opportunity, with main considerations identified below:

#### Infrastructure weakness



**We have 'shovel-ready' infrastructure opportunities which can create many good jobs and invest in the future of local communities, while also moving us toward our strategic goals.** Long-term weaknesses in our infrastructure include the housing stock which is among the least energy efficient in the OECD, and our transport infrastructure, which encourages expensive and inefficient modes of travel.

#### Impact on our sectors



**Over 20% of SCR employment is in the most affected sectors of retail, hospitality, and arts, leisure and recreation.** A disproportionate number of these businesses operate in urban centres and all have had to massively scale back or close entirely their operations under lockdown. **Footfall in urban centres declined across the UK by around 80%** during 'lockdown' It is also increasingly clear that a longer-term restructuring is underway; as many businesses and business models will not survive. We have already seen high-profile retail closures and downsizing.

**Access to transport**



**The ability for local people to be mobile is compromised by social distancing, and travel preferences may be permanently reshaped by the pandemic.** For the 27% of households across the SCR without car access, COVID-19 is affecting mobility given the reduced services and safety perceptions of public transport. Some of this travel can be absorbed by other modes such as ‘active travel’, but SCR must find solutions that are inclusive of the whole population. COVID-19 disruption represents an opportunity to **reform transport** use in the City Region in the long-term. In the absence of public transport during COVID-19 and the expected slow return of uptake thereafter, motor vehicle use has intensified. Most UK motor vehicles are still powered by fossil fuel combustion engines, increasing carbon emissions and local air/noise pollution. **Pollution and emissions** are exacerbated by worse traffic on busier roads, with more single-person journeys being made via motor vehicle

**Housing**



The housing market is closely linked to consumer spending. Coronavirus is reducing the amount of housing transactions. At a UK level, mortgage approvals for **house purchases in May 2020 were down 85.8% on a year ago and down 41.5% on April 2020.** There are social and built elements of the housing market which, if supported, could push the local economy through the challenges it current faces.

**Impact on our urban centres**



COVID-19 is driving change in our urban centres. Many urban centres faced several challenges pre-COVID-19 and were already presenting significant opportunities for redevelopment. COVID-19 is **likely to speed up the market forces observed in urban centre operations,** creating a greater urgency for investment and regeneration to support their changing role.

**3.3.2 Interventions in our places**

Four interventions grouped into three investment programmes to help urban areas adapt to COVID and avoid decay; boost sustainable travel; and enable shovel-ready investment in decarbonisation and more broadly – creating jobs and growth while advancing our strategic economic, social and environmental goals.

Investment Programme 1: Covid-19 Spatial Adaption	
<b>Context</b>	The vitality and success of SCR’s urban centres and principal towns is driven by a combination of factors - the disposable income of the local community, transport links, digital connectivity, local business networks and the availability of an immediate catchment which drives footfall and

	<p>passing trade as well as provides access to a skilled workforce. However, the health of both the city and town centres is also closely connected to the sense of identity of South Yorkshire, shaping civic and community pride as well as providing a measure of the quality of life for residents.</p> <p>Many urban centres and towns faced several challenges pre-COVID-19 and were already presenting significant opportunities for redevelopment. COVID-19 is likely to speed up the decline in some urban centre operations, creating a greater urgency to support their changing role. The unprecedented effects of COVID-19 is already altering the face of our city and town centres and these changes may accelerate and/or become permanent. Reconfiguration beyond active travel is required. This includes temporary and semi-permanent changes which will support businesses, organisations (e.g. cultural) and protect people’s health. For example, distancing measures within shops and in public spaces (e.g. galleries or social hubs), and “meanwhile use” of vacant premises (e.g. pop shops and other related purposes).</p>
<p><b>To do what</b></p>	<p><b>The MCA proposes to support local authorities to undertake the rapid reconfiguration of their urban centres to support COVID-19 friendly use.</b></p> <p>We will reconfigure urban centres in order to increase vibrant activity, adapt to the new behaviours and restrictions, and forestall city centre decay; physical infrastructure changes (e.g. widening pathways, one-way pedestrian systems), commercial property use, strategic building and land acquisitions and flexible, responsive and proactive planning.</p>
<p><b>Delivery</b></p>	<p>The intervention will be led by Local Authorities. The SCR will provide support to local authorities to rapidly reconfigure city and town centres to be able to meet social distancing guidelines which in turn also supports the re-opening of non-essential businesses successfully. Each Local Authority will have to consider what this reconfiguration would look like for their specific place (e.g. one-way systems, widening of pathways), though dependent on these requirements, the SCR will provide support to be able to both i) consider methods in which to do so and ii) secure funding / resource to implement.</p> <p>It is proposed that the MCA administer an adaptation fund to support local authorities adapt to the current conditions. In summary, this includes the following areas:</p> <ul style="list-style-type: none"> <li>• Funding to adapt urban centres to increase footfall, confidence and attractiveness in the short term and diversify provision.</li> <li>• Reconfiguring of space (e.g. commercial, car parking, etc) which acknowledges the new normal around accessibility, transport patterns and social distancing.</li> </ul>

	<ul style="list-style-type: none"> <li>• Acknowledging and planning for the important role that flexible space will likely play in meeting people’s needs for residential, retail, offices and services.</li> <li>• Supporting innovative and creative solutions to include heritage in our urban centres should be important. SCR has many heritage assets (e.g. sport, culture, industry, etc) which can play a progressive in innovative and dynamic urban centres.</li> </ul>
<b>Targets</b>	Support will be targeted at cultural, community and social enterprises or start-ups. Interventions will depend on need and opportunities.
<b>Outcomes</b>	Baseline information for all urban centres to allow targets to be established based on support offered. This would include: <ul style="list-style-type: none"> <li>• Footfall and vacant units – (e.g. No increase in empty retail premises by Q3 2021)</li> <li>• Day time/evening economy spend</li> <li>• Independent shops</li> <li>• Density of businesses</li> </ul>
<b>Investment required</b>	<b>£20m</b> is required for an initial 12-month programme of strategic building and land acquisitions to regenerate and avoid decay in our urban centres, and to reconfigure local spaces in the wake of COVID-19 to help the local population adapt to restrictions and changes in how we interact and behave. Following this, <b>£200m</b> of sustained investment will be needed for a further 3 years to transform our urban centres and neighbourhoods and accelerate the levelling up process.
<b>Requirements</b>	Requirements include: <ul style="list-style-type: none"> <li>• Vehicles for provision of funding, and mechanisms to distribute and monitor impact / appropriateness of use.</li> <li>• Developing and accessing thought leadership on transformation of high streets and urban centres in the wake of COVID-19.</li> </ul>

The MCA proposes to fast track transport investment to accelerate active travel plans across the City Region, using COVID-19 impacts as a catalyst for change, and prioritise investment where possible, for our vulnerable cohorts most impacted by the virus.

## Investment Programme 2: Sustainable Travel

<b>Background</b>	The Cabinet Office has estimated that excess delays, accidents, poor air quality, physical inactivity, greenhouse gas emissions and some of the impacts of noise resulting from motorised road transport costs English urban areas £38-£49 billion a year. Evidence suggests that switching active travel for short motor vehicle trips could save £17bn in NHS costs over a 20-year period, with benefits
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	being accrued within 2 years for some conditions <sup>19</sup> .
<b>To do what</b>	This is about providing a sustainable, affordable and safe means for people and goods to move efficiently in line with COVID regulations and beyond. Includes accelerating investment plans to enable and promote cycling and walking, and a commitment to support local development plans which enable more liveable, low traffic neighbourhoods. Also includes a commitment to improve local bus services.
<b>Delivery</b>	SCR MCA and LAs will work together with key private sector partners. Active travel interventions, in the short-term, could take the form of incentives to increase the Cycle to Work scheme uptake by local employers where appropriate, increase the use of electric vehicles for those unable to use active transport, provide grants or loans to purchase bicycles and the provision of free bicycle servicing on roadsides and in urban centres (noting this list is not exhaustive). Furthermore, in response to COVID-19 impacts, interventions could also complement adaptation interventions (e.g. the widening of pavements) to allow more people to walk without compromising social distancing. Other possible delivery mechanisms include bike lanes with protected space for cycling, safer junctions, and cycle and bus-only corridors <sup>20</sup> .
<b>Targets</b>	Maintaining COVID lockdown active travel levels. As of the end of May, 64% of adults walked, and 14% cycled – representing an extra 100,000 cyclists. Increased public transport patronage (baseline increasing but targets linked to pre-COVID-19 levels).
<b>Outcomes</b>	Capital projects which contribute to 620 miles of accessible walking and cycling routes across SCR to enable people to leave their cars at home and support multi modal travel. Improvements to bus network coverage and patronage. Delivery will also have an indirect impact upon footfall and spend. Lastly, health and wellbeing data from PHE will be utilised to understand direct and indirect health outputs.
<b>Investment required</b>	<b>£53m</b> is required for an 18-month programme to trial a set of low-traffic neighbourhoods across the City Region, and to accelerate our Active Travel Infrastructure Programme to improve active travel rates. Estimated unit cost is <b>£490 per person</b> .

<sup>19</sup> Public Health England, 2016. Working Together To Promote Active Travel A Briefing For Local Authorities. [online] London: Public Health England. Available at:

<[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/523460/Working\\_Together\\_to\\_Promote\\_Active\\_Travel\\_A\\_briefing\\_for\\_local\\_authorities.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/523460/Working_Together_to_Promote_Active_Travel_A_briefing_for_local_authorities.pdf)> [Accessed 6 May 2020].

<sup>20</sup> Browne, D, 2020. Government To Release £250M For Urgent Active Travel Schemes - The Transport Network. [online] Transport Network. Available at: <<https://www.transport-network.co.uk/Government-to-release-250m-for-urgent-active-travel-schemes/16630>> [Accessed 10 May 2020].

<b>Requirements</b>	<p>Requirements specific to the intervention include (and is not limited to):</p> <ul style="list-style-type: none"> <li>• Partnership with firms that could help facilitate active travel e.g. bicycle manufacturers</li> <li>• Collaboration with Local Authorities to design and implement reconfiguration of routes</li> <li>• Agility in decision-making to accelerate delivery, taking advantage of catalyst for change COVID-19 has created.</li> </ul>
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### Investment Programme 3

**The MCA proposes the acceleration of low carbon and wider regeneration activities that can help the economy recover and allow urban centres to modernise. SCR will work with Government and local partners on targeted infrastructure investments unleashing their longer-term economic potential with a particular focus on innovative, sustainable, high impact capital projects which can be delivered within 18 months but started straight away.**

The MCA will work with Government to accelerate the delivery of capital projects in order to stimulate places and the economy and support people’s reattachment with place. Accelerating existing and new capital projects will generate new activity, to help create jobs and raise overall demand in the economy.

The MCA proposes to accelerate capital programmes where possible, but also to begin further infrastructure investment in the immediate term, noting that the benefits of this may be felt beyond the next 12 months. **This will be crucial in delivering the jobs-led recovery needed in South Yorkshire.** We aim to accelerate the timetable for our infrastructure development to meets multiple demands (e.g. net zero emissions or flood prevention).

3A: Shovel-ready decarbonisation investment		3B: Shovel-ready infrastructure investment
<b>To do what</b>	<p>Accelerate our transition to Net Zero, while creating jobs, building up our high-value industries, and improving quality of life for our communities. We would do this through:</p> <ul style="list-style-type: none"> <li>• A substantial programme of building retrofits</li> <li>• Supporting green energy projects, including solar, hydrogen, and heat pumps</li> <li>• Establishing a £40m carbon challenge fund, to incentivise and leverage private sector investment</li> <li>• Enhancements to biodiversity and natural capital</li> </ul>	<p>Acceleration of shovel-ready construction and regeneration activities that can help the economy recover, support levelling-up and strategic growth sectors, enhance the public housing offer and drive urban centres to modernise. Shortlisted projects include:</p> <ul style="list-style-type: none"> <li>• Strategic land assembly (e.g. in Goldthorpe)</li> <li>• Improvements to the Greasbrough Corridor</li> <li>• Sheffield’s improvements to Heart of the City Breathing Spaces</li> <li>• A new world class outdoor leisure facility in Sheffield (Parkwood)</li> </ul>

3A: Shovel-ready decarbonisation investment		3B: Shovel-ready infrastructure investment	
	<ul style="list-style-type: none"> <li>• Flood prevention works, bringing forward part of our £273m investment plan</li> <li>• A tree planting programme, closely tied to flood prevention but also to improving neighbourhoods and habitats</li> </ul>	<ul style="list-style-type: none"> <li>• Barnsley: Digital Learning-Sci Tech Building</li> <li>• Better Barnsley Market Gate Bridge</li> <li>• New Active Travel Foot /Cycle Bridge</li> <li>• Town centre public realm in Barnsley</li> <li>• Digital Infrastructure and Construction Space in Doncaster</li> <li>• Active Travel and Digital Infrastructure Programme in Doncaster</li> <li>• 2nd Phase of Century Business Innovation Centre, Rotherham</li> <li>• Public realm improvements in Rotherham Town Centre</li> <li>• Research and Innovation for post Covid-19 Rehabilitation (RICOVR)</li> <li>• Centre for Child Health Technology</li> </ul>	
<b>Delivery</b>	<p>MCA, LAs and other key infrastructure or development partners will work together on delivering projects. Delivery will accelerate existing infrastructure programmes to create jobs in both the immediate where possible, and to begin the necessary steps to create more jobs in the medium to long-term. Delivery will also include:</p> <ul style="list-style-type: none"> <li>• Secure significant investment through various routes to mobilise further programmes and related investments. This will include lobbying for greater flexibility in the delivery of existing programmes (e.g. active travel, public transport, rail modernisation / line re-opening).</li> <li>• Programmes will be tailored to place-specific needs.</li> <li>• Supporting our research organisations to provide insight, evaluation, feedback loops, research insight around capital investment programmes.</li> </ul>		
<b>Targets</b>	Creation of 2,000 new jobs across all programmes and carbon emissions outputs in line with SCR's Net Zero by 2040 target.	Creation or safeguarding of 4,000 new jobs across all programmes and programme indicators.	
<b>Outcomes</b>	Key development indicators across all programmes include employment, GVA and other wide indicators including indirect employment, social value delivery and biodiversity enhancement. Benefits will be specific to capital investment project, and additionally will induce local economic multiplier effects.		
	This will enable SCR to progress against ambitions for a net zero City Region by 2040. Benefits will	This will begin to level up South Yorkshire and accelerate the renewal of the economy. The investment will enhance existing world	



3A: Shovel-ready decarbonisation investment		3B: Shovel-ready infrastructure investment
	depend on which capital investment project are delivered, but will include reduced pollution, enhanced biodiversity, and health improvements.	class assets and enable underperforming parts of the City Region to become catalysts for growth, inclusion and sustainability.
<b>Investment required</b>	<b>£200m</b> is required for the acceleration of shovel-ready decarbonisation, natural capital and clean energy investments.	<b>£300m</b> is required for the acceleration of shovel-ready construction and regeneration activities that will unlock growth and resilience in local economies.
<b>Requirements</b>	Requirements specific to the intervention include (and is not limited to): <ul style="list-style-type: none"> <li>• Understanding of place-specific needs for infrastructure transformation, to assist in prioritisation of accelerated implementation.</li> <li>• Clear understanding of prioritisation framework for accelerated programmes, to avoid a misaligned approach or unintended negative consequences.</li> <li>• Detailed business cases for those capital investment programmes where they do not already exist.</li> </ul>	



## 4 Enabling Delivery

There are seven key enablers which are the critical success factors to facilitate and ensure successful implementation.

1	<b>Funding</b>	This is a good opportunity for the City Region to take a lead in shaping the national agenda. The MCA will invest its own resources to deliver this plan. However, given the scale of the challenge, significant additional funding from central government is required to truly level up South Yorkshire.
2	<b>Local commitment and collaboration</b>	The active collaboration between partners that goes beyond organisational and geographical boundaries will provide aligned delivery across the City Region, and avoid the risk of duplication of efforts. The Plan, and its interventions, will not be successful if they are not supported locally, and championed by the organisations that provide direct support to people and organisations.
3	<b>Central Government Support &amp; Alignment</b>	Alignment between the SCR Renewal Action Plan and Central Government priorities for national economic recovery ensures that all partners are working towards the same goals. This in turn reduces the barriers to implementation. Central Government recovery priorities have focused on zero carbon, innovation, social inclusion and the localising of supply chains where possible. These are fully aligned with this RAP.
4	<b>Governance, trust and distributed leadership</b>	The MCA has the highest levels of accountability and governance and agreed assurance framework. These will guarantee the successful delivery of this RAP. The MCA and LEP will continue to build on these key structures, support the review of the HM Treasury Green Book and ensure its processes remain “best in class”.
5	<b>Identification of local delivery vehicles (LDVs), where required</b>	The RAP is designed to enable the use of existing local delivery vehicles and assets wherever possible, to accelerate delivery. This approach leverages existing relationships, expertise and structures which in turn accelerates delivery, but also build upon the existing strengths of delivery or stakeholder organisations.
6	<b>Agility and data-led decision making</b>	The very nature of COVID-19 has meant our businesses and people have had to be agile in the way they operate, consume and live their daily lives. This level of flexibility will continue to be required as we further understand the wider implications of COVID-19. The use of real-time data where possible, will be integral to understanding the impact and uptake of the interventions. The establishment of a ‘data dashboard’, accessible across the City Region and utilising real-time data where possible, is therefore critical.

<b>7</b>	<b>Communications</b>	Each intervention has its own audience and therefore requires a different set of nuanced tailored, messaging. The MCA and all delivery partners will ensure that the interventions are fully and effectively communicated via all channels so that all who need support can be reached.
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16<sup>th</sup> July 2020

## Getting SCR Building

### Purpose of Report

This report provides an update on the recent announcements for devolved funding to support major employment and housing development in the SCR.

### Thematic Priority

This report relates to the following Strategic Economic Plan priorities:

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

### Freedom of Information

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

### Recommendations

The Board is asked to:

- Note the Government's funding allocation to the MCA for infrastructure of £33.6m and £40m for housing developments;
- Comment on and support the proposed Major Capital Schemes set out in Annex 1 for the capital spend; and
- Comment on and support the proposals for accelerating the delivery of the infrastructure and housing schemes as set out in the conditions of the funding allocation.

## 1. Introduction

- 1.1 On the 30<sup>th</sup> June 2020, the Government launched 'A New Deal for Britain' which it set out as the first steps in stimulating the economy following Covid 19 pandemic.
- 1.2 As part of this strategy, £73.6m of funding has been allocated to the MCA for supporting immediately deliverable infrastructure schemes and to support the development of housing schemes on brownfield land. This report sets out the actions being taken to meet this challenge and accelerate delivery of these schemes across the SCR.

## 2 Proposal and Justification

- 2.1 Sheffield City Region Mayoral Combined Authority (MCA) has been awarded £33.6m for a prioritised programme of Major Capital Schemes that are 'shovel ready,' along with a further

£40m from the Government's Brownfield Fund for a programme of housing schemes on brownfield sites over the next 5 years.

### Major Capital Schemes

- 2.2** Prior to the Government's announcement, the MCA and the LEP oversaw the collation and prioritisation of major infrastructure capital schemes that were 'shovel ready' and could be delivered within 18 months. This was undertaken in a very short timescale to meet Government deadlines and involved the prioritisation of a long list of over 80 schemes.
- 2.3** A prioritised list of schemes, as seen in Annex 1, with a funding ask of £31m was submitted to Government. The schemes are a range of employment, skills, digital, public realm, regeneration, and active travel infrastructure schemes, and all but one is located with the Infrastructure Place Package Growth Areas which are identified in the draft (new) Strategic Economic Plan.
- 2.4** Whilst the total funding ask was £31m, the MCA will receive £33.6m in total. Following consultation with the Mayor, it is proposed that this additional £2.6m is prioritised for a pan-South Yorkshire project which would both benefit all authorities and contribute towards wider SCR priorities such as environmental sustainability. For example, this could include a South Yorkshire wide electric vehicle (EV) charging infrastructure project being prioritised for this additional funding following the work undertaken by Arup for the MCA earlier this year. This would aim to install up to 230 Fast Chargers and Rapid Chargers in urban centres and other key strategic locations across the SCR. Further discussions would need to take place with MHCLG to confirm the final agreed list of projects.
- 2.5** The LEP Board is asked to comment on and support the programme of priority schemes set out in Annex 1.

### Brownfield Housing Programme

- 2.6** The £40m devolved funding for housing, as part of the Government's Brownfield Housing Programme announced in the Budget, will enable an expansion of the MCA and LEP Housing Fund, and ensure the MCA and LEP can support the delivery of a greater number of new homes to meet local needs which would otherwise not be brought forward by the market. The funding is for housing on brownfield land and as the National Planning Policy Framework defines brownfield land (previously developed land) as 'land which is or was occupied by a permanent structure,' this means that the conversion of existing premises to housing falls under this definition.
- 2.7** Further guidance is awaited from Government on the operational agreement to access the funds at which point the MCA will need to enter in an agreement with Government over key outputs and outcomes, including the delivery of a minimum number of new homes. This is expected to be between 2,500 and 3,500.
- 2.8** A draft Housing Programme for the city region has been previously prepared in liaison with local authority Housing Directors, housing associations and Homes England, subject to funding becoming available. Subject to the decisions of the MCA, the Housing Board will be asked to lead on engaging with partners to update and refine the list of schemes to create a 5-year housing programme that will be the basis of the pipeline of projects to be delivered by this Fund.

### Next Steps

- 2.9** A report will go to the MCA on the 27<sup>th</sup> July 2020 seeking acceptance of this funding and also proposing the process by which we will seek to accelerate bringing forward business

cases for both the capital schemes and housing schemes over the next 18 months and support their development.

### 3. Consideration of alternative approaches

3.1 None considered.

### 4. Implications

#### 4.1 Financial

The £33.6m is being devolved to the SCR as Section 31 grant which allows flexibility in how the LEP/MCA spends the funding. The FBC process will follow the SEP Assurance Framework to ensure proper due diligence and value for money.

The funding for the Major Capital Schemes and any early deliverable brownfield housing schemes will need to be committed by 31 December 2021. The remaining housing funding will need to be committed by 31 March 2025.

Updates on project delivery will be reported to future LEP Board meetings as part of the Programme Delivery report and will be overseen by the relevant thematic boards.

#### 4.2 Legal

Prior to accepting the grants, the MCA will ensure that the conditions are acceptable, and will subsequently put in place arrangements to comply with the grant conditions. The legal implications of acceptance of grant will be fully considered by the S73 officer in conjunction with a representative of the Monitoring Officer.

#### 4.3 Risk Management

Risk management is built into the MCA due diligence processes and project and programme risk are regularly reviewed, and mitigating actions taken if necessary.

#### 4.4 Equality, Diversity and Social Inclusion

None arising from this report. The delivery of infrastructure and housing capital schemes will stimulate economic growth in SCR and therefore contribute to both the economic recovery and improve social inclusion.

### 5. Communication

5.1 The funding announcement has already been publicised but as individual schemes are delivered there will opportunities for positive communications.

### 6. Appendices/Annexes

Annex 1 – Proposed Major Capital Schemes Programme

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

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## Annex 1 – Proposed Major Capital Schemes for Investment

Project Name	Funding amount	Project Summary	Key outputs and Outcomes
<b>Barnsley: Digital Learning-Sci Tech Building</b>	<b>1,450,000</b>	The re-purposing of the ground floor (currently a car park) of the Sci-tech building will add further value to the current refurbishment of this building funded by the SCR LEP and DfE to provide a world class digital learning experience. Creating an innovative space for use by businesses, start-ups, schools and college learners, with maker space, innovation labs and managed workspace. The project will build on the partnership between BMBC, the College and numerous employers to create a Digital Campus in Barnsley, supporting the growth of indigenous digital companies and attracting inward investment.	Across the economy the digital revolution is driving efficiencies and ways of working but it also requires a higher level of digital capability and skills. Current investment in the college’s Sci-tech building will provide world class facilities to deliver employer driven technical and higher level digital skills and qualifications. Not only improving the regions productivity but attracting new digital businesses. Additional investment to utilise the basement will bring further improvements to human capital by increasing capacity for students, space for employers and start-ups and inspiring the next generation through school showcases and digital days.
<b>Better Barnsley Market Gate Bridge</b>	<b>2,000,000</b>	This project is to construct a new equality pedestrian bridge over the main Sheffield to Leeds railway line. The project is supported by Network Rail and will be part funded by them. The bridge will link the existing public transport and parking provisions to the new retail and leisure quarter. It will provide a safe accessible route over the railway line for pedestrians and cyclists which will enable the permanent closure of the existing Jumble Lane crossing.	The creation of a thriving and vibrant economy is achieved through the creation of more and better jobs and good business growth. The Market Gate Bridge supports this ambition by creating an improved gateway into the town centre supporting the Glass Works development. The Market Gate Bridge project has aspirations to respond positively to local and national sustainability requirements. Sustainability is embedded throughout the scheme and includes all aspects of sustainability including social and economic sustainability as well as environmental sustainability. It supports our high level of ambition and aspiration to do our very best to support Barnsley, its people, communities, partners and business to thrive and achieve. The residents, communities and customers of Barnsley are our number one priority and that we will create a thriving and vibrant

			<p>economy where people will be able to achieve their potential</p> <p>The Market Gate Bridge supports this aspiration by creating a more accessible route into the town centre from the East of Barnsley. The development of this project links to wider economic growth with the advent of HS2 with the bridge facilitating the closure of the current level crossing (previously in the top 20 most dangerous level crossings in the country) which then allows the potential lengthening of platforms at the station. The bridge also strengthens the link to the mixed use Eastern Gateway development site adjacent to the transport interchange. The bridge is key in the active travel agenda with a bespoke design allowing cyclist to use the bridge through the provision of cycle friendly steps and oversized lifts to accommodate cycles.</p>
<b>New Active Travel Foot /Cycle Bridge</b>	<b>1,500,000</b>	<p>The delivery of a new foot/cycle bridge will enhance the A628 Dodworth Road / Broadway Junction Improvement scheme facilitating employment and housing opportunities identified in the Local Plan. The approved enhancements to the park area and the proposed foot/cycle bridge will provide connectivity links between two community areas, a safer walking route to school and an active travel link for residents in the borough. This scheme indirectly aligns with SCR's SEP, Barnsley's Jobs and Business Plan, the SCRCA and Council's Local Plan housing targets. Additionally, the scheme also contributes to the delivery of the Council's Strong and Resilient Communities.</p>	<p>The delivery of the new foot / cycle bridge linking communities and providing a safe and active travel scheme complements the delivery of the A628 Highway improvement scheme and therefore indirectly aligns with SCR's SEP, Barnsley's Jobs and Business Plan, the SCRCA and Council's Local Plan housing targets. Additionally, the delivery of the new foot / cycle bridge also contributes to the delivery of the Council's Strong and Resilient Communities.</p>

<b>Town centre public Realm</b>	<b>1,755,000</b>	This public realm project will focus on the Peel Square area of Barnsley Town Centre. Peel square is strategically located within the town centre linking several retail focussed streets with Wellington Street the current focus for the towns night time economy. As a gateway to the main pedestrian section of the town centre Peel square is also one of the locations for Barnsley's famous outdoor market and the focus of the public realm works will be new high quality setting for the market. In addition, this project will also intergrade a series of public safety features that will mitigate any potential risks from hostile vehicles.	The project is key to driving economic growth in Barnsley Town centre. This area of public realm kick starts economic activity beyond the current Glass works scheme providing a catalyst for investment in another important element of the town centre. Some of the commercial floorspace around the square is underused or of lower value and public realm improvements will support inward investment. The project aligns closely with modernising town and city centres and investing in physical infrastructure to improve the local economy.
<b>DN Colleges Group: Digital Infrastructure</b>	<b>630,000</b>	Investment is required to improve connectivity for Doncaster College's digital community. The COVID-19 pandemic demands an acceleration of the College's digital strategy. In particular, the move to distance learning and home working has identified a high priority need for additional mobile devices. In addition, a new telephone system and provision is required to meet the demands of new ways of working for students and staff and to make effective connections across the community. Additional project elements focus on Office 365 developments, password tools to facilitate remote connectivity new teaching software to ensure that a blended teaching model is successfully embedded. All of these digital developments will enable Doncaster College to help drive forward the local economy and the demand for digital skills through an infrastructure that fully enables digital connectivity.	Digital connectivity for Doncaster College community enables improved digital infrastructure and digital skills, which is key to growing the economy and ensuring employment skills meet employers' digital needs, whilst also promoting distance learning and home working and thereby contributing a green recovery.
<b>DN Colleges Group: Construction Space</b>	<b>990,557</b>	Investment is required to provide creative and flexible space for construction learning. There is a significant demand to develop skills in modern methods of construction to support industry and the local economy. This requires Doncaster College to create new and innovative teaching and learning space to inspire students and staff to embrace construction learning and to maximise achievements and employment potential within a high-quality learning environment. New and innovative teaching and learning facilities for construction learning will enable Doncaster College to help drive forward the local economy and the demand for construction skills.	New and innovative construction learning facilities at Doncaster College enables improved health skills, which is key to growing the economy and ensuring employment skills meet employers' health needs, whilst also blending with distance learning and home working and thereby contributing to a green recovery.

<b>Quality Streets - Active Travel and Digital Infrastructure Programme: Doncaster Town Centre</b>	<b>5,500,000</b>	Continued delivery of the Doncaster Quality Streets programme to deliver new public realm, supporting and enable investment in urban centre employment and residential development and including new active travel links and high speed digital infrastructure.	New public realm to support and enable investment in urban centre employment and residential development including new active travel links and digital infrastructure.
<b>Century II Business Centre</b>	<b>2,000,000</b>	Second phase of the popular Century Business Park. This phase will create around 17,000 sq. ft. of new floor space for office and clean manufacturing “move on” space within B1 use class. This high quality, publicly owned and operated employment space will be made available to business within the local area, as well as to the wider Borough and City Region. Building on the first phase of the Century Business Park this project will allow current occupants and other businesses to move to larger premises as their business grows, alongside providing additional space suitable for new businesses that currently have a lack of options within the current property market.	The project will deliver the benefit of providing new employment opportunities, in turn increasing the size of the workforce of the SCR and the workforce’s productivity. Approximately 110 FT jobs will be created by the project over a 10 year period. In addition. jobs will be safeguarded/ created during the construction phase. The scheme is compliant with the SCR Strategic Economic Plan 2015 – 2025, in relation to the strategic objectives to ‘Ensure SCR businesses have the support they need to realise their full growth potential’ and ‘Provide the conditions that businesses need to prosper and become more resilient’
<b>Rotherham Town Centre</b>	<b>2,180,000</b>	Forge Island is a landmark scheme in the heart of Rotherham town centre. Seen as vitally important to delivering the regeneration and diversification required for the Town Centre. Public Realm seen as vital to linking together the major regeneration projects and existing assets, improve access, footfall, and activity for the benefit of the Town Centre.	The project will deliver the benefit of providing new employment opportunities, in turn increasing the size of the workforce of the SCR and the workforce’s productivity. Approximately 350 FT jobs will be created by the project over a 15 year period. In addition, jobs will be safeguarded/ created during the construction phase. The scheme is compliant with the SCR Strategic Economic Plan 2015 – 2025, in relation to the strategic objectives to ‘Ensure SCR businesses have the support they need to realise their full growth potential’ and ‘Provide the conditions that businesses need to prosper and become more resilient’
<b>Goldthorpe Strategic Land Assembly (Phase 1)</b>	<b>580,000</b>	Land Acquisition to enable delivery of access roundabout into allocated employment land, along with enabling the upfront due diligence and associated negotiation costs to facilitate the wider acquisition and redevelopment of 42ha /103acres land for employment purposes. This scheme aligns with SCR’s SEP, Barnsley’s Jobs and Business Plan	The acquisition of land to enable delivery of site access to allocated employment land, and facilitate the development of the employment site aligns with SCR’s SEP, Barnsley’s Jobs and Business Plan

<p><b>Greasbrough Corridor Improvements – The Whins</b></p>	<p><b>2,500,000</b></p>	<p>Significant congestion arises at this location due to inadequate layout of the junction. This problem is anticipated to worsen significantly in future, both as a consequence of background traffic growth and trips associated with the Bassingthorpe Farm strategic housing allocation, which lies approximately 1km to the south.</p> <p>The proposal will address the existing and future congestion issue by providing sufficient space for traffic to wait to turn right, without impinging on the main flow of traffic northbound. The scheme may provide co-benefits in respect of flooding, associated with replacement of a restrictive culvert. (Project is treated as existing project as in DfT Pinch Point process at EOI stage)</p>	<p>The B.6089 provides the main link between the Bassingthorpe Farm strategic housing allocation (1,100 new homes by 2028; 2,400 by 2039), and major employment sites in Rotherham town centre and in the Dearne Valley. With improved connectivity, the Bassingthorpe Farm strategic allocation will have the opportunity to thrive. Highway improvement at this location is noted as a requirement by both the Bassingthorpe Farm Masterplan, and the RMBC Local Plan. Thus, any improvement of the poor highway access will support housing delivery and sustainable growth of the local economy, not only in the short term but into the future.</p>
<p><b>Heart of the City Breathing Spaces</b></p>	<p><b>4,000,000</b></p>	<p>Since 2010, Sheffield City Centre Breathing Spaces Strategy has created award winning open spaces using S106 to match ERDF, EA and SCR funding. These spaces enrich the wellbeing of residents/ visitors, attracting investment, improve air quality, biodiversity and reduce flood risk. This project will enhance approved TCF/CIL within the Heart of the City. Up to three new spaces will be created: a landscaped pocket park on Block G; a vibrant small square on Carver Street with seating terraces for adjoining cafes and civic space expanding the Peace Gardens between the Town Hall and proposed Radisson Blu hotel on Pinstone Street.</p>	<p>The transformation/renewal of Sheffield City Centre has been underpinned by high quality new public spaces and connectivity between them. This has driven demand for commercial and residential development, attracted new businesses and is a key element of Sheffield's distinctiveness. The new spaces adjoin developments within the £480m HOC2 project and will increase their viability. The TCF proposals will reduce private vehicle movements to improve capacity and reliability of public transport and provide safer routes to promote active travel but provide limited green infrastructure. This project will make walking and cycling more enjoyment attractive and help boost public transport use.</p>
<p><b>Parkwood</b></p>	<p><b>6,000,000</b></p>	<p>Parkwood represents a strategic development on the edge of the City Centre to create a world class outdoor leisure facility with associated hospitality activity and builds on Sheffield's Outdoor City Credentials.</p> <p>The overall development has a private sector partner in place but delays are expected in the current economic climate. A funding injection to SCC would allow the Council to accelerate the scheme and build the new access road and clear site in advance of the commercial develop, whilst allowing time for confidence to return to the economy. The site is in Council ownership and site investigations and planning discussions are well advanced. Accelerated</p>	<p>The development provides employment opportunities as part of the development and has significant multiplier benefits across the City in the hospitality sector. The direct jobs are located in a less prosperous area of the City which will suffer as a result the recession. The scheme brings back into use a derelict site and provides an opportunity for high quality outdoor leisure activity. +£15 private sector leverage from the commercial development.</p>

		investment will ultimately lead to the creation of a regionally significant leisure facility, direct job creation in a less prosperous area of the City and support the wider hospitality sector through increased visitor numbers.	
<b>SCR Electric Vehicle Roll-out Programme</b>	<b>£2,600,000</b>	The SCR Strategic EV Planning Study (June 2019) which was recently completed by ARUP set out a 10 year programme for rolling out EV charge points across the SCR. This included recommendations for an initial roll out of 197 Fast Chargers and 32 Rapid Chargers focussed in urban centres and other priority areas over the next 2 years. This investment would enable the Phase 1 roll-out of SCR EV Charge Point programme to be implemented.	The programme would aim to deliver at least 229 EVs in key locations across the SCR, particularly in urban centres and key employment locations. This would make an important contribution to encouraging the acceleration in the decarbonisation of transport within the SCR, by providing the EV infrastructure to give confidence to would-be electric vehicle owners and users to invest in and use electric vehicles in the SCR. The reduction in the use of diesel and electric vehicles will reduce the SCR's carbon footprint and improve air quality in local environments.

16<sup>th</sup> July 2020

## GatewayEast Economic Blueprint

### Purpose of Report

This report presents the GatewayEast Economic Blueprint for discussion.

### Thematic Priority

This report relates to the following Strategic Economic Plan priorities:

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

### Freedom of Information

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

### Recommendations

The Board is asked to:

- Note and comment on the content of the Blueprint.
- Agree the proposed next steps for implementation of the Blueprint.

## 1. Introduction

- 1.1** The Sheffield City Region LEP and MCA recognise the strategic importance of Doncaster Sheffield Airport (DSA) to the future economic and social growth of the region. This is captured in the draft Strategic Economic Plan (SEP) which identified the airport, and the surrounding GatewayEast site, as a key growth area which has the potential for over 2,000 new homes and over 50ha of employment space.
- 1.2** The importance of DSA is reflected in the investments which SCR has made in unlocking its potential over several years. Following the investment made in the Great Yorkshire Way, over the past 18 months SCR has approved investment at DSA in the form of two Local Growth Fund loans. The first loan of £3.5m was awarded in 2019 to invest in car park capacity expansion, and the second loan of £5m was awarded earlier in 2020 towards a £10m extension and reconfiguration of the terminal building. The investments support DSA in its passenger growth ambitions
- 1.3** When the second loan was approved, it was agreed that there was a need to work with Peel Group, as the owners of the airport, to begin to set out a high-level statement of intention for how we achieve the next stage of growth. This report, and the accompanying draft GatewayEast Blueprint, is the first step in that process and is also intended to be the first of a series of similar Blueprints for other SEP Growth Areas.

## 2. Proposal and Justification

- 2.1 The 2018 DSA Masterplan sets out a diverse proposition for a circa. 1m sqm sustainable mixed-use community, as part of the submission into the development of the Doncaster Local Plan. The surrounding site, now called GatewayEast, provides an opportunity which extends to c.543,000 sqm (c.5.85m sqft) of commercial development over and above what already exists, together with up to 3,000 new market and affordable homes, the first 1,200 of which are expected to be delivered during the Local Plan Period up to 2035.
- 2.2 In line with the proposals set out in the SEP, the core ambition is for GatewayEast to develop as an innovation-led growth cluster, linked to the development of a more sustainable aviation industry.
- 2.3 The SEP refers to packages of infrastructure investment to unlock the opportunities of growth areas and this Blueprint will be the first of many setting out the ambition for each identified in the SEP. These Blueprints set out a high-level ambition for each growth area, setting out their economic purpose and what role they will play in supporting City Region wide growth. They set a framework, which once agreed with the LEP and MCA, can form the basis for a programme level business case for the packages of infrastructure interventions required to unlock the opportunity identified.
- 2.4 In addition to GatewayEast's importance in delivering the objectives of the SCR SEP, national aviation policy and the Independent International Connectivity commission both encourage development of airports and ports as economic clusters to improve the productivity of the wider UK economy. In March 2020 the Government reaffirmed that 'Airport expansion is a core part of boosting our global connectivity and levelling up across the UK'.
- 2.5 A Government consultation is also underway, due to close on 13<sup>th</sup> July, seeking views on the establishment of a number of Freeports across the country. The consultation references regional airports as potential locations. A joint response is being prepared alongside a prospectus outlining the benefits of locating a Freeport at GatewayEast.
- 2.6 The GatewayEast Economic Blueprint sets out a roadmap for developing the innovation cluster opportunity structured around the 5 themes below. In addition to the ambitions outlined below it sets out what Peel, SCR and Doncaster Council will collaborate on over the coming years to bring forward the growth cluster
1. **Developing a high value innovation cluster** – the ambition is for a fully integrated and collaborative research, development and training offer at GatewayEast, built on the core capabilities of SCR Universities and wider northern and midland region research strengths. This will not only bring innovation to existing already high value activities at GatewayEast, but it will also enable start-up and scale up companies to thrive and act as magnets for talent.
  2. **Sustainability** – Sustainability lies at the heart of SCR and Peel Group's policies and a 'land based' mitigation strategy will deliver a range of on the ground measures designed to ensure sustainable outcomes.
  3. **Connectivity** – Partners are committed to ensuring a financially sustainable and successful airport achieved through a modal shift in travel to and from the airport and GatewayEast, with a specific focus on new rail connectivity.
  4. **Land and development** – Given the significant land at GatewayEast, there is a need to identify the best delivery model to support the package of infrastructure required to unlock the proposed mixed use development of the Masterplan.
  5. **Airside growth**- The airside ambition is to ensure that DSA functions as an efficient and financially sustainable airport that not only attracts a high number of



airlines and passengers, but also provides an even stronger economic anchor for attracting, securing and catalysing growth of the aviation cluster.

- 2.7** The draft GatewayEast Economic Blueprint is attached at Appendix 1. Subject to the discussion at the LEP Board, it will then be finalised and agreed at the MCA in due course. Further detailed work will then be undertaken to take forward the five workstreams identified, including the infrastructure package required to achieve the shared objectives outlined in the Blueprint.

### **3. Consideration of alternative approaches**

- 3.1** The Blueprint sets out a shared ambition for GatewayEast which supports the delivery of the SEP. In isolation none of the parties would be able to bring forward the transformational development necessary to achieve growth at GatewayEast and thereby maximise the opportunity for the wider SCR economy. This draft Blueprint is unique to GatewayEast, and it is expected that subsequent Blueprints for the other growth areas may follow a different format depending on the needs of that particular area.

### **4. Implications**

#### **4.1 Financial**

There are no financial implications arising as a result of this report, however, the delivery of the GatewayEast Economic Blueprint may require future investment decisions that will be progressed in line with the SCR Assurance Framework.

#### **4.2 Legal**

There are no legal implications arising from this report.

#### **4.3 Risk Management**

Taking forward any specific actions from the Economic Blueprint will require a separate risk analysis.

#### **4.4 Equality, Diversity and Social Inclusion**

None arising from this report. The delivery of the GatewayEast Economic Blueprint will stimulate economic growth in SCR and therefore contribute to improving social inclusion.

### **5. Communication**

- 5.1** It is not proposed to communicate the Economic Blueprint more widely at this stage, but as individual outcomes are achieved, and actions come forward for delivery there will be positive communication opportunities

### **6. Appendices/Annexes**

Appendix 1 –Draft GatewayEast Economic Blueprint

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GatewayEast  
Economic Blueprint  
FINAL DRAFT  
June 2020

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# 1 Introduction

This Blueprint for GatewayEast sets out how Sheffield City Region (SCR), Peel Land and Property Ltd (Peel Group), Doncaster Sheffield Airport Ltd (DSAL) and Doncaster Metropolitan Borough Council intend to work together to realise the economic opportunity of this growth cluster.

GatewayEast is the single largest development land opportunity in SCR, located 3 miles to the south east of Doncaster Town Centre. At its heart is Doncaster Sheffield Airport (DSA), the growth anchor and one of the UK's newest and fastest growing airports. The 2018 Draft DSA Masterplan sets out a diverse and visionary proposition for a c.1m sqm (c.11m sqft) fully sustainable mixed-use community. This Blueprint seeks to set out how partners will work together to realise the ambition set out in this masterplan.

The core ambition is for GatewayEast to develop as an innovation-led growth cluster which could eventually become an established innovation district to build on and complement the successes that have been achieved over the past decade at the Advanced Manufacturing Innovation District (AMID).

The SCR Strategic Economic Plan (SEP) sets out the ambition to co-develop a series of new innovation and growth clusters, each with their own specialisms. A key part of this, is the potential for GatewayEast to become a cluster for low carbon aviation and associated technology, building on the Government's commitment to decarbonise transport and the ability for airports to become drivers of productivity growth.

National Aviation policy and the Independent International Connectivity Commission report both encourage development of Airports and Ports as economic clusters and suggest that such clustering in turn helps to improve the productivity of the wider UK economy. As recently as March 2020, in the DfT document *'Decarbonising Transport'* the Government has reaffirmed that *'Airport expansion is a core part of boosting our global connectivity and levelling up across the UK.'* Economic development agencies globally have been actively pursuing policies to encourage Innovation District formation close to commercial airports.

The SEP recognises that we must bring forward a combination of mixed-use developments, large strategic opportunities and strategic regeneration in key growth areas. We need to focus on a small number of big opportunities - sites and developments that have the scale to benefit the wider city region. This will demand a much more joined up approach, as outlined in this GatewayEast Blueprint, between local authorities and other public agencies to share resources and jointly deliver, as well as private sector investment.

This Blueprint therefore represents a package of interventions, including infrastructure, which partners will work together on in order to seek to realise the potential of the GatewayEast innovation-led growth cluster.

## 2 GatewayEast Vision

### 2.1 GatewayEast Innovation Cluster Ambition

GatewayEast is a 1,600 acre (647 ha) site that is ideally connected to the national strategic road network (SRN) via Great Yorkshire Way (completed in Spring 2018) and to international markets via Doncaster Sheffield Airport (DSA). Already home to around 100 businesses, the operational airport presence has already been the catalyst in beginning to develop a high value aviation-linked cluster that today includes Cessna Textron's UK Service Centre, 2Excel, National Police Air Service and Redline Assured Security.

Fully integrated into the submission Doncaster Local Plan (to be adopted in Winter 2020), the GatewayEast opportunity extends to c.543,000 sqm (c.5.85m sqft) of commercial development over and above what already exists, together with up to 3,000 new market and affordable homes, the first 1,200 of which are expected to be delivered during the Local Plan Period up to 2035.

In early 2020, Peel Group secured planning approval for 325,000 sqm (3.5m sqft) of additional advanced production and logistics space on GatewayEast, adding to its previously permitted consents for 55,750 sqm (0.6m sqft) already under development. This is all in addition to commercial space and several hundred residential units consented and delivered in accordance with the original airport planning permission. The Masterplan vision (launched for consultation in 2018) establishes a comprehensive mixed-use development opportunity, with distinct employment and residential hubs formed around a Central Plaza and community hub for retail, hospitality, leisure and community/health services. All core components required for the development of a genuinely sustainable innovation cluster, as seen in the Advanced Manufacturing Innovation District (AMID).

GatewayEast already has excellent national and international road and air connectivity. DSA itself anchors the overall proposition. Its airside infrastructure and unconstrained airspace combine to provide a real opportunity to transform it from a regional airport into an intercontinental airport of scale, providing global connectivity for both passengers and freight. This will be further differentiated by the proposal for a dedicated East Coast Main Line (ECML) rail link to the airport.

The GatewayEast Rail project has the potential to be SCR's most economically transformational transport scheme in terms of creating jobs and growth in the short, medium and long term and the Strategic Outline Business Case assumes an annual air passenger throughput (PAX) of c12m per year, compared to a current throughput of c1.25m. However, in terms of runway capacity, DSA could accommodate in excess of 25m PAX. GatewayEast Rail will also form another addition to SCR's capacity for freight infrastructure, alongside nearby freight terminal capacity at Iport and in Doncaster itself.

The locational advantage of GatewayEast coupled with the proposed rail link and airport expansion ambition means that GatewayEast would be well placed should Government policy progress as expected with the establishment of a number of Freeports around the country. The Government recently launched a consultation exercise on the establishment of Freeports and a joint SCR response has been submitted to alongside a Prospectus outlining the benefits of locating a Freeport at GatewayEast.

The existing aviation cluster at GatewayEast has largely formed through market forces, demonstrating the competitive advantage of road and air connectivity and the presence of a growing anchor tenant airport. GatewayEast Rail will dramatically extend the reach of GatewayEast and its appeal to businesses, but at present the location lacks an innovation trigger needed to stimulate the development of this cluster.

The DSA masterplan allows flexibility for key innovation assets to form, and with an airport anchor, a growing aviation cluster and a hugely important sustainability agenda, there is real and tangible potential for an initial aerospace innovation focus. A key trigger component will be the agreement to work with the University of Sheffield in developing a low carbon aviation research facility at GatewayEast.

The roadmap for how we achieve this innovation cluster ambition is set out in this Blueprint.



## 2.2. GatewayEast Economic Potential

The ambition for each of the SCR Growth Clusters is that they have been identified because they have the potential to create change at scale and generate wider benefits for the City Region. GatewayEast delivery will significantly increase job capacities and densities locally and expected ‘spillover’ effects will also support growth well beyond the innovation cluster core.

The pace and scale of agglomeration will be broadly linked to airport PAX growth, with growth likely occurring from a mix of significant forecast increases in PAX nationally and through efforts by DSA to increase its current market share of UK PAX, mainly through planned connectivity improvements that will both extend DSA’s overall market catchment and encourage a greater retention of PAX from with SCR. Growth to c.12m passengers is being targeted by 2050.

Evidence from the US experience demonstrates that ‘airport city’ and ‘aerotropolis’ activities typically form along arterial transport nodes extending up to 25 miles from an airport, with growth concentrated on key junctions / connection points. In the GatewayEast context, this is most likely to form along the M18/M1/A630 route between GatewayEast and Central Sheffield, an area that includes the AMID and already contains c.454,000 jobs within 5 miles of key junctions - around 58% of SCR’s jobs.

The M18/M1 route already has very high levels of ‘airport prevalent sectors’, and despite the relative immaturity and modest passenger numbers of DSA, 75% of the existing jobs are in airport prevalent sectors compared to just 43% nationally, inferring a very good foundation for an aviation linked innovation cluster growth.

Modelling of economic impacts has identified potential for a further 52,800 gross FTE jobs at capacity, of which 13,800 could form on GatewayEast, alongside the 100 businesses and c.1,000 jobs already present.

In taking account of leakage, displacement and multiplier effects, over the longer term it is estimated that around 35,650 net FTE jobs could be supported across SCR through GatewayEast and spillover growth, with potential to generate around £1.56bn in GVA annually – representing a 5% increase in SCR’s employment density.

Innovation District Economic Potential			
	By 2025	By 2030	By 2050
DSA PAX	3.3m PAX	4.7m PAX	11.8m PAX
Gross GatewayEast Airside FTE jobs	3,330 FTEs	4,830 FTEs	8,980 FTEs
Gross GatewayEast Landside FTE jobs	3,070 FTEs	4,780 FTEs	4,810 FTEs
Gross Spillover FTE jobs	8,650 FTEs	27,210 FTEs	39,020 FTEs
Total Gross Innovation District FTEs	15,050 FTE	36,830 FTEs	52,800 FTEs
Net SCR jobs	10,160 FTEs	24,860 FTEs	35,640 FTEs
Per year GVA Impact	£446m GVA pa	£1.09bn GVA pa	£1.56bn GVA pa

Evidence from the US experience shows that a wide range of industries form, with half of all jobs likely to be in typically high value sectors. With a healthy range of entry level



and lower value sector job opportunities also attracted, a truly inclusive innovation cluster can form, offering a range of occupation and job roles for the local population.

### 3 GatewayEast Roadmap

The following sections set out a roadmap for developing the GatewayEast innovation cluster opportunity, outlining the context, ambitions and early commitment of intent by Peel Land and Property, Doncaster Sheffield Airport Ltd and SCR.

The roadmap has been structured around five themes:

1. Developing a high value innovation cluster
2. Sustainability
3. Connectivity
4. Land and development
5. Airside Growth

#### 3.1 Developing a high value innovation cluster

##### ***Context and Opportunities***

A successful airport adds substantial value to the investment potential of the region it serves and to date, the growing cluster of high value GatewayEast aviation activities has been largely market led due to the presence of DSA as the anchor. Airport-linked businesses already present include maintenance, repair and overhaul (MRO) activities such as Cessna Textron's UK Service Centre and 2Excel, alongside 'blue light' services including the National Police Air Service and Childrens Air Ambulance, together with Redline Assured Security.

Developing an aviation-led innovation offer is the obvious immediate opportunity for high value specialisms at GatewayEast.

SCR's Universities have been operating at the forefront of UK and Global research and innovations for many years now, and SCR's University-led interdisciplinary research strengths are now widely recognised for influencing policy makers, translating research into practice and discovering novel therapies and solutions. SCR Universities are addressing some of the world's most pressing challenges, including driving forward low-carbon technology ambitions.

Drawing on these strengths, the aim is to establish a University-led future mobility innovation cluster at GatewayEast with direct runway access built around innovation fuels, battery technology and electrification and light weighting technology (wings and fuselage). The runway would become part of a 'living lab' as well as a key piece of transport infrastructure.

More widely, there are opportunities for further collaborations among other proximate northern and midlands universities.

##### ***Ambitions and Commitments***

The ambition is for a fully integrated and collaborative research, development and training offer at GatewayEast, built on the core capabilities of SCR University and wider northern and midland region research strengths. This will not only bring innovation to existing already high value activities at GatewayEast, but it will also enable start-up and scale up companies to thrive and act as magnets for talent.

The following key actions have been identified to take this forward:

- Development of a shared proposition and Memorandum of Understanding with the University of Sheffield to explore options for building on University core capabilities to set out a plan for how the key components necessary to develop

an innovation cluster can be put in place, with the goal of securing an on-site University outreach/hub facility at GatewayEast.

- Engage with other pan-regional research institutions to explore further innovation opportunities.

## 3.2 Sustainability

### ***Context and Opportunities***

Tackling climate change is amongst the most pressing challenges globally and the transport sector, including aviation, must do its share to tackle emissions. Whilst reducing road emissions is SCR's biggest challenge, UK aviation currently accounts for 7% of UK emissions,

The propensity for increased overseas and domestic air travel, means there are inevitable environmental consequences associated with increased air movements, in much the same way as growth in most UK industries will have some adverse environmental effects.

Concerted efforts across industry and Government are where possible seeking to mitigate adverse environmental impacts associated with expected aviation growth. The aviation industry has come a long way in a reasonably short time - evidence for UK success in this is that PAX growth since 2010 has totalled +26%, whilst associated emissions growth has been held at +5%. Nevertheless, the DfT's latest aviation forecasts pre-Covid predict +53% growth in PAX movements through UK Airports by 2050 and as airport owners and operators, Peel Group/DSAL will ultimately seek to increase DSA's PAX share to ensure a successful and financially sustainable airport.

Peel Group/DSAL and SCR have limited control over the propensity of individuals to fly, but both have a role in ensuring that forecast growth in demand for air travel from residents and businesses is managed and provided for in the most sustainable way possible, and there is acceptance that strategies to move towards zero carbon will need to be agreed.

A crucial aim is for people from within the City Region and wider DSA catchment to be able to fly from DSA rather than travelling ('leaking') to more distant airports; this leakage adds to the carbon footprint of such air journeys. At present, every year, 3.58m passengers travel from the four South Yorkshire authority areas to fly from more distant airports. This leakage results in an additional (net) 80m vehicle miles (conservative estimate) every year, which in turn adds 22,600 tonnes of carbon, equivalent to the emissions arising from the electricity consumption of 26,300 typical homes.

### ***Ambitions and Commitments***

Sustainability lies at the heart of SCR and Peel Group's ethos and a 'land based' mitigation strategy will deliver a range of on the ground measures designed to ensure sustainable outcomes, including:

The following key actions have been identified to take this forward:

- Encouraging greater use of DSA as the airport of choice, limiting currently high levels of 'leakage' of PAX from SCR to other UK airports. This will ensure the UK makes best use of existing runway capacity to negate the need for future construction of further runway infrastructure elsewhere, thereby enabling the UK to avoid the unnecessary carbon cost of runway construction whilst also accommodating its national passenger growth in the most sustainable way.

- Promoting sustainable land-based travel measures to encourage a modal shift away from car travel. This includes securing GatewayEast Rail connectivity, expand public transport provision to key centres and deliver a tram-train connection to Sheffield City Centre.
- Reducing GatewayEast's carbon footprint by deploying new cleaner technologies to progress towards the Innovation District being a 'net zero' carbon producer.
- Peel Group and DSA to invest £2m in a DSA Solar farm to provide for over 25% of the airport's current electricity needs and explore options for future Innovation District solar farm expansion. In addition, undertake a comprehensive viability review of owned woodlands to establish potential for 'carbon bank' offsetting through biodiversity enhancement.
- Investment by DSA in energy efficient airfield and terminal infrastructure, including to invest in on site Electrical Vehicle (EV) infrastructure for customers and airport staff.
- Commitment by DSA to work with responsible aviation partners, including Europe's Greenest Airline (Wizz Air) and TUI, who also have a strong sustainability agenda.
- SCR and Peel/DSA to develop a Sustainability Plan for GE and DSA

### 3.3 Connectivity

#### **Context and Opportunities**

DSA's catchment area of 5.5m people make 8.4m air journeys per year. For SCR, 3.6m air journeys are made by residents, but just 7% of these journeys are made via DSA.

Every year, 3.58m passengers travel from the four South Yorkshire authority areas to fly from more distant airports and this 'leakage' to alternative airports (principally Manchester) results in these air passengers driving around 80m more vehicle miles each year than if they were to fly from DSA.

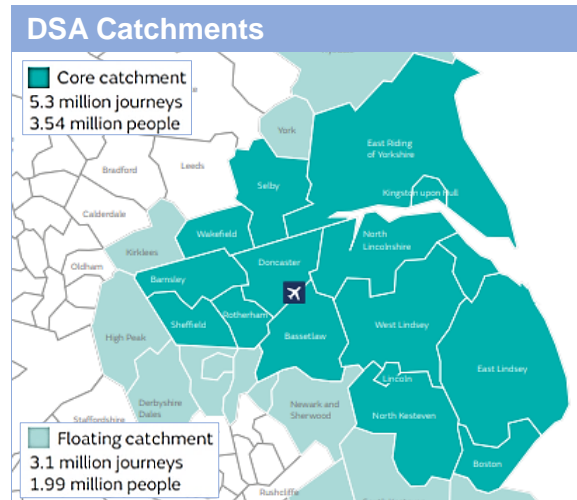
This leakage is valued at £23m of net road journey time disbenefits per year, or £233m in user disbenefits over 10 years, and around 23tn of unnecessary SCR CO2 emissions yearly, equivalent to the CO2 impact arising from electricity demands for powering over 26,000 typical homes. The economic benefits associated with these 3.58m passenger journeys are also 'leaked' to other regions from which these passengers are flying.

This means that, alongside ongoing efforts to strengthen the airports' offer to help to ensure DSA increasingly becomes the airport of choice, ongoing investment is needed to improve surface access to the airport which will also help to contribute towards our net zero climate change ambitions.

#### **Ambitions and Commitments**

Partners are committed to ensuring a financially sustainable and successful airport achieved through a modal shift in travel to and from the airport and GatewayEast. This will be achieved through:

- GatewayEast Rail connectivity, to provide a catchment of 9m people (compared to 2.4m currently) with direct highly sustainable access to DSA within a 90-minute rail journey via a new East Coast Mainline (ECML) rail station and providing platform capacity relief and increased utilisation at Doncaster Rail Station.
- Expanding public transport provision from key SCR population centres for GatewayEast journeys, including a potential tram-train connection between GatewayEast and Sheffield City Centre.



## 3.4 Land and development

### ***Context and Opportunities***

The landside development opportunity at GatewayEast Innovation District comprises over 260 ha (650-acre) of development land, with 325,000 sqm of recently consented new landside advanced production and logistics (APL) space and 55,750 sqm of previously permitted space already under development. Captured within the overall site masterplan, this makes it the single largest land opportunity within SCR. Free of major restrictions to development such as green belt or flood risk, it is a ready-made ideal opportunity for innovation cluster formation.

The masterplan provides for full length freight sidings, alongside the proposed new GatewayEast Rail line, between the larger development platforms on the APL site and the airside cargo transit sheds, to provide full tri-modal integration and connectivity, further differentiating and increasing the economic value of the GatewayEast proposition.

Utilising the latest construction methods and technologies, opportunities identified within the GatewayEast masterplan include:

- ***Research, Innovation and Training hub*** – the development of the innovation cluster centred around a ‘living lab’ for accelerating development and innovation in technologies crucial to ensuring decarbonization of aviation.
- ***A New Sustainable Community*** – providing up to 3,000 quality modern market and affordable homes for GatewayEast and SCR’s growing workforce.
- ***DSA Plaza Retail and Leisure Hub*** – proposes the delivery of a well-formed retail, hotel, food and beverage and community services hub immediately alongside the proposed GatewayEast rail station, to ensure a sustainable community thrives.
- ***Business and Commercial*** – the continued expansion of commercial accommodation around GatewayEast, including the opportunity for additional conferencing and business networking space.
- ***Integrated Hub Infrastructure*** – provision of fully integrated efficient road and pedestrian links and carparking, alongside proposed rail connectivity, to provide excellent connectivity and the delivery of supporting utilities, energy and green infrastructure, all helping to reduce the need to travel.

### ***Ambitions and Commitments***

The ambition is for the innovation cluster to form the key ingredients necessary for the formation of a future Innovation District, boasting a sustainable vibrant community that attracts and retains high value businesses and talent. This is backed by partner commitments to:

- Explore the best delivery model, including potential mayoral development corporations, to drive forward, incentivise and streamline delivery.
- Identify a package of infrastructure required to unlock the development potential of GatewayEast linked to future Government and City Region funding.
- Develop a distinctive proposition for GatewayEast which can be used to secure private-led investment in commercial and residential schemes.

## 3.5 Airside Growth

### ***Context and Opportunities***

The 2017 DfT Transport Aviation Forecasts predict that even with constrained airport runway capacity, there will be a 17% increase in air PAX movements via GB airports by 2030, extending to +53% by 2050, with much of the growth expected outside of the South East.

Runway capacity is very limited at various GB airports and some (particularly South East airports) already operate at near capacity, leading to the need for substantial northern airport growth. Even if only half of the national forecast growth occurs there will still be a significant market and national policy opportunity for DSA PAX growth given its 25m plus runway capacity.

DSA is currently handling around 1.25m PAX and Peel Group and DSAL have set out plans to significantly increase DSA's national market share of air PAX, including ambitions in partnership with SCR and Doncaster Council to deliver sustainable rail infrastructure to increase its market penetration among SCR residents and to extend its 90 minute rail catchment area to around 9m people along the Eastern side of the country.

The SCR loan funding will support Terminal Capacity expansion plans and could, by 2022, enable the Airport to handle around 3m PAX per year, helping DSA to handle airline growth to achieve a critical PAX threshold that is widely regarded as being required for airports to achieve financial sustainability.

Over the longer term, there are ambitious targets for DSA to grow to 7.2m PAX per year by 2037, with further growth towards c.12m PAX by 2050. This will require significant terminal and airport infrastructure upgrades, largely on the c.260 ha (650-acre) airside estate.

The attraction of a growing airport with critical mass will open up wider opportunities for airside aviation growth, with masterplan ambitions identifying capacity for:

- ***GatewayEast Cargo Facilities, Logistics and Advanced Production*** – providing efficient and competitive import and export operations, with identified (a) Cargo North co-location logistics supply chain, (b) Cargo South logistics and advanced manufacturing clusters and (c) GatewayEast Rail freight sidings opportunities.
- ***General and Business Aviation Facilities*** – creating an unrivalled environment for the growing aviation industry, with space for further advanced maintenance repair and overhaul (MRO), private aviation and other non-commercial aviation companies. This will build upon existing high value MRO activities at DSA which includes one of Cessna Textron's European service centres and 2Excel activities.
- ***Expanded Airport Terminal and Airfield Infrastructure*** – with north and south terminal expansion potential to double the size of the existing building to enable handling of increased PAX beyond the planned short term identified terminal reconfiguration solution. Land is also safeguarded for all necessary additional taxiway, apron, stand and air service infrastructure.

### ***Ambitions and Commitments***

The airside ambition is to ensure that DSA functions as an efficient and financially sustainable airport that not only attracts a high number of airlines and PAX, but also provides an even stronger economic anchor for attracting, securing and catalysing growth of the aviation cluster. This ambition is backed by Peel Group, DSAL and SCR commitments to:

- Continue promoting DSA as the airport of choice among airlines and customers, developing pitches and propositions to Airline operators.
- Delivering the short-term Terminal Building solution to enable DSA to handle around 3m PAX annually and progress feasibility of longer-term terminal expansion planning to ensure sufficient capacity beyond 3m PAX.



16<sup>th</sup> July 2020

**Proposal to extend Careers Hub**

**Purpose of Report**

This report highlights the offer of a grant from the Careers and Enterprise Company to the LEP Board to deliver a careers hub, currently operating in Doncaster only. The report highlights for members an option of a programme the grant could be utilised for, if members agreed to the programme and to recommend acceptance of the grant.

**Freedom of Information**

The paper will be available under the Combined Authority Publication Scheme

**Recommendations**

Members are asked to:

1. consider the potential programme as outlined and provide comments as to their recommendation for acceptance of the grant.
2. note that subject to the support of the LEP, a report will go to the MCA Board on the 27<sup>th</sup> July asking them to accept the grant.

**1. Introduction**

- 1.1 As part of the original Growth Deal the LEP was offered the opportunity to participate in the Enterprise Advisor Pilot, an initiative run by the newly formed Careers and Enterprise Company (CEC). This programme sought to increase the linkages between business volunteers (Enterprise Advisors) and young people in education. The programme was convened, on behalf of the LEP, through a small network of Enterprise Co-ordinators, located in the regions Local Authorities.
- 1.2 Whilst the pilot had success and provided additional resource to facilitate education / business links, the CA and LEP were making the case for wider devolved powers. The 2015 devolution deal document included a request of government to devolve the range of funding allocated to various departments and agencies, under the governance of the MCA, to **Help people of all ages make the right choices at the right time.**

*Sheffield City Region to have fully devolved responsibility, funding and freedom to design and commission a Careers Service that provides young people and adults with the information they need to make the right decisions to secure high quality work in the city region. This funding (including re-commissioning of National Careers Service and national Careers and Enterprise Company funding) will be pooled and commissioned at city region level, with local level service delivery and a commitment to leverage investment from the private sector. (Extract devo deal doc 2015).*

This approach was not supported by government, and subsequent attempts to enter into a voluntary MOU with the CEC were not progressed with the careers model remaining largely nationally driven.

- 1.3** Longer term devolution aspirations aside, the working relationship with the LEP and the CEC and with the delivery partners within Local Authorities and a network of Head Teachers has developed. With limited resources considerable progress has been made in strengthening the education / business links and supporting young people to receive high quality experiences and information to enable them to make more informed choices and to improve their aspirations and future ambitions.

The city region currently has 71 Enterprise Advisers actively linked to secondary schools working to improve careers provision and increase the opportunities for employer engagement in education.

Since the original pilot and the subsequent on-going support programme of the CEC, the delivery partners for the Enterprise Advisor Network have secured an additional £2.7m investment from the European Social Fund. This funding is seeking to support small and medium sized employers in the city region to develop their capacity and confidence to work with schools to raise careers awareness, aspirations and to provide workplace experiences. This programme, known as the Business and Education Alliance, (Barnsley MBC is the lead delivery partner) will be fully aligned with the work of the Enterprise Adviser Network and its aim is to generate a significant increase in employer encounters designed with the employer and education organisations. It is in its start-up phase with a view that it will come into full effect by September 2020 through to August 2022.

- 1.4** The CEC, in addition to supporting activity to deliver the Enterprise Advisor Network and providing additional support to Opportunity Area such as Doncaster, is also supporting the development of localised careers hubs. There have been two procurement rounds for Careers Hubs, starting in 2018 and the national direction of travel is to expand the careers hub network throughout the country.

The CEC has now expressed its willingness to fund the LEP to deliver a Careers Hub in the remaining areas of South Yorkshire, in addition to the current programme in Doncaster. Section 2 of this report provides an illustration of some of the elements the LEP could seek to deliver as part of this expanded model.

## **2. Proposal and justification**

### **2.1 What is a Careers Hub?**

A Careers hub is a group of 20-40 schools who voluntarily work together to achieve a shared vision on how to improve outcomes for the young people in their area. A careers hub is supported by a full-time careers' hub lead, a hub enterprise co-ordinator and a central hub fund equivalent to £1,000 per school to fund agreed hub activity. This is the funded element that the CEC will meet on a matched basis.

The key components of a Hub are:

- 2.1.1** A 'Hub Lead' working with the existing Enterprise Coordinators (based in Local Authorities), who is trained in the delivery, for young people, of meaningful employer encounters and experience of the workplace outcomes (Gatsby Benchmarks). The Hub Lead and the Enterprise Coordinators support schools and colleges to develop a strong relationship with an Enterprise Adviser. This Enterprise Adviser is a volunteer from business that is linked to a particular school by the Enterprise Co-ordinator. The Advisor supports the school through working with senior members of staff to develop the schools careers strategy and also builds links with local employers to support the achievement of the strategic goals.

The Hub Lead coordinates activity and builds local networks with employers, businesses and higher and further education providers. The existing Hub in Doncaster has had great success in this as evidence illustrates that 90% of Doncaster schools now are reaching Benchmark 5 (national average is 65%) which means that 90% of students are receiving at least one meaningful encounter with an employer every year from the age of 11.

- 2.1.2** A central Hub Fund of £1,000 per school/college is available to support the delivery of outcomes. This fund offers the opportunity to fund activities such as apprenticeship events and broader learning and sharing events which focus on raising the aspirations and ambitions of young people.
- 2.1.3** Some schools and colleges within the Hub will receive Careers Leaders training bursaries.
- 2.2** The Enterprise Co-ordinator network, Local Authority Officers and the Head Teachers Forum are supportive of the wider role out of the Careers Hub, based upon the evidence of its early success in Doncaster. The view is that the Hub brings additional capacity and resource that would allow the area to focus specifically on:
- Careers provision for groups that are most disadvantaged in the labour market including those with SEN and those from lower socio-economic backgrounds,
  - Providing more capacity to tap into and harness employer links to enable more links to be made with schools;
  - Mitigating some of the impact that the current extended period of time not in education has had on students in terms of motivation and aspirations, which could partially be mitigated by higher quality careers provision and exposure to business advisors.

**2.3 The proposed programme – option for Board Members to consider**

The Careers Hub funding will allow the LEP to develop a network of highly committed employers that have experience of working with schools and are creative in the ways that they work with schools, known as Cornerstone Employers. It will provide additional capacity to support and advise schools on how they engage with employers and will link schools and employers on curriculum-specific pieces of work. There will be additional opportunities for schools to network and support each other both within their local authority and across local authorities, particularly with Doncaster schools who have been part of career hubs for the last two years.

In addition, specific strands of work, identified as potential areas of priority for a Hub to focus on:

**2.3.1 Strand 1: Social Mobility pilot**

The Careers hub will work with schools in the most disadvantaged areas of the Region. The aim of this is to broaden students' understanding of careers available, linked to local labour market information for those students who may not have parental and wider networks that can support them with their career decisions.

An example of how this could work is provided in the case study below: A focus for the career's hub is a North East Sheffield Social Mobility Pilot.

*The Sheffield team of the EAN is working closely with a newly formed business partnership, Sheffield Business Together (SBT). The aim is to improve the social mobility of young people in Sheffield and together, the EAN, SBT and two education organisations are testing a model that has the EAN model at the heart of it and that is aiming through improving aspirations and ambition to drive increased levels of social*

*mobility The link below provides an introduction to the ambitions for the Social Mobility in Education Trailblazer <https://sheffieldbusinesstogether.org.uk/social-mobility/> One of the organisations involved is Longley Park Sixth Form College who are keen to share their experience and practice with their feeder schools. The desire, expressed by officers, is for a North East Sheffield Social Mobility and Careers Hub made up from the main feeder schools to Longley Park Sixth Form. SBT are also keen to support the growth of the learning to other schools in the North East of the city.*

### **2.3.2 Strand 2: Special Schools Hub**

NOMIS data shows 4.8% of people with a learning disability are employed in Sheffield City Region compared with 76.2% of the general population. The mainstream careers resources are not always appropriate for special schools, and yet good careers provision is an important step to increase the number of people with a learning disability in employment.

An example of how this could work is provided in the case study below:

*Young people with SEND in Sheffield generally progress into traditional FE pathways post 16 and annually, there is evidence that a number of Supported Internship Placements (SIPs) are unfilled. Having a focus on the Special Schools Hub in Sheffield will enable the schools, Enterprise Advisers and employers involved with Supported Internship Placements to collaborate and introduce employability and aspiration as part of the curriculum.*

*Sheffield has recently appointed an Enterprise Coordinator with expertise in working with young people with SEND who can advise and support the Hub Lead and share expertise of working with young people with SEND across the Region. Sheffield Special Schools will link with the current Doncaster SEND Hub to share good practice of this approach which can be shared across South Yorkshire into Rotherham and Barnsley.*

### **2.3.3 Strand 3: The “Buddying” Model**

An example of how this could work is provided in the case study below:

*Officers in Barnsley want to focus on accelerating improving performance of their schools using peer networks where a high performing school is linked to a **buddy school**. The desire is to ensure that all 12 schools in the Local Authority area benefit from the Hub, to accelerate progress across the Gatsby benchmarks – the 8 measures for excellent careers provision - for all 12 schools in the district. This model will be supported by the Raising Participation Service Manager (Barnsley Council), who, alongside the Hub Lead and existing Enterprise Coordinator, will enable bespoke support to be developed for buddy schools to strengthen the collaborative approach across the Borough.*

- 2.4** Doncaster Careers Hub will support the development of the wider SY Hub in preparing initial plans and potentially carrying out early engagement activity. This will avoid the pitfalls that Doncaster has experienced and enable the proposed projects, if endorsed by members, to hit the ground running.

Good practice and resources will be shared throughout the Region through regional learning events, increased use of the EAN website, and coordination of activity across both hubs through close working of all staff engaged in this activity, building on the strong links already in place.

Proposed reach of the Hubs (noting Doncaster’s Hub is already in existence)

Number of mainstream schools proposed	Rotherham–16, Sheffield–15, Barnsley–5 Doncaster-20 <b>Total 56</b>
Number of FE colleges proposed	Rotherham-2, Sheffield–0, Barnsley–0 Doncaster–3 <b>Total 5</b>
Number of SEND schools proposed	Rotherham–6, Sheffield–7, Barnsley–1 Doncaster–7 <b>Total 21</b>
Number of Alternative Provision/ Pupil Referral Units proposed	Rotherham–2, Sheffield–0, Barnsley–0 Doncaster–3 <b>Total 5</b>

### 3. Consideration of alternative approaches

- 3.1** Do more – the resource from the CEC is focused upon providing limited support to facilitate the co-ordinating and networking functions. The concept largely operates on the tangible benefits of collaboration experienced by schools, volunteers and stakeholders. If it was felt more activity was required, this model could be added to. Although it would be unlikely that additional resources would be accessed from the CEC.
- 3.2** Do a different proposal - The proposed model outlined above is a suggested option based upon discussions with LA officers, Enterprise Co-ordinators and the Head Teachers Forum, if Members feel anything is missing or that the prioritisation for the additional areas (predominantly Sheffield and Barnsley) is incorrect then the proposal could be flexed and amended.
- 3.3** Do nothing – The support from the CEC to broaden the support for the Careers Hub concept in South Yorkshire, could be declined. It is recommended this is discounted for a number of reasons:
- The economic recession following the Covid pandemic is likely to disproportionately affect the outcomes and opportunities of the city regions young people. Therefore, any activity to ramp up their exposure to business and quality careers advice is felt to be essential to the city regions recovery.
  - Young people (SEND and from socially deprived areas) are most likely to be affected as a result of the downturn and therefore to focus on piloting an approach to this, will provide valuable evidence to support a broader model in the future.

### 4. Implications

#### 4.1 Financial

The Grant Agreement for 20/21 is for the CEC to provide a grant of £415,942 to the LEP, via the MCA as Accountable Body.

This is not all new money and £269,942 is already approved for the business as usual Enterprise Advisor Network and the Doncaster Opportunity area support that is routed through the LEP.

The new grant offer is for £146,000 to deliver the Wave 3 Careers Hub to Barnsley, Rotherham and Sheffield.

The proposal is for £87,000 Central Hub Fund based on the number of schools in the hub to use between all 87 hub schools. Use of this fund will be discussed and agreed with the Hub schools.

£59,000 for the costs of the Hub lead. Fully funded by CEC

#### **4.2 Legal**

The MCA, as accountable body for the LEP, already has an agreement in place with the CEC and also with LA for the established EAN work. This activity would be an extension to the agreement with the CEC. The Monitoring Officer will confirm his acceptance to the conditions of the grant award prior to entering any legal agreement with the CEC.

#### **4.3 Risk Management**

Risks to delivery are actively managed by the Programme and Performance Unit of the MCA Executive Team and high risks will be raised with the Skills and Employment Board as part of the performance dashboard.

#### **4.4 Equality, Diversity and Social Inclusion**

The proposal outlined, in focusing on improving access to careers information and business engagement in socially deprived wards and with SEND young people is seeking to target and test activity which breaks down some of the barriers to participation in further learning or into employment. Learning from the activity will be shared across South Yorkshire.

### **5. Communications**

- 5.1** The extension of the current scheme provides an opportunity to deliver an element of the additional support to young people facing the additional challenges as a consequence of the pandemic.

### **6. Appendices/Annexes**

- 6.1** None

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

Other sources and references:

16<sup>th</sup> July 2020

**Local Growth Fund (LGF) Programme**

**Purpose of Report**

This report gives an update on the current LGF programme position, the available headroom and the current level of over programming.

The report recommends selection of one scheme onto the LGF Programme in order that a Full Business Case may be developed.

**Thematic Priority**

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

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

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

**Recommendations**

The LEP Board are asked to:

1. Approve the selection of Company 0118 into the LGF Programme to develop a Full Business Case.

**1. Introduction**

- 1.1 LGF is a 6 year, £360m funding programme secured through three rounds of Local Growth Fund bids. 2020/21 is the final year of funding. Some investment made in the early years of the programme have now repaid loan funding back to the programme which has increased the total value of available programme funding to £377.6m.

**1.2 The current programme position is:**

- £123.1m of projects have now completed
- £186.4m of projects are currently in delivery
- £11.3m has been approved for projects which are in the process of satisfying conditions prior to contract.

Cumulatively this gives a total commitment of £320.8m

There are, in addition a ringfenced schemes within the programme pipeline totalling a further £40.1m.

## **Collectively the total commitment is £360.9m**

When set against the total programme value of £377.6m, the available programme headroom is £16.7m.

- 1.3 Projects already accepted into the pipeline but still at various stages of development stands at £17.7m. Therefore, there remains a small amount of flexibility to continue to work with identified opportunities which are aligned with the approach to working to businesses which was laid out in the LEP meeting on the 21<sup>st</sup> of May and also within the Recovery Action Plan Paper which is being discussed at the LEP meeting today.

## **2. Proposal and justification**

- 2.1 Company 0118 is seeking support from the LEP with regard to its growth plans including additional jobs. In order to evaluate the proposal and consider its value to the economy against any public sector investment the company will need to be adopted into the pipeline of the LGF programme.
- 2.2 Entry into the programme does not imply any particular outcome beyond a commitment to evaluate the company's ask for support.

## **3. Consideration of alternative approaches**

- 3.1 Developing further new LGF applications could be paused due to the slight over-programming position. However, contracts would not be entered into if LGF funding is not available to ensure any over-programming did not result in over-commitment. Whilst LGF is not in a position to invite general applications, at this stage it is considered prudent to continue to explore any strong business opportunities with businesses.

## **4. Implications**

### **4.1 Financial**

Inviting this application to develop a full business case would take the total LGF Programme activity to £380.1m against a budget of £377.6m. It is expected the budget will not be exceeded once all LGF activity that meets value for money criteria and is able to deliver within the LGF Programme period is committed into contract.

### **4.2 Legal**

Legal considerations including state aid issue will be evaluated as part of the appraisal process.

### **4.3 Risk Management**

A number of mechanisms are in place to accurately monitor LGF spend during the final year of the Programme in order to manage any financial risks including all projects reporting monthly expenditure during 20/21, regular and enhanced project monitoring and . At a project level, the applicant is required to share project risks at full business case stage which are assessed as part of the SCR assurance process.

### **4.4 Equality, Diversity and Social Inclusion**

The project will be engaged during any development of a full business case to test whether wider ambitions around apprenticeships and training opportunities could be incorporated into the business case.

## **5. Communications**

- 5.1 Not applicable



## 6. Appendices/Annexes

6.1 None

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16<sup>th</sup> July 2020

## Board Diversity

### Purpose of Report

This paper updates Board Members on the current board composition against the ambitions set out in the LEP Diversity Policy and against the standards set by the LEP Review.

This paper also seeks:

- views on the proposal to co-opt a Chamber of Commerce Chief Executive to the Board
- endorsement of a further recruitment campaign with the aim of achieving a more diverse Board
- views on the development of a talent programme to advance underrepresented groups in non-executive Board positions across South Yorkshire

### Thematic Priority

Cross cutting - governance

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

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

### Recommendations

That Board Members:

1. endorse, following a selection process within the sector, Angela Foulkes joining the LEP Board as a co-opted member representing FE Colleges.
2. endorse the proposal to seek the co-option of a Chamber of Commerce Chief Executive to support and advise on the SEP and the Renewal Plan.
3. endorse the launch of a new recruitment campaign, commencing in July 2020, that will target applications from a more diverse pool with the aim of making new appointments from the end September 2020.
4. consider the development of a talent programme, sponsored by the LEP, to advance underrepresented groups in non-executive Board positions across South Yorkshire.

## 1. Introduction

### 1.1 Valuing diversity

The LEP Board first established its [Diversity Policy](#) in 2018. This policy sets out a commitment to ensuring board composition reflects the diverse communities of the City Region and considers areas of expertise and industry knowledge in addition to background, race, gender and other qualities. The policy was further strengthened in 2018 by adding a commitment to ensuring the private sector membership of the Board has equal male/female representation by 2023 and by identifying, and publicising, on the SCR website, a 'Diversity Champion'. This role is currently filled by the LEP Chair.

## 1.2 Government requirements

The LEP Review – ‘Strengthened Local Enterprise Partnerships’ (July 2018) - established criteria for the size and composition of LEP Boards. The requirements stipulate that Boards:

- Must have no more than 20 Members, although a further 5 Members may be co-opted to provide specialisms as required;
- Must be constituted with a 2/3 majority membership drawn from the private sector, including a private sector Chair;
- Must have a minimum membership of a third of the Board being female, noting that co-opted members do not count for the data. To be compliant, if the Board had a maximum Membership of 20 – 7 members would need to be female.

These criteria are reviewed and enforced by MHCLG as part of the Annual Performance Review of the LEP and a failure to meet the requirements results in an unsatisfactory grading and could lead to funding being withheld.

## 1.3 Current composition

Whilst the current Board composition relating to gender is some way off the ambition set out in the Diversity Policy it is compliant the Government requirements as set out above. However, due to resignations by female Board Members in 2019 the gender balance is at the minimum standard. (see table 1 at 2.1 and also appendix 1)

## 1.4 Recent Recruitment

The recruitment campaign launched in January 2020 saw only 22% of the applications from women. The campaign resulted in the appointment of Gemma Smith to the Board (March 2020).

NB Whilst the recruitment material sets out the LEPs commitment to the promotion of equal opportunity for all and to ensuring that the Boards composition is diverse and reflective of the City Region in its broadest sense, other than gender, no equality monitoring data is currently collected therefore it is difficult to analyse whether the campaign was successful in reaching other underrepresented groups.

## 1.5 Co-options

In addition to the appointment identified above, as agreed with the LEP Vice-Chairs in conjunction with the Chair, a co-opted position has been created to ensure representation of the Further Education College sector. Following an ‘expression of interest’ process, two submissions were made from South Yorkshire Colleges. Consequently, the Board is asked to endorse the recommendation to appoint Angela Foulkes (Chief Executive and Principal of Sheffield College and Chair of the SY Colleges CEX and Principals group) to the LEP Board for a three-year term.

- 1.6 The Board is also asked to endorse a proposal to seek the co-option of a Chamber of Commerce Chief Executive to support and advise on the SEP and the Renewal Plan.

## 2. Proposal and justification

### 2.1 Immediate activity

The current membership and composition of the LEP Board is shown in table 1 below (and at appendix 1) and illustrates that, of the substantive members, there is a total Board size of 17 against a maximum allowed membership of 20. The ratio of private to public sector is compliant with a two thirds majority, and whilst the gender balance is compliant (a third of members being female) it is at the minimum level.

	Male	Female	Total
Private Sector	8	4	
Public Sector	3	2	
<b>Total</b>	<b>11</b>	<b>6</b>	<b>17</b>
Co-opted Members	2	1	
<b>Total</b>	<b>13</b>	<b>7</b>	<b>20</b>

Table 1: Current LEP Board Membership June 2020 (this includes the appointment in March 2020 of Gemma Smith to the Board)

There are a number of 'terms of office' due to expire at the end of September which will impact negatively on the composition of the Board in relation to the private/public split and gender balance. To mitigate against this, and to actively pursue the ambition to achieve a greater gender balance on the Board, it is proposed a further recruitment campaign is launched, predominantly targeting applications from females but also proactively looking to diversify Board membership in its entirety.

### 2.3 Longer term activity

In view of the analysis of the recent recruitment campaign and the ratio of applications received from men versus women, and also to show demonstrable progress towards meeting the aspiration of 50/50 male/female membership on the Board, Members are asked to support the development of a longer-term programme that aims to advance underrepresented groups to fulfil non-executive positions on a range of public/private governance Boards across the City Region.

The proposal, if agreed in principle, could be developed in partnership with other anchor institutions and positioned as a tangible commitment to improving diversity in decision making and in the leadership of Boards.

## 3. Consideration of alternative approaches

- 3.1 Do less – accept a position of running a non-compliant Board. This has been discounted as all Board Members have expressed their desire to have a more diverse and gender balanced Board as a fundamental principle in ensuring the LEP Board is representative of the community (business and residents) that it serves.
- 3.2 Do more – The ambition of the Board is specified in the LEP Diversity Policy as moving rapidly towards a gender balanced Board, this remains an aspiration but without a targeted approach to recruitment in the medium term and a concerted development programme to attract increasing numbers of women to non-executive positions, open recruitment is seeing considerably more applications received from male business leaders and will continue to result in a minimum compliant position.

## 4. Implications

### 4.1 Financial

There will be some costs associated with running a targeted recruitment campaign and, if accepted, the development of a programme or sponsorship of a programme aimed at increasing the number of women and other underrepresented groups taking up non-executive roles in public life.

### 4.2 Legal

Legal advice is that we can take positive action in advertising and marketing our campaign.

### 4.3 Risk Management

There is a significant risk in having a Board that lacks diversity in a period of great economic uncertainty and where underrepresented groups are likely to be disproportionately affected. Decision making will undoubtedly be enhanced by a Board that is representative of the communities it serves. If the Board cannot move quickly to achieving this balance Members are asked to consider alternative approaches to ensuring policy development options are representative of all sectors in society.

### 4.4 Equality, Diversity and Social Inclusion

This paper is seeking support of Members to actions to better fulfil the obligations of the LEP Board to reflect greater representation and diversity and to meet the ambitions set out in the LEP Diversity Policy.

## 5. Communications

- 5.1 The proposal outlined in this paper will require significant activity to communicate and engage. Subject to the decisions made a communication and engagement strategy will be developed and shared with Members for their consideration and input.

## 6. Appendices/Annexes

- 6.1 Appendix 1 – LEP Board membership and gender composition as at July 2020

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

Other sources and references:

Strengthened Local Enterprise Partnerships <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>

	Male	Female	Total
<b>Private Sector</b>	8	4	12
	<ul style="list-style-type: none"> <li>• James Muir</li> <li>• Neil MacDonald</li> <li>• Owen Michaelson</li> <li>• Peter Kennan</li> <li>• Prof. Chris Husbands</li> <li>• Richard Stubbs</li> <li>• Tan Khan</li> <li>• Nigel Brewster</li> </ul>	<ul style="list-style-type: none"> <li>• Alex Greaves</li> <li>• Lucy Nickson</li> <li>• Laura Bennett</li> <li>• Gemma Smith</li> </ul>	
<b>Public Sector</b>	3	2	5
	<ul style="list-style-type: none"> <li>• Dan Jarvis</li> <li>• Chris Read</li> <li>• Steve Houghton</li> </ul>	<ul style="list-style-type: none"> <li>• Ros Jones</li> <li>• Julie Dore</li> </ul>	
<b>Total</b>	<b>11</b>	<b>6</b>	<b>17</b>
<b>Co-opted Members</b>	2	1	
	<ul style="list-style-type: none"> <li>• Prof. Dave Petley</li> <li>• Bill Adams</li> </ul>	<ul style="list-style-type: none"> <li>• Alison Kinna</li> </ul>	
<b>Total</b>	<b>13</b>	<b>7</b>	<b>20</b>

Criteria	Status
Total Board size	17 against a maximum allowed membership of 20 (excludes co-opted members)
Number of co-opted members	3 against a maximum of 5
Private sector majority	Compliant with two thirds majority criteria (70.69% are private sector)
Gender balance of substantive members (public & private sector)	<ul style="list-style-type: none"> <li>• Substantive members both public and private sector - compliant with one third female (35.29%)</li> <li>• Private sector members only - compliant with one third female at (33.33%)</li> </ul>

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July 2020

**Mayor's Update**

**Purpose of Report**

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

**1. Devolution – powers and resources unlocked for South Yorkshire**

New powers and millions of pounds in new funding are coming to South Yorkshire this summer, as the region's landmark devolution deal has been agreed. The order for the Deal was laid in Parliament on the 29<sup>th</sup> June, after letters of agreement were submitted by Barnsley, Doncaster, Rotherham and Sheffield councils and myself, to the Ministry of Housing, Communities and Local Government.

I look forward to the Deal being approved in Parliament in the coming weeks with a statutory instrument being used to pass this into law.

Securing the Deal marks a landmark moment for the region, equipping local leaders and myself with the tools and resources to begin to build back better from COVID.

**2. The Covid Pandemic – a New Deal for the North**

The profound impacts and consequences of the COVID crisis continue to reverberate through South Yorkshire, across the country and around the world.

The pandemic has brought into stark focus the nation's inequalities. South Yorkshire and the North as a whole, have been hit hard both by the disease and its socio-economic consequences. The reasons for this – high levels of deprivation, significant health inequalities, low productivity and a low wage economy – also mean that it is likely to take us much longer to recover.

It's essential that we unlock the potential of the North. Now, more than ever, the case to level up the economy is compelling. But this requires an urgent step change in investment to deliver a bold, comprehensive, coherent plan, that does not simply react to the immediate COVID crisis but also addresses our fundamental structural challenges, and importantly, which empowers the North.

Put simply, we need a New Deal to make the North stronger, greener, and fairer. I wrote to the Prime Minister and the Chancellor making the case for this, in advance of the summer budget statement. If the government seizes this opportunity, we can make this the start not just of a recovery, but of a renewal.

**3. Renewing South Yorkshire: Stronger, Greener and Fairer**

Since the beginning of this global crisis I have focused on recovery planning. Our emerging Renewal Action Plan focusses on providing immediate help for our people, employers and places. Rather than returning to the status quo, we must build a stronger, greener, and fairer South

Yorkshire.

Developed in partnership with yourselves – our Local Enterprise Partnership – the wider business community, councils, anchor institutions, voluntary sector and partners, we are developing a bold plan for relief, giving our region the support it needs now.

Our Plan will deliver 55,000 jobs or training opportunities, support 25,000 businesses, create 3,000 apprenticeships and revitalise our town centres, for an investment of £1.7bn. All the investments proposed in the Plan have positive and independently assessed benefit to cost ratios. Meanwhile the costs to UK plc of not proactively investing and letting unemployment spiral, particularly in less resilient economies, such as South Yorkshire's, are vast both from a financial and human wellbeing perspective.

This Plan was submitted to the Prime Minister and the Chancellor, in advance of the latter's summer budget statement, to secure the resources our region so urgently needs.

#### **4. Securing additional funding to begin to deliver our plan**

In addition to reaching this landmark devolution moment, our Mayoral Combined Authority has also secured further Government funding to invest in our Plan. Totalling more than £110m of investment, this is an important first step forward in the delivery of our Renewal Action Plan. But this is only the beginning and much more will be needed to deliver the scale of transformation that South Yorkshire not only needs, but also deserves.

This additional investment secured from Government included more than £33 million to be used to create green open spaces, improve town centres and develop the region's digital offer, attracting inward investment. The funding will be used to:

- Create a Digital Campus in Barnsley, supporting the growth of start-up digital companies and attracting inward investment.
- Develop new walking and cycling routes within Doncaster town centre, as well as introducing new high-speed digital technology.
- Transform Rotherham town centre with the creation of a new public realm area near the landmark Forge Island development.
- Create three new open space and public realm areas in Sheffield City Centre that will improve air quality, biodiversity and reduce flooding.

£40 million has also been secured to build 3,500 new homes on brownfield land over the next five years.

Securing this investment shows the power of devolution and how our partnership with local authority leaders, the private sector and our anchor institutions can unlock new funding and opportunities for South Yorkshire. It demonstrates how having powers and resources at our disposal can help us transform our region, making South Yorkshire stronger, greener and fairer.

These unprecedented times merit an unprecedented response. It is essential to level up opportunity around the UK, delivering a true Northern Powerhouse.

I will continue to forcefully make the case for more powers and resources so we can use COVID as a catalyst for change.

**July 2020**

**Chief Executive's Update**

**Purpose of Report**

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

**1. Strategic Economic Plan and Recovery Plan Consultation**

- In April and May, SCR shared the draft SEP with 43 partners and stakeholders from across the region
- Overall tone of the feedback from stakeholders was positive with respondents being supportive of the SEP
- Following this short, stakeholder consultation we are planning to launch a public consultation that will run from 8<sup>th</sup> August through to 18 September
- For the consultation, to accompany the draft SEP we will also be providing a copy of the Recovery Plan as a supporting document
- The Recovery Plan will be discussed at the Mayoral Combined Authority Meeting on the 27<sup>th</sup> July
- The results of the consultation will be brought back to the LEP Board in November.

**2. Adult Education Budget**

- On the 1<sup>st</sup> April SCR submitted a suite of documents that are required by the Department of Education (DfE) to assess Mayoral Combined Authorities ability to exercise the functions and processes associated with the Adult Education Budget (AEB).
- On the 15<sup>th</sup> of May DfE notified us that they agreed that SCR had passed these readiness conditions. This means that control of the Adult Education Budget will pass to SCR for the 21/22 Academic Year.
- Officers introduced AEB to the Skills and Employment Board in June (29<sup>th</sup>) and are working to develop the appropriate governance processes to successfully implement AEB.
- Officers will be working with key stakeholders around how they can support SCR to deliver on its strategic priorities for AEB devolution.

**3. Bus Review**

- In mid-June, the Independent Bus Commission announced its findings.
- Three root causes in the decline in bus passenger numbers in South Yorkshire are insufficient funding, lack of leadership and a lack of accountability
- It took into consideration the experiences and feedback from 5,900 members of the public, bus users, community groups, businesses and interest groups, of the impact poor and unreliable bus services have had on their lives
- The review found that having an arms-length organisation, such as SYPTE, has not allowed local authorities the opportunity to make decisions about bus services

- The review recommended that a simpler ticketing system and the exploration of innovative fare structures are investigated.

#### **4. Devolution**

- On Monday 29 June, the order for the Devolution Deal was laid in Parliament after letters of agreement were submitted by the mayor and council leaders in Barnsley, Doncaster, Rotherham and Sheffield to the Ministry of Housing, Communities and Local Government.
- The deal will be approved by Members of Parliament in the coming weeks.