

Public Document Pack



Wednesday, 2 September 2020

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

You are hereby invited to a meeting of the Sheffield City Regional Mayoral Combined Authority to be held at **Virtual Meeting**, on: **Thursday, 10 September 2020 at 11.00 am** for the purpose of transacting the business set out in the agenda.

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

Dr Dave Smith
Chief Executive



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

Member Distribution

James Muir (Chair)	Private Sector 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
Angela Foulkes	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-Optee LEP Member
Bill Adams	TUC Representative
Dan Fell	Doncaster Chamber
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, 10 September 2020 at 11.00 am

Venue: Virtual Meeting

Agenda

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SCR - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

THURSDAY, 16 JULY 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
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
Tanwer Khan	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 Mazher Iqbal (Reserve)	Sheffield City Council

Officers in Attendance:

Dr Dave Smith	Chief Executive	SCR Executive Team
Steve Davenport	Principal Solicitor & Monitoring Officer	
Mike Thomas	Senior Finance Manager/ Deputy S73 Officer	SCR Executive Team
Mark Lynam	Director of Transport, Housing and Infrastructure	SCR Executive Team
Sharon Kemp	Chief Executive of Rotherham Metropolitan Borough Council	Rotherham MBC
Charlie Adan	Interim Chief Executive of Sheffield CC	Sheffield City Council
Damian Allen	Interim Chief Executive, Doncaster MBC	Doncaster MBC
Sarah Norman	Chief Executive	Barnsley MBC
Colin Blackburn	Assistant Director - Housing, Infrastructure and Planning	SCR Executive Team
Jacque Chambers	Assistant Director - Skills & Employment	SCR Executive Team
Andy Gates	Assistant Director - Strategic Corporate Affairs	SCR Executive Team
Felix Kumi-Ampofo	Assistant Director Policy and	SCR Executive Team

Gareth Sutton	Assurance Chief Finance Officer/S73 Officer	SCR Executive Team
Sue Sykes	Assistant Director - Programme and Performance Unit	SCR Executive Team

Guests in Attendance

Craig Tyler (Minute Taker)

Apologies:

Professor Chris Husbands	Representative for Higher Education
Laura Bennett	Private Sector LEP Board Member
Councillor Sir Steve Houghton CBE	Barnsley MBC
Dr Ruth Adams	SCR Executive Team

1 Welcome and Apologies

Members' apologies were noted as above.

2 Declarations of Interest

It was acknowledged the district Leaders would be generally required to declare interests in respect of the Major Capital Schemes that come forward as a consequence of any resolutions agreed at agenda item 5.

3 Notes of Last Meeting

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

4 Economic Renewal Plan

A report was received regarding the existing and future Strategic Economic Plan priorities aka the Renewal Action Plan (RAP).

It was noted the development of the Sheffield City Region (SCR) Renewal Action Plan (RAP) is an 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 confirmed 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.

It was noted the RAP has been designed with three linked horizons in mind: Relief (immediate term), Recovery (medium term) and Resilience (long term) and that the interventions in the draft RAP developed so far are designed to be delivered within the next 12 to 18 months.

The meeting was provided with a detailed explanation of the substantive themes contained within the plan.

It was noted the Mayor's Economic Recovery Sub Group has greatly informed the development of the RAP.

The draft RAP was attached at Appendix 1 to the report.

Members thanked officers for the work undertaken in developing both the plan and the supporting analysis, noting the SCR is ahead of other city regions on this respect. It was asserted that recovery needs to be 'jobs led and rooted in recognition of the needs of the local and regional economies.

It was agreed the SCR needs to speak with 'one voice' as a means of maximising the effectiveness of our discussions with government.

It was clarified that the RAP is synonymous with the previously reported ERP (Economic Recovery Plan). It was also noted the data collated to support the RAP will be made available to partners for other recovery related initiatives.

It was agreed the SCR needs to take a proactive, and not just a responsive, approach to ensuring businesses know what support is available to them, in both the shorter and longer terms.

The meeting discussed the importance of ensuring the RAP is supportive of addressing the various issues of inequality that have been made more evident during the pandemic.

It was noted some city regions have used their recovery plans to highlight 'big ticket' investment opportunities as ways to drive economic growth and questioned what the SCR's inspiring projects are. It was proposed that whilst such projects will catch the eye of government, we need to ensure any such projects genuinely improve the local economy and create local jobs.

The importance of the SCR Thematic Board, and also the SCR Growth Hub in taking forward RAP initiatives and wider support for government were asserted.

The meeting discussed the importance of progressing work in conjunction with our universities and noted what initiatives are in place to ensure that will happen.

It was noted the intended final version would be presented to the MCA for approval.

RESOLVED, that the Board:

1. Endorses the draft SCR Renewal Action Plan
2. Agrees to take forward the delivery planning through the appropriate Thematic Boards.

Getting SCR Building

A report was received to provide an update on the recent announcements for devolved funding to support major employment and housing development in the SCR.

The meeting was informed that on the 30th June 2020, the Government launched 'A New Deal for Britain' which it set out the first steps in stimulating the economy following Covid 19 pandemic and that as part of this strategy, £73.6m of funding (£33.6m (Major Capital Schemes) and £40m (Brownfield Fund)) has been allocated to the MCA for supporting immediately deliverable infrastructure schemes and to support the development of housing schemes on brownfield land.

The schemes being progressed through the Major Capital Schemes funding were noted and the meeting acknowledged the excellent work undertaken by the SCR and district Members and officers within a very short time frame to pull the list together.

It was noted there is a need to get the funding invested as soon as possible whilst recognising the need to accord with any grant conditions and assurance frameworks, identifying opportunities to expediate preparatory work wherever possible.

It was noted the government have requested the sign-off of the programme by the Mayor or LEP Chair (on behalf of their board), confirming that the submission is an agreed list, and the S151/71 officer to affirm the deliverability of the project spend this year and next. This delegation was duly supported by the Board.

Regarding the Brownfield Fund award, it was noted discussions are ongoing in respect of whether additional revenue funding will be forthcoming.

The report set out the actions being taken to meet this challenge and accelerate delivery of these schemes across the SCR.

RESOLVED, that the Board:

1. Notes the Government's funding allocation to the MCA for infrastructure of £33.6m (Major Capital Schemes) and £40m (Brownfield Fund) for housing developments;
2. Notes support for the proposed Major Capital Schemes set out in Annex 1 for the capital spend
3. Notes support for the proposals for accelerating the delivery of the infrastructure and housing schemes as set out in the conditions of the funding allocation.

GatewayEast Economic Blueprint

A report was received to present the GatewayEast Economic Blueprint for

discussion.

It was noted the SCR has long since recognised the strategic importance of Doncaster Sheffield Airport (DSA) to the future economic and social growth of the region, as captured within the SCR SEP. This also identifies 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.

The report recapped engagements with the site's owners (Peel Holdings) (which are now captured within a high-level statement of intention for how we achieve the next stage of growth) and set out how the GatewayEast Blueprint, as the first step towards achieving the growth ambition for the area.

The report commented in detail on the next steps for the implementation of the Blueprint.

The meeting considered the importance of not losing cognisance of environmental, climate change and sustainability (ecological and economical) matters as this project develops.

RESOLVED, that the Board

1. Notes the content of the Blueprint.
2. Agrees the proposed next steps for implementation of the Blueprint.

7

Careers Hub

A report was received to highlight the offer of a grant from the Careers and Enterprise Company to the LEP Board to deliver a careers hub, based on the pilot project which is currently operating in Doncaster only.

Further information was provided to outline the highlights and successes of the current pilot project which seeks to implement better linkages between careers advisors and young people leaving education, matching skills with career opportunities.

The report commented on the options for what the grant could be utilised for subject to the recommend acceptance of the grant.

It was noted that subject to endorsement, the report would go to the MCA for final approval.

RESOLVED, that the Board:

1. Endorses the potential programme as outlined, and recommendation for the acceptance of the grant.
2. Notes a report will go to the MCA Board on the 27th July formally requesting the acceptance of the grant.

8 **Local Growth Fund (LGF) Programme**

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

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

Members were reminded the 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.

It was noted the available programme headroom is £16.7m.

Members were asked to consider a proposal from 'Company 0118' which is seeking support from the LEP regarding its growth plans which include the creation of additional jobs. It was reiterated that entry into the programme does not imply any particular outcome beyond a commitment to evaluate the company's ask for support.

RESOLVED, that the Board approves the selection of Company 0118 into the LGF Programme to develop a Full Business Case.

9 **Board Diversity**

A report was received to provide the Board with an update on 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 sought views on the proposal to co-opt a Chamber of Commerce Chief Executive to the Board, a further recruitment campaign with the aim of achieving a more diverse Board and views on the development of a talent programme to advance underrepresented groups in non-executive Board positions across South Yorkshire

The meeting discussed how the SCR would be strengthened from embracing the diversity in all its guises.

RESOLVED, that the Board:

1. Endorses, following a selection process within the sector, Angela Foulkes joining the LEP Board as a co-opted member representing FE Colleges.
2. Endorses 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. Endorses 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. Endorses the development of a talent programme, sponsored by the LEP, to advance underrepresented groups in non-executive Board positions across South Yorkshire.

10 **Mayoral Update**

Provided for information.

The Mayor noted this had been a milestone week for South Yorkshire with the Devolution Order having been laid before parliament and welcomed the work and opportunities this would now unlock for the benefit of the region.

Information was provided regarding what preparatory work is being undertaken in readiness for the new powers and funding the deal unlocks.

11 **Chief Executive's Update**

Provided for information.

The meeting discussed the plans in place for SEP and Recovery Plan consultation.

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

Signed

Name

Position

Date

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10th September 2020

AMRC Development Plan

Purpose of Report

This provides background to a presentation that will be given to the LEP Board from Steve Foxley, Director of the AMRC, on the future direction of the AMRC.

Thematic Priority

Cross-cutting across all six thematic priorities.

Freedom of Information

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

Recommendations

Note and discuss the progress made in developing the direction of the AMRC and its relationship with the SEP priorities.

1. Introduction

- 1.1 The University of Sheffield and the AMRC have been considering the future direction and development of the AMRC. These considerations relate to the AMRC's international, national and local impacts.

2. Proposal and justification

- 2.1 The University of Sheffield has been a key stakeholder in the development of the SEP, especially around the focus on innovation. Through analysing the evidence for the SEP, it is clear that the LEP needs to ensure that a much wider set of businesses, supply chains and SMEs benefit from innovation. To boost productivity and accelerate the pace of growth, a greater focus on translational research is required.

The benefits of this approach will only be realised if all partners work together to foster a culture of innovation, at scale, across the city region.

- 2.2 The MCA/LEP is working with MIT to develop the entrepreneurial ecosystem in South Yorkshire to enable the growth that the economy needs. Steve Foxley from the AMRC is part of the core team, the collaboration and focus of the MIT approach is incorporated into the AMRC's new strategy.

The LEP and the Mayor have been advocating for the AMRC to be at the centre of the much-vaunted MIT of the North. With the Government's focus on increased R&D

investment as one of the ways of levelling-up the UK, the region is well placed to lead on translational research with the AMRC and AWRC.

- 2.3 Steve Foxley will give a verbal presentation to the LEP Board outlining plans for the development of the AMRC.

3. Consideration of alternative approaches

- 3.1 Not applicable.

4. Implications

4.1 Financial

There are no direct financial implications arising from this paper.

4.2 Legal

There are no legal implications arising from this paper.

4.3 Risk Management

Not applicable.

4.4 Equality, Diversity and Social Inclusion

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

5. Communications

- 5.1 Not applicable.

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

10th September 2020

RENEWAL ACTION PLAN

Purpose of Report

This paper presents an update on the SCR Renewal Action Plan.

Thematic Priority

Cross-cutting across all six thematic priorities.

Freedom of Information

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

Recommendations

LEP Board Members are asked to note the progress made and provide any comments and suggestions they deem appropriate, on how the Renewal Action Plan should be implemented.

1. Introduction

1.1 The SCR Renewal Action Plan (RAP) was approved by the Mayoral Combined Authority (MCA) on 27 July 2020, following endorsement by the LEP Board.

1.2 The RAP focuses on three high-level objectives:

- **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

1.3 Work is now underway to identify how the agreed priorities in the RAP should be implemented and this paper provides an update on the progress made to date.

2. Proposal and justification

2.1 Following approval by the MCA Board, the Thematic Boards were tasked with steering the development of Implementation Plans to deliver the RAP objectives and priorities. The Skills and Employment Board is guiding the development of the People Implementation Plan; the Business Growth Board is leading the development of the Employers Implementation Plan, and the Housing, Infrastructure and Transport Boards are developing implementation plans for the Place interventions identified in the RAP and

which are relevant to their remit. The progress made by the Thematic Boards in developing each Implementation Plan is detailed below.

2.2 People

Significant engagement has taken place with national and local partners and stakeholders to map existing provision that can support RAP and identify additional activity and projects to fill any gaps in support. The mapping exercise has included ascertaining whether and how the MCA could influence and co-design national programmes on traineeships, apprenticeships and supporting long-term unemployed people into work.

The Local Authority Officers Group for Skills and Employment is currently reviewing local initiatives for young people and the re-skilling and training of adults.

Consideration is also being given to explore how the European Social Fund (ESF) National Reserve Fund can be accessed to support job creation, career progression, digital skills and support for unemployed individuals and those seeking career change.

2.3 Employers

Task and Finish groups have been established to lead on each of the five Employers interventions set out in the RAP:

1. Flexible Investment and Re-capitalisation
2. Access to Specialist Advice
3. Supply Chain and Procurement Support
4. Leadership Support
5. Digital Upskilling and Technology Adoption

Task and Finish group memberships include MCA Exec Officers, local authority officers and LEP Board members, and business representative organisations such as the Chambers of Commerce, to provide advice and support. The September meeting of the Business Growth Board reviewed the delivery options, and detailed proposals are now in development.

2.4 Places

Local authority partners have all recently developed scheme outlines in response to various calls from Government. Work is underway to deliver the “shovel-ready” schemes approved as part of the Getting Building Fund and the Housing Fund (Brownfield). This is in addition to the delivery already underway as part of the Emergency Active Travel Fund Programme. The proposals in the RAP are already aligned with the activities in the SCR Active Travel Implementation Plan (ATIP).

Work also underway on the Digital Infrastructure Strategy to identify the gaps in digital infrastructure provision and accelerate full fibre and 5G roll-out across the City Region.

2.5 As the Thematic Boards, in consultation with other partners and stakeholders, develop the options and costings in the Implementation Plans, efforts are being made to identify and secure the funding required for delivery. As identified in paragraph 2.4 above, some funding has already been secured, such as the Getting Building Fund, Housing Fund (Brownfield), Emergency Active Travel Fund. National programmes have also been announced by Government to assist people back into work and this will delivery parts of the People interventions in the RAP.

2.6 The RAP Implementation Plans will be presented to the LEP and MCA Boards in November for approval and delivery will begin as soon as funds are available and allocated. Work is underway to secure more funds to deliver more of the RAP and the draft SEP.

3. Consideration of alternative approaches

3.1 Do something

Until additional resource from central Government is identified, The LEP and MCAs primary focus will need to be on delivering those interventions identified for the Relief phase (immediate and short-term) in the RAP, and which can be delivered with available resources.

3.2 Do Less

The RAP was submitted to Government in July with a request for additional resource. There is an expectation from Government that the MCA will use all available resources to deliver what interventions it can fund from the RAP as a minimum. However, the Board could decide to not act now until further funding is secured to deliver more of the interventions in the RAP.

4. Implications

4.1 Financial

There are no direct financial implications arising from this paper at this stage.

Whilst the interventions and costings are still being developed through the RAP Implementation Planning process, additional funding will need to be secured from Government in order to deliver both the RAP and the Strategic Economic Plan (SEP). The MCA Executive Team is engaging with Government through the Comprehensive Spending Review (CSR) and Autumn Budget Statement processes to secure the additional funding required.

4.2 Legal

There are no legal implications arising from this paper.

4.3 Risk Management

Risks include:

- Failure to adequately prepare for and implement schemes that mitigate the adverse impacts of COVID-19 on young people, those employed in lower paid jobs or vulnerable sectors and SCR residents who have lost employment. The consequences being a significant rise in unemployment, a sustained fall in productivity and a prolonged economic recession in the City Region.
- Failure to adequately prepare schemes to a detailed level of development, that evidences their deliverability to support individuals in a timely manner. The consequence being the inability to secure additional funding from Government.
- Failure to demonstrate leadership on the response to COVID-19 to the City Region's businesses and residents. The consequence being adverse publicity or reputational damage to the Mayor, the MCA and the LEP.

4.4 Equality, Diversity and Social Inclusion

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

The RAP is focusing on the economic wellbeing of residents in South Yorkshire. Through it we are seeking to mitigate against increasing levels of poverty and improve social inclusion. Interventions are targeted at vulnerable groups and those individuals who have been disproportionately affected by COVID-19.

5. Communications

5.1 Communications on the RAP and the RAP Implementation Plans will be delivered across a range of channels, including digital, social and traditional media, as detailed in the RAP Communication Plan. The LEP and MCA will work with partners and stakeholders to deliver these communications.

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:

10 September 2020

Business Growth Pipeline

Purpose of Report

This report gives Members an overview of the project pipeline in development; including indigenous business projects to support the growth of established South Yorkshire businesses and new investment projects from outside the Region and the UK.

The report provides the rationale for the approach and considers what needs to be developed in order to secure both these investments and stimulate further opportunities.

Thematic Priority

The priorities covered by this report are:

1. Ensure new businesses receive the support they need to flourish.
2. Facilitate and proactively support growth amongst existing firms.
3. Attract investment from other parts of the UK and overseas and improve our brand.

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

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

Recommendations

Members are requested to consider and discuss the approach to the development of the business growth pipeline.

1. Introduction

- 1.1 The LEP has invested £46.8m primarily through LGF since 2014. This has made a significant difference to our businesses and residents in terms of increased job creation, income and wellbeing.

At Q4 2019/20 through the deployment of LGF the following outcomes have been achieved:

- Direct jobs created or safeguarded = 2,827
- Private sector leverage = £92.1m

Despite this, the evidence shows that the region continues to underperform on many indicators and South Yorkshire's relative position has not shifted.

Since the first Economic Plan (SEP) was published in 2014, (and prior to COVID), the local economy had grown by a total of 57,000 jobs and 9,510 businesses according to the latest official data. South Yorkshire, however, compares unfavourably to other LEP areas and is ranked 33rd out of 38 LEPs for productivity; largely due to a higher proportion of lower skilled and lower paid jobs. GVA per employee is 82% of the UK average whilst GVA per capita is 68% of the UK average. Average earnings are also 3% below the UK level at £8.92 per hour.

1.2 The Covid-19 crisis has exacerbated the challenges for businesses and for many in the labour market.

- A significant economic recession is underway
- There is great uncertainty about how long it will last and the extent to which it will impact on people's lives and the economy
- The vulnerabilities and weaknesses in the South Yorkshire economy prior to the Covid-19 crisis will be exacerbated. South Yorkshire may escape some of the worst initial impacts due to the structure of our economy but in the medium to long term it is more exposed.
- The systemic and fundamental economic challenges remain and will need to be addressed. This now has greater urgency, fast evolving priorities and require a sharper focus on the timing and sequencing of actions.

1.3 In the midst of all these challenges there remains a significant pipeline of investment projects from early stage and pre-start businesses. These provide opportunities to not only create direct jobs but also indirect jobs in supply chain companies and act as a launch pad for the development and creation of new higher value clusters of businesses.

2. Proposal and justification

2.1 Breakdown of engagement to date on indigenous growth projects

The companies engaged with to date range from University spin outs, SMEs, to mature foreign owned business. Some have immediate plans to expand others have longer term plans to grow the business over the next 5 /10 years.

Some of these businesses are developing into new markets or new sectors and are diversifying from their core business activity.

Initial engagement with 45 companies has converted into 15 live growth projects, more details of which will be provided in the presentation.

The primary aim of the engagement programme has been to:

- Gain a deeper understanding of the business; its challenges, opportunities, performance, objectives and plans
- Establish a strategic and operational relationship with the decision makers and secure trust
- Gain a fuller appreciation of the investment intentions of each business. This includes challenging assumptions and assertions to uncover the true market opportunity and to understand the company's ability to exploit this
- Explore how the LEP may be able to support the business to realise identified opportunities
- Understand the company's approach and strategy for investment in their people and in the local community
- Explore opportunities to engage more local businesses into the supply chains of larger businesses

- Gain insights into how the LEP could support businesses and people to drive the transformation of the South Yorkshire economy.

2.2 Breakdown of engagement on Inward Investment projects:

There are currently 29 live new Inward Investment projects in the pipeline. Those investment projects have a value of £760 million and are forecast to create 6000 jobs in the region over the next few years if all are landed and successfully delivered.

All projects are covered by non-disclosure agreements, further details we are able to share will be given as a part of the presentation to the Board.

2.3 Observations / lessons learned to date:

There is evidence that there is a cohort of businesses in the region with significant capability to grow that would value a strategic and investment led relationship with the LEP. The introduction of the model, outlined to the LEP Board on 21/05/20, of building a relationship with business leaders and to proactively seek out the opportunities in our businesses to grow is proving to be valuable and worthwhile.

The discussions with these growth businesses whilst opening up new opportunities, is challenging the traditional forms of public sector grant giving models as the predominant form of intervention. As has been recognised in the business strand of the Renewal Action Plan a range of investment interventions are required to realise more opportunities for business growth.

3. Consideration of alternative approaches

3.1 Business as Usual

A business as usual approach on its own will not have the impact required in the economy and is unlikely to lever the wider outcomes associated with a co-investment deal including the inclusion and sustainability outcomes.

4. Implications

4.1 Financial

There have been some costs associated with supporting the development work of business cases for these investments. At this stage there is not a commitment to fund any of the projects as this is dependent upon the emerging business case, and the availability of new sources of investment.

The success of this investment pipeline is dependent upon South Yorkshire having an available funding source initially to the value of around £450 million rising as more opportunities become available

4.2 Legal

All of the projects alluded to in this report are covered by Non-disclosure agreements for that reason the names of the businesses are not included

There are no legal implications associated with this report, however some of the potential investment may require detailed due diligence and legal work before any recommendation to support could be considered.

4.3 Risk Management

This approach should mitigate the risk of:

- local businesses with the potential to grow relocating outside of the City region to get greater support,
- supporting businesses to relocate and making stronger local linkages to other businesses to build more resilient supply chains,
- investing in businesses where there is no requirement for wider social value and inclusion. All discussions have focused on what a something for something deal is and what the company will invest in local labour and other businesses.

4.4 Equality, Diversity and Social Inclusion

The premise of the engagement is based upon a deal where greater social value is negotiated and the business commits to supporting local supply chains, local labour market, training and taking on apprenticeships, for example. These indicators are being defined as part of the work on the economic plan.

5. Communications

5.1 Not applicable

6. Appendices/Annexes

6.1 Appendix 1 - Presentation slides for discussion

Report Author	Rachel Clark
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SHEFFIELD CITY REGION

BUSINESS INVESTMENT PIPELINE UPDATE

Page 23

SEPTEMBER 2020

Sheffield
City Region

BIP AGENDA

- 34 projects Investment of £1010m – funding requests of £302m and circa 6700 direct jobs and a further 20,000 indirect jobs.
- Potential GVA increase in the range of £250 -£300m
- Inward Investment projects pipeline -19 key projects
- Growth projects from indigenous businesses -15 key projects

* NDA's are in place with numerous projects due to their commercially sensitive and confidential nature.

BIP OBJECTIVES

To provide an update on inward investment and growth companies projects where there is in-depth engagement covering :

- The range
- Type
- Value

To start a discussion on the next steps of:

- Financial support packages post May 2021
- Cluster opportunities
- Support for pre revenue business with Intellectual property that is transformational

INWARD INVESTMENT PROJECTS OVERVIEW

- **29** active projects Companies looking to invest £480 m and create 2400 jobs
- **9** enquires from UK based operations
- **3** enquiries from North America
- **3** enquires from Saudi Arabia
- **9** health and medical enquires
- **5** engineering/manufacturing

TOP INWARD INVESTMENT PROJECTS - BY JOB CREATION WITH FUNDING REQUESTS POST MARCH 2021

Sector	Jobs	Company investment	Funding request
Aerospace (2)	400	£100m	£12m
Automotive	250	£30m	£3m
Creative	265	£20m	£20m
Energy	500	£20m	£4m
Manufacturing (2)	550	£280m	£18m
Total	1965	£280m	£57m

INWARD INVESTMENT PROJECTS OVERVIEW

- Projects have projected land date after March 2021
- Funding requests are, equity investment, loan funding or grant support
- Some are pre-start or early stage businesses with little financial history
- Transformational businesses that align to SEP
- Multiplier effect of top projects supporting 6000 jobs
- Wider benefits to economy- increased opportunities for young people and graduates, and promotion of STEM

GROWTH PROJECTS OVERVIEW

In alignment with the Sheffield City Region Renewal Action Plan and the Acceleration Growth theme related to Business Support. The LEP Chair supported by the Investment team have identified a number of indigenous businesses which would be potential candidates for financial support in the form of grants, loans or equity to be determined by a future, flexible funding model which incentivises advanced innovation from concept to commercialisation to support strategic growth sectors.

- Initial scoping meetings held with businesses to explore their future growth plans and any barriers in achieving those ambitions
- Third party consultancy support to interrogate their business plans and develop them into strategic business cases which may be considered at a future point for financial assistance from the SCR LEP following external/internal appraisal and the relevant Board approvals process.
- Opportunities to accelerate business growth, associated job creation/retention and the development and securing of IP based on commercialisation of research in niche innovative sectors in South Yorkshire

GROWTH PROJECTS DETAILS

- Of the 15 projects identified to date, there is the potential for up to **644** jobs to be created with investment of £242m and a funding request of £150m
- Key sectors represented by these projects include advanced manufacturing and engineering, materials, digital (transformation within manufacturing)
- Potential market opportunities offered by these projects include; aviation, defence, automotive, space, low carbon energy production and medical
- Potential to secure IP within innovative world leading specialisms within the Sheffield City Region and provide leverage to secure further inward investment through further collaborations and agglomeration effects.

INDIGENOUS PROJECTS - WITH FUNDING REQUESTS

POST MARCH 2021

Sector	Jobs	Funding request
Advanced manufacturing (8)	499	£98.6m
Food	50	£2.4m
Automotive	50	£10m
Health	40	£4m
IT	35	26m
Total	674	£141m

NEXT STEPS

- To initiate a discussion on future financial provision – loan – equity investment or grant
- To discuss the opportunities to create and develop new clusters both for inward investment and local supply chains
- To discuss financial support for business that are pre-revenue with Intellectual property and transformational business models

SUMMARY

- Enquiry levels and investment plans by indigenous companies holding up well.
- Transformational projects and opportunities to develop new clusters for example in Satellite manufacturing and Gene therapy.
- Conversion of inward investment enquires is taking longer and asking for much more information for example on supply chains and availability of power.
- Challenge is a shortage of good stock of industrial units under 100,00 square feet.
- Some of our most transformational projects are early stage businesses that are difficult to offer incentives to.

THANK YOU

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10th September 2020

Local Growth Fund (LGF) Programme

Purpose of Report

This report gives an update on the current LGF programme position and 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 0208 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:

- £128.6m of projects have now completed
- £193.7m of projects are currently in delivery
- £5m has been approved for projects which are in the process of satisfying conditions prior to contract.

Cumulatively this gives a total commitment of £327.3m

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

Collectively the total commitment is £367.4m

- A £1.3m project is due to be recommended for approval at the MCA meeting this month and if the MCA approve the commitment will be **£368.7m**

1.3 Projects already accepted into the pipeline but still at various stages of development stands at £4m. Therefore, there is a small amount of headroom available which is aligned with the approach to working to businesses which was laid out in the LEP meeting on the 21st of May and also within the Recovery Action Plan Paper.

2. Proposal and justification

2.1 Company 0208 is seeking c£130k support from the LEP with regard to its growth plans including additional jobs and relocation from out of area into Barnsley. The company is a manufacturer of steel construction connectors, has seen several years of organic growth and recent rapid increase in turnover/output means that the company has outgrown their current premises. In order to keep pace with that growth, they need to install 3 new production lines, increasing existing lines from 7 to 10. The total cost of the project is £665k and the scheme will create 10-15 new FTE 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 £372.7m against a budget of £377.6m.

Acceptance of this scheme onto the LGF pipeline does not guarantee that the project will be funded. The pipeline will be managed to ensure that contractual commitments do not exceed available resource.

4.2 Legal

Legal considerations including state aid issues 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. 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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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

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10th September 2020

MCA THEMATIC BOARDS

Purpose of Report

To update Members of the proposed changes to the MCA Thematic Board arrangements.

Thematic Priority

Cross Cutting

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

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

Recommendations

Board note the proposed changes to the MCA Thematic Boards and provide comments on the proposals.

1. Introduction

1.1 Thematic Boards were first established by the MCA in early 2019. The rationale for these Boards includes:

- Achieving an efficient, effective and transparent model for decision making;
- Collaborating to build collective and combined decisions to deliver the outcomes identified in the Strategic Economic Plan (SEP);
- Providing strong and accountable leadership in setting the agenda and delivering a defined programme of activity to rigorously realise the outcomes of the SEP; and
- Scrutinising the planned and ongoing activity to deliver the best outcomes for the region and value for money

1.2 The MCA has now secured, by Parliamentary Order, the additional powers and gainshare funding agreed as part of the devolution deal. This has necessitated the Mayor, Leaders and the MCA Executive reviewing the effectiveness of the Thematic Boards and proposing amended arrangements to best reflect a proposed new operating model, ensuring that the Members of the MCA, in conjunction with the private sector LEP Board Members, take a lead in driving forward priorities. Section 2 sets out the main changes proposed.

2. Proposal and justification

2.1 The proposed new operating model will be based on the principle of the Thematic Board Co-chairs from the LEP and MCA, supported by cabinet members from the Districts, with Chief Executives providing advice to the Co-chairs. Each Board will own and lead on a policy theme

and will be supported by MCA Officers in order to shape, craft and direct positions early and in advance of formal decision making. To ensure the effectiveness of this the detail of this engagement will be bespoke to the requirements of each thematic area and to the preferences of the Co-chairs, whilst working within a common framework.

Linked to the formal governance changes the Mayor, Leaders, Chief Executives and LEP Co-chairs are establishing arrangements to ensure that there is significant cross working and communication between Boards.

2.2 New Proposals

The proposed new Thematic Board structure is as follows:

Number - the number of Thematic Boards to be reduced from 5 to 4 as follows:

1. Business Recovery and Growth;
2. Education, Skills and Employability;
3. Transport and the Environment; and
4. Housing and Infrastructure.

The new policy areas and remit of these Boards, indicated by the title, reflect the priorities of the new Strategic Economic Plan (2020-2040) which is currently under consultation.

2.3 Membership - the proposed Membership make up is as follows:

1. Co-chairs (1 Constituent Council Leader and 1 LEP Board Member);
2. Lead Chief Executive from Constituent Council;
3. MCA Executive Officer (Chief Executive/Director level);
4. Elected Member from each Constituent Authority;
5. Second LEP Board Member

2.4 Initial LEP Board representation/Membership is as set out Below, the MCA Meeting on the 27th September will determine the SCR Leader and Chief Executive representation:

	MCA Member (co-chair)	LEP Member (Co-chair)	Lead Chief Executive	SCR Officer	Con Council Member x4	2nd LEP Member
Business Recovery and Growth Board	TBD	Neil MacDonald	TBD	Dave Smith	TBD	Richard Stubbs
Education, skills and employability Board	TBD	Nigel Brewster	TBD	Dave Smith	TBD	Chris Husbands
Transport and the Environment Board	TBD	Peter Kennan	TBD	Mark Lynam	TBD	TBD
Housing and Infrastructure Board	TBD	Owen Michaelson	TBD	Mark Lynam	TBD	Tan Khan

2.5 Frequency of Meetings

The frequency of meetings is a matter that is being reviewed. At present each Board meet at least on an 8-week cycle aligned to the 8-week MCA meeting schedule. The structure allows each Board to hold additional meetings, dependent on business need. Each Board may also determine to have informal intermediate meetings where discussion is required mid-cycle.

LEP Board Members thoughts on the appropriateness of the present arrangements and alternatives would be welcomed.

2.6 Transparency

This area is being reviewed, at present:

- papers are made available to the public 5 clear working days before the meeting
- the public can submit questions and receive a written response.
- minutes made available to the public within 10 working days of the meeting taking place; and
- The meetings are not held in public.

LEP Board Members thoughts on the appropriateness of the present arrangements and alternatives would be welcomed.

2.7 Advisory Boards

It is proposed that the following Advisory Boards formally report as follows (this will give the Boards a formal place in the governance arrangements of the MCA):

- Joint Assets Board (existing Board) – Report to the Housing and Infrastructure Board.
- Growth Hub Board (existing Board)–Report to the Business Recovery and Growth Board
- Skills Advisory Network Board (new Board)– Advisory Board reporting to the Education, Skills and Employment Board. **NB. The Skills Advisory Network Board is a requirement of Adult Education Budget devolution.**

3. Consideration of alternative approaches

- 3.1 Remain unchanged - the review of the working of Thematic Boards has recommended the changes set out in this paper as the changes will mean that the 4 Thematic Boards better align to the SEP

4. Implications

- 4.1 **Financial**
None

- 4.2 **Legal**

None specifically arising from this report. Given these Boards are not formal sub-committees of the MCA (as they include Members who are not MCA Members) the formal decision making function is delegated to an officer of the MCA who will either act in accordance with the unanimous decision of the Board or refer the decision to the MCA/LEP.

4.3 Risk Management

Nothing specific arising from this report.

4.4 Equality, Diversity and Social Inclusion

Nothing specific arising from this report.

5. Communications

5.1 Not applicable

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

September 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. The COVID pandemic and adapting to our 'new normal'

In the five months since the country was put into lockdown to prevent the spread of coronavirus, we have made great sacrifices to protect the NHS and save lives.

As a result, shops, pubs, restaurants, gyms, cinemas and places of worship are now open, people are returning to offices and we can meet up with friends and family again. But we must not become complacent as a result. Coronavirus still poses a very real threat. Whilst rates in South Yorkshire are at the lowest levels since the early days of the pandemic, as we have seen in other places, they can rise again very rapidly.

We have just regained many aspects of normal life, including most recently our schools re-opening, and students are due to return to our region's colleges and universities later this month. Meanwhile preparations are underway for the St Leger festival in Doncaster, building on pilot events such as the World Snooker Championship in Sheffield. Such progress is essential as we create our 'new normal' whereby we learn to live with COVID and renew our economy. But there is a very long road to recovery ahead.

Getting the balance right between managing infection rates, whilst creating a more inclusive and sustainable future for our people, communities and businesses is key. But it will also be extremely complex. Continuously learning 'what works' and adapting as a consequence will continue to be essential over the weeks and months ahead.

Whilst the future remains uncertain, I'm continuing to work closely with our local authorities and anchor institutions to ensure that the region has the resources in place to plan for the best, by building back better, whilst also preparing for the worst of a second wave during the winter. Throughout all of this I am certain that the fortitude and community spirit that has characterised South Yorkshire's response so far will continue, as we face the challenges and opportunities that lie ahead together.

2. The South Yorkshire Devolution Deal now enshrined in law

On the 28th July the legislation needed to implement South Yorkshire's Devolution Deal came into force, having completed the requisite parliamentary process.

Securing the Deal marks a landmark moment for the region, equipping local leaders and myself with some of the tools and resources to begin to build back better from COVID. This includes the commitment of £30m of funding per annum for 30 years and the devolution of the Adult Education Budget from 2021/22.

3. Securing additional powers and resources to deliver our Renewal Action Plan and build back better

Whilst finalising the Deal was a landmark moment, devolution to the region remain a process, rather than an event. Our country remains one of the most centralised in the world and the need for a strong and collaborative relationship between national, sub-regional and local government has been brought to the fore through COVID. However, as with other areas across the North, the impacts of a decade of austerity on public services have made South Yorkshire's response to an already difficult situation even more complex.

For these reasons there is an ever-greater need for more powers and resources to be devolved to regions, bringing decisions much closer to the people they effect. This will be vital in realising the ambitions of our Renewal Action Plan (RAP) to deliver 55,000 jobs or training opportunities, support 25,000 businesses, create 3,000 apprenticeships and revitalise our urban centres. It will also require a proper and fair funding settlement for local government, given the instrumental role fulfilled by the sector delivering front line services to our communities, when they've needed them the most.

Throughout the Autumn the region will continue to make the case to secure these additional resources. The Local Recovery White Paper, Comprehensive Spending Review and Budget will represent critical milestones in this process. I will be looking for the Government to tangibly deliver on its levelling up, Northern Powerhouse agenda, given the disproportionate impacts that have been seen on our country's most deprived communities through COVID. As I have said before, this will require deeds and not just words, if we are to create a stronger, greener and fairer society.

4. Tree planting partnership

Over the summer I have formed a new partnership to plant trees and create more woodland across the region. Working with the South Yorkshire Local Nature Partnership and the Woodland Trust, we will produce and deliver a plan focused on realising our shared ambition – planting millions of trees and playing our part in growing the Northern Forest.

This work will form an important part of our commitment to tackle the climate crisis, protect our wildlife, and reduce the risk of more devastating floods like we saw last year. But it will also help our economy and create jobs at a time of massive economic disruption, give more people access to nature, and green our streets – improving the quality of life for our communities in ways big and small.

Through this partnership I want to empower community groups to identify sites, get trees in the ground, and make their neighbourhoods better, greener places to live.

September 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

The consultation is now underway on the Strategic Economic Plan. Consultation closes on the 18th September.

2. Skills Advisory Network

In line with Skills Executive Board approvals the LEP is in the process of formally establishing a Skills Advisory Network which will bring together partners, data and analysis on the regions labour market to inform the work of the Skills Executive Board and MCA.

3. LEP Board recruitment

The recruitment process for new Board members has now closed. Interviews are scheduled in mid-September.

4. Comprehensive Spending Review

The MCA Executive are preparing a submission to the Government's Comprehensive Spending Review process (deadline 24th September). The submission will focus on securing the resources required to deliver the Recovery Action Plan and Strategic Economic Plan.

5. Covid Economic Response - Business Group

The Business Group comprising members from the FSB, MakeUK, CBI, Chambers of Commerce and other business groups continues to meet on a regular basis in support of the work of the Business Growth Executive Board in the implementation phase of the Recovery Action Plan.

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