

Public Document Pack



Friday, 12 March 2021

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

NOTICE OF MEETING

You are hereby summoned to a meeting of the Sheffield City Regional Mayoral Combined Authority to be held at **Virtual Meeting**, on: **Monday, 22 March 2021** at **10.00 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

Webcasting Notice

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Member Distribution

Mayor Dan Jarvis MBE (Chair)
Councillor Chris Read (Vice-Chair)
Councillor Garry Purdy
Mayor Ros Jones CBE
Councillor Bob Johnson
Councillor Simon Greaves
Councillor Sir Steve Houghton CBE
Councillor Steve Fritchley
Councillor Tricia Gilby
Councillor Alex Dale
James Muir

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

SCR - Mayoral Combined Authority Board

Monday, 22 March 2021 at 10.00 am

Venue: Virtual Meeting



Agenda

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

9.	Public Questions	Mayor Dan Jarvis	
10.	Minutes of the previous meeting	Mayor Dan Jarvis	5 - 16
11.	South Yorkshire Investment Strategy	Dr Dave Smith	17 - 30
12.	Budget and Business Plan 2021/22 Approvals	Gareth Sutton	31 - 76
13.	Capital Programme	Sue Sykes	77 - 120
14.	Assurance Framework and Evaluation Framework	Dr Ruth Adams	121 - 216
15.	Delegated Authority Report	Dr Dave Smith	217 - 222
<p>Date of next meeting: Monday, 7 June 2021 at 10.00 am At:Sheffield City Region, 11 Broad Street West, Sheffield S1 2BQ</p>			

SCR - MAYORAL COMBINED AUTHORITY BOARD**MINUTES OF THE MEETING HELD ON:****MONDAY, 25 JANUARY 2021 AT 10.00 AM****VIRTUAL MEETING****Present:**

Mayor Dan Jarvis MBE (Chair)	SCR Mayoral Combined Authority
Mayor Ros Jones CBE	Doncaster MBC
Councillor Bob Johnson	Sheffield City Council
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Tricia Gilby	Chesterfield BC
James Muir	Chair of LEP Board

Officers in Attendance:

Helen Kemp	Director of Business & Skills	MCA Executive Team
Gareth Sutton	Chief Finance Officer/S73 Officer	MCA Executive Team
Dr Dave Smith	Chief Executive	MCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Steve Davenport	Principal Solicitor & Monitoring Officer	MCA Executive Team / SYLTE
Mark Lynam	Director of Transport, Housing and Infrastructure	MCA Executive Team
Colin Blackburn	Assistant Director - Housing, Infrastructure and Planning	MCA Executive Team
Emily Hickey	Governance and Compliance Officer	MCA Executive Team
Claire James	Senior Governance & Compliance Manager	MCA Executive Team
Felix Kumi-Ampofo	Assistant Director Policy and Assurance	MCA Executive Team
Sue Sykes	Assistant Director - Programme and Performance Unit	MCA Executive Team

In Attendance

Melanie McCoole (Minute Taker)

Apologies:

Councillor Chris Read	Rotherham MBC
Councillor Garry Purdy	Derbyshire Dales DC
Councillor Simon Greaves	Bassetlaw DC
Councillor Steve Fritchley	Bolsover DC
Councillor Charlotte Cupit	NE Derbyshire District Council

1 **Welcome and Apologies**

The Mayor welcomed everyone to the meeting and he introduced the Members present. Apologies for absence were noted as above.

The Mayor expressed his thanks to Councillor Julie Dore, who had now stood down as the Leader of Sheffield City Council (SCC) after 10 years of serving the people of Sheffield. Councillor Dore had lead SCC through incredibly difficult times, and she had always been a champion for the city and the people that she represented. He wished Councillor Dore and her family all the best for the future.

The Mayor formally welcomed Councillor Bob Johnson, the new Leader of SCC and Kate Josephs, the new Chief Executive of SCC to their first Mayoral Combined Authority meeting.

2 **Announcements**

The Mayor addressed the meeting in relation to Storm Christoph, and he expressed his thanks to everyone involved in the preparatory work that had recently been undertaken. The MCA was grateful for the herculean effort of more than 600 staff from across the four South Yorkshire local authorities together with South Yorkshire Police, South Yorkshire Fire and Rescue Service, Yorkshire Water, the Environment Agency, local residents and the communities to reduce the threat to life and property following the multiple flood warnings that had been in place across South Yorkshire. The MCA would continue to support this important work in every possible way. The Mayor and the Leaders of the local authorities were determined to continue their work to secure the investment which would help to prevent a repeat of the devastating scenes that had occurred in the hugely damaging floods that had battered South Yorkshire in November 2019.

In collaboration with the Environment Agency, the MCA had secured £80m from the Government towards funding some of the identified flood prevention and protection schemes. The Mayor and the Leaders of the local authorities were determined to work together to secure the remaining £125m from the Government, to fully protect homes and businesses within South Yorkshire.

Members noted the emergency efforts had taken place during the ever-present dangers of Covid-19. Schools had closed to all but the vulnerable children and those of essential workers, many businesses had been forced to close and health services had been stretched to the very limit. This was a situation that would remain for the foreseeable future and required everyone to do all that they could by staying at home and to keep safe. At the moment, in comparison to some other parts of the country South Yorkshire was faring better in terms of infection rates, although South Yorkshire's rates remained too high with significant pressures on its hospitals. It was imperative to remain on guard and stay vigilant.

The Mayor was conscious of the public servants and key workers that continued to put themselves at risk, who were working harder than ever to

deliver day in and day out for the good of the communities, including those working for the NHS, social care, supermarkets, local shop staff, bus, tram, train and delivery drivers. On behalf of the MCA, the Mayor offered his thanks and gratitude for all of their continued efforts. In order to make their hard work count, the Mayor urged the residents of South Yorkshire to stay at home, to follow the rules that were in place, and to stay safe in order to lower the infection and hospitalisation rates.

The MCA was working hard to provide its own £30m business support package, which would make a difference and help to keep the businesses of South Yorkshire afloat so that they would be ready to grow again following the emergence from the crisis; further support would be needed. It was important that the Government implemented the correct support and provided the MCA and the local authorities with the necessary tools required to rebuild the economy. A detailed funding strategy was required from the Government for the levelling up.

In advance of the March 2021 Budget, the Mayor had made representations to the Chancellor to set out the support required in South Yorkshire. The Government would continue to be pressed at every opportunity.

3 Urgent Items

Members were informed of the means by which the meeting would be conducted, to be compliant with appropriate legislation and pursuant of SCR's own Constitution.

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

RESOLVED – That agenda Item 24 entitled 'Freeport Bid Submission' be considered in the absence of the public and press.

5 Voting Rights for Non-constituent Members

It was noted that Non-Constituent Members were welcome to participate in the discussion of every item on the agenda.

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

Councillor Johnson declared an interest in the matters to be considered at agenda Item 16 entitled 'Implications of the Spending Review' in relation to the Sheffield Heart of the City Breathing Spaces Scheme, by virtue of being the Leader of Sheffield City Council.

Mayor Jones CBE declared an interest in the matters to be considered at agenda Item 24 entitled 'Freeport Bid Submission' by virtue of being the Mayor of Doncaster Metropolitan Borough Council.

Councillor Sir Houghton CBE declared an interest at agenda Item 24 entitled 'Freeport Bid Submission' in relation to the matters to be discussed regarding Barnsley Metropolitan Borough Council, by virtue of being the Leader of

Barnsley Metropolitan Borough Council.

Mayor Jarvis MBE declared an interest in the matters to be considered at agenda Item 23 entitled 'Mayoral Remuneration' by virtue of being the Mayor of the Sheffield City Region. The Mayor stated that he would leave the meeting for the duration of the agenda item. He commented that it was his great privilege to serve the people of South Yorkshire as the Mayor, which he had done so unpaid since he had been elected in 2018. During that time, he had worked relentlessly alongside his fellow local Leaders to complete the devolution deal, secure significant investment for South Yorkshire's people, businesses and places, and he had represented the region through the most challenging of circumstances. He stated that should the MCA approve the Independent Panel's recommendation, that he would utilise the salary to support those organisations that had helped to hold the communities together during the Covid-19 pandemic, and those that had made a valuable contribution to lives within South Yorkshire.

7 Reports from and questions by members

None.

8 Receipt of Petitions

The meeting received a 38 signature petition from Mr Paul Gwiazda. The petition was in regard to a bus stop on Handsworth Road in Sheffield where it was reported that buses failed to switch off their engines whilst waiting time. Mr Gwiazda had supplied an impact statement.

The Mayor expressed his thanks to the petitioner for bringing the issue to his attention. Members noted that air and noise pollution affected the quality of life, to which a commitment had been made to become a net-zero carbon economy by 2040, to make South Yorkshire a greener and better place to live, work and visit. He would request the South Yorkshire Passenger Transport Executive to respond to the petition directly, as he considered it to be best placed to address the issue.

9 Public Questions

A question was received from Mr Nigel Slack who addressed the Authority as follows:-

"As a Tutor for the Workers Education Association (WEA), you will not be surprised that I am interested in the content of the report at Item 13. It does however concern me that the levels of funding available for Adult Education is woefully inadequate considering the impact of Covid-19 and the now evident significant and negative impact of the Brexit Trade Agreement.

This change to devolved funding for Adult Education is concerning for the WEA as it may disrupt the ability to work with adults in communities in SCR, particularly the most disadvantaged. The WEA is well-placed to contribute to the Mayor's plans to date and is, I know, working with Local Authorities and Colleges to develop a coherent Adult Education response.

Decisions made around adult learning may mean that the WEA's flexibility and responsiveness to meet the challenges around unemployment, digital exclusion and poverty, key elements of all 4 Lots as described, are hampered, as Community Learning funding is a vital enabler of this work.

1. Has MCA talked directly to providers like the WEA and will the grant agreements with Colleges and Councils ensure that WEA and others can continue to deliver the quality courses they currently offer within that devolved programme?
2. Will the MCA Framework Agreement be sufficient to enable providers to survive this new devolved funding dynamic, considering the generally 'flexible' nature of such Framework contracting?
3. What provision is to be made for Adult Learning that is not directly aimed at the world of work but which contributes to the general wellbeing of residents through lifelong learning and particularly adult learning in the fields of Arts, Culture & Heritage?"

The Mayor stated that as part of the devolution deal that had been agreed with the Government last year, the MCA had secured the devolution of the Adult Education Budget (AEB) expected to be worth £36m per year from 2021/22 to South Yorkshire, allowing adult education provision to be tailored to meet local needs in the coming years. The MCA was presently preparing to commission provision from 1 August 2021, including undertaking a procurement process, to ensure that the funding devolved to the region was utilised to deliver the best outcomes for the residents of South Yorkshire. Given the additional challenges presented by the Covid-19 pandemic, the MCA would clearly have welcomed a greater level of funding. The Mayor added that along with the local authority Leaders, he was in constant contact with the Government to lobby on behalf of the region to make the case for additional funding in respect of skills and education. Over the coming years, the MCA would assess the needs of the region and develop the programme of interventions to meet those needs.

10 **Minutes of the last meeting**

RESOLVED – That the minutes of the previous meeting held on 16 November 2020 were agreed as an accurate record of the meeting.

11 **Working Win Extension**

A report was submitted which sought the approval of the MCA Board to accept £3m grant and approval to enter into a partnership agreement with NHS Clinical Commissioning Group to procure and contract the appropriate provider(s) to deliver the programme. The paper sought delegated authority to the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer to enter into legal agreements required for the programme.

Members noted that the innovative health led employment trial Working Win had so far supported over 3,060 South Yorkshire and Bassetlaw residents, with mild to moderate mental and/or physical health issues to move into paid work

or to sustain employment which was at risk because of their health issue. The business case to extend the programme for a further year had recently been approved by the Department for Work and Pensions.

RESOLVED – That Members considered and accepted:-

1. The Work and Health Unit c£3m grant funding for the Working Win Programme subject to due diligence on any conditions of award.
2. To enter into a Partnership Agreement with Sheffield Clinical Commissioning Group (CCG) in order for the Working Win programme to be procured as an NHS contract, as stipulated by the Work and Health Unit on terms to be agreed by the Head of Paid Service.
3. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and the Monitoring Officer to enter into a legal agreement for the scheme covered above.

12 **Housing Fund (Brownfield)**

A report was presented which provided an update on the progress in developing the Housing Fund (Brownfield) 5 year programme and to seek endorsement of the Strategic Business Case for the programme. Both the Housing Fund (Brownfield) Prospectus and the Strategic Business Case for the programme had been recommended by the Housing and Infrastructure Board for approval by the MCA.

RESOLVED – That Members:-

1. Approved the Housing Fund (Brownfield) Programme Strategic Business Case (SBC), noting the initial Early Deliverable schemes.
2. Approved the Housing Fund (Brownfield) Prospectus.
3. Noted the ongoing activity to develop the full 5 year programme scheme pipeline.

13 **Adult Education Budget Commissioning - Update**

A report was submitted which provided an update on the progress with the preparations for commissioning the Adult Education Budget provision in readiness for devolution of funding from 1 August 2021.

It was expected that the total value of AEB to be devolved to the MCA would be c£38.5m, of which c£36m would be AEB and c£2.5m would be additional money for the Level 3 provision as part of the Government's Lifetime Skills Guarantee. Confirmation of the exact value of AEB was anticipated to be received from the DfE in January 2021.

RESOLVED – That Members noted the progress in commissioning skills and employment provision using the Adult Education Budget.

14 **Strategic Economic Plan**

A report was submitted which presented the final Strategic Economic Plan (SEP). The SEP had been endorsed and approved by the LEP Board and it would sit with the other MCA policies and strategies. The SEP would guide the economic ambitions for the next generation.

The Mayor commented that the development and completion of the SEP had been a long and complex process which had involved many officers and stakeholders. He expressed his thanks to everyone that had contributed their efforts to this important document.

RESOLVED – That Members agreed the Strategic Economic Plan.

15 **Programme Approvals**

A report was presented which sought approval of one Transforming Cities Fund (TCF) scheme with a total value of £2m, and for delegated authority to be given to the Head of Paid Service in consultation with Section 73 and the Monitoring Officer to enter into legal agreements for the scheme.

The Sheffield Heart of the City Breathing Spaces Project would enhance the city centre by creating three new spaces including a pocket park, a vibrant small square on Carver Street and expansion of the Peace Gardens between the Town Hall and the proposed new hotel on Pinstone Street.

RESOLVED – That Members considered and approved:-

1. Progression of Project 'Sheffield Heart of the City Breathing Spaces' to full approval and award £2m grant from the Transforming Cities Fund to Sheffield City Council subject to the conditions set out in the Appraisal Panel Summary Table.
2. That delegated authority be given to the Head of Paid Service in consultation with Section 73 and the Monitoring Officer to enter into a legal agreement for the scheme.

16 **Implications of the Spending Review**

A report was submitted which summarised the announcements within the Government's Spending Review as it related to the agenda of the MCA, and for Members to consider the potential implications.

The Mayor referred to the MCA submission that had been made in September 2020 to the original Comprehensive Spending Review, which had then been reduced to a one-year Spending Review. The submission had been based on the MCA Renewal Action Plan. As the priorities of the MCA had remained unchanged, the Mayor had submitted a further representation to the Treasury in readiness for the March 2021 Budget announcement, which had set out the MCA's seven key interventions to kickstart the journey towards a stronger, greener and fairer South Yorkshire.

Councillor Sir Houghton CBE welcomed the input that had been made into the March 2021 Budget, although he suspected that much of this would already be in place from the Government. He considered that the revenue aspect of the spending review for the local authorities would be incredibly important, not just for the provision of services, but to ensure that the local authorities still had the staffing capacity to work up projects and programmes for the economic recovery that was hoped to be underway by Autumn 2021. It was important for the Government to also recognise the revenue and the services that mattered to areas such as South Yorkshire, together with revenue implications of building up the capacity to undertake matters. The details of a Shared Prosperity Fund and a Levelling Up Fund were still to be produced, together with the longer-term implications of the gain share funding. He considered that a programme of projects was required to be developed in line with the Strategic Economic Plan and to kickstart the recovery in the short term, with one set of projects and programmes to take the MCA and South Yorkshire forwards.

The Mayor agreed with the valid points made by Councillor Sir Houghton CBE, and he considered that his sentiments would be shared by all of the Members.

Mayor Jones CBE concurred with the comments made by Councillor Sir Houghton CBE. She considered that the short term funding did not help when pulling the capital programmes forward and that it would not be beneficial for the whole area. She added that by joining all of the different funding types together would assist all of the areas and the SCR moving forwards. It was necessary to continue to pull them together in a coherent way.

RESOLVED – That Members:-

1. Considered the issues arising from the Spending Review as they related to the MCA.
2. Noted the letter sent from the Mayor to the Chancellor regarding the March 2021 Budget.

17 **Budget and Business Plan Development 2021/22**

A report was presented which provided an update on the progress towards the finalisation of an integrated MCA Business Plan and Budget for the forthcoming financial year. The report sought approval for the South Yorkshire Transport Levy and the proposal to not set a Mayoral Precept.

Members noted that every financial year the MCA Group was required to set a balanced budget alike with other public bodies and local partners. The MCA was mid-way through a Group wide integrated business planning process.

RESOLVED – That Members:-

1. Approved the South Yorkshire Transport Levy for financial year 2021/22.
2. Approved the proposal to not set a Mayoral Precept for financial year 2021/22.

3. Noted the proposal to freeze local authority subscriptions for financial year 2021/22.
4. Noted the forecast scale of consolidated Group spending power in the forthcoming year.
5. Noted the intention to bring the final Group revenue budget and capital
6. programme for approval to the MCA's March 2021 meeting.

18 **Budget Revision 3**

A report was submitted which provided revised budget forecasts to the end of the financial year 2020/21. The report recommended the adoption of the budget estimates and adjustments to budgetary ceilings.

The economic disruption that had been caused by the Covid-19 pandemic and the resultant fiscal response from the Government had significantly changed the MCA's capital and revenue budgets over the course of the year. A third budget revision exercise had been undertaken at the end of November 2020 to ensure that the MCA's financial plans remained aligned to the business priorities.

RESOLVED – That Members:-

1. Adopted the revised budget estimates.
2. Noted the key conclusions of the mid-year treasury report.
3. Noted the slower than forecast pace of the capital programme.

19 **Geographic Focus and brand of the MCA and future collaboration with the MCA's non-constituent authorities**

A report was presented which provided an update on the work underway with Non-Constituent Member Authorities to agree future arrangements for collaboration and engagement, and to confirm whether Members' wished in principle to begin the preparatory work for rebranding of the MCA as the South Yorkshire Mayoral Combined Authority (or variant thereof).

Councillor Gilby commented that the Leaders of the Non-Constituent Member Authorities welcomed the work undertaken by Dr Smith and the other Chief Executives. She considered that it was very important to reach an effective collaboration and joint working with the MCA to ensure that the levelling up of the country as promised by the Prime Minister was delivered. North Derbyshire and North Nottinghamshire were still a vital part of the SCR, to which the economic geography remained the same.

Councillor Sir Houghton CBE referred to the change in the Government's stance on city regions. He considered it important to maintain the collaborative working to ensure that relationships were kept as effective as possible. The BMBC economy was split in both the north and south of the borough, which

included collaborative working with West Yorkshire. He emphasised the need to ensure that the relationships were kept as effective as possible.

The Mayor stated that it was important to ensure that effective working arrangements were in place with neighbours in every direction.

RESOLVED – That Members:-

1. Made a decision in principle to rebrand the MCA so that necessary preparations could occur for rebranding timed to follow May's local elections.
2. Identified any issues that they would like to be considered as part of the exercise underway on future engagement with Non-Constituent Authorities.

20 **Appointment of SYPTE Non-Executive Director**

A report was presented for Members to consider the appointment of a Non-Executive Director of the South Yorkshire Passenger Transport Executive

Members noted the requirement by law for the South Yorkshire Passenger Transport Executive to have between two and eight Directors appointed by the Combined Authority. At present there were eight Directors (two PTE employed directors and six non-executive positions) with each South Yorkshire District and the SCR Mayoral Combined Authority having one senior transport officer appointed and the Chief Executive of Barnsley MBC chairing the Board.

RESOLVED – That Members agreed that Dan Swaine, the newly appointed Director of Economy and Environment of Doncaster Metropolitan Borough Council be appointed as a Non-Executive Director of the South Yorkshire Passenger Transport Executive.

21 **Assurance and Monitoring & Evaluation Framework**

A report was submitted which updated the Members on the policy updates that the MCA was required to conclude prior to the end of the financial year; namely the Assurance Framework and the Monitoring and Evaluation Framework. The report also highlighted any known issues that were to be addressed and provided an indicative timeline which highlighted when further detailed information would be presented for Members' consideration and decision making.

RESOLVED – That Members:-

1. Considered the documents and policies to be updated and the indicative timeline for progression to the MCA Boards and on to National Government.
2. Reviewed the draft Monitoring and Evaluation Framework and provided feedback on any additional developments that Members would wish to be considered.

22 **Delegated Authority Report**

A report was presented which provided Members with an update on the decisions and delegations made by the MCA which were in addition to those made under the Scheme of Delegation, and the decisions and delegations made by the Thematic Boards.

RESOLVED – That Members noted the decisions and delegations made.

23 **Mayoral Remuneration**

At this point in the meeting the Mayor had left the room and Councillor Sir Houghton CBE took over the role of Chair of the meeting.

A report was submitted to propose the recommended level of remuneration/allowance for the role Elected Mayor and for the MCA to determine the level of allowance payable to the Mayor. The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Functions and Amendment) Order 2020 provided that the MCA could pay an allowance for the role of Mayor and Deputy Mayor following consideration of a report produced by an Independent Remuneration Panel (IRP). This aligned the SCR MCA to all other MCA areas.

Councillor Sir Houghton CBE reiterated that the Mayor did not intend to take the Mayoral remuneration but that instead this would be utilised to support good causes within South Yorkshire.

RESOLVED – That Members:-

1. Endorsed the establishment of the Independent Remuneration Panel and that their reasonable time commitment be remunerated.
2. Determined the remuneration payable to the incumbent Mayor considering the Independent Remuneration Panel's recommendation that the appropriate allowance payable for the role of City Region Mayor was £79,000.
3. Agreed that the allowance would be payable from 28 July 2021 being the date that the legislation allowed an allowance to be payable from.
4. Agreed that no allowance would be paid for the Deputy Mayor role.
5. Agreed that the remuneration be reviewed in April 2023 and every 4 years thereafter.

24 **Freeport Bid Submission**

PRIVATE ITEM

A report was presented to request Members to review the progress on the preparation of a South Yorkshire submission to the UK Government's Freeport

process and to seek to agree an approval process for the bid to be submitted by the deadline of 5 February 2021.

RESOLVED – That Members:-

1. Noted the content of the report and the proposed approach to the Freeport bid.
2. Agreed to delegate final approval and submission of the South Yorkshire bid to the Sheffield City Region Mayoral Combined Authority Head of Paid Service.

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

Signed

Name

Position

Date

22nd March

The South Yorkshire Renewal Fund

Purpose of Report

Extraordinary times require extraordinary measures. A year into the COVID pandemic and as the economy begins to reopen, there is an urgent need to put in place all the resources possible to support South Yorkshire's recovery and renewal effort. This paper summarises a proposed package of up to £860m of Mayoral Combined Authority (MCA) funding, collectively known as the South Yorkshire Renewal Fund, to create a stronger, greener and fairer region.

Thematic Priority

Cross cutting

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

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

Recommendations

That MCA members:

- Endorse the use of up to £860m of MCA funding to support the recovery and renewal effort in South Yorkshire and to begin delivery immediately.
- Agree the £32.3m package of Mayoral Combined Authority investment in infrastructure, flooding, bus and active travel in 2021/22, as set out at paragraph 2.3.
- Agree a focussed package of MCA support for South Yorkshire's young people requiring the:
 - Introduction of a one year programme to extend the existing 11-18 travel concession to 21 year olds so that all South Yorkshire's young people between 11 and 21 can benefit, to run until June 2022, (as set out at 2.4-2.6).
 - Delegation to the MCA Head of Paid Service, in consultation with the S73 Officer, Monitoring Officer and the Executive Director of SYPTA, the authority to take the requisite steps to implement this concession enhancement proposal (paragraph 2.12).
 - Agree the wider complementary support being made available by the MCA to create jobs, training and employment opportunities for those impacted by the pandemic, including measures to support young people (paragraph 2.7).
- Agree to the MCA S73 Officer entering into discussions with Government to secure borrowing arrangements for up to £500m of investment (paragraph 2.8) and to report back once a proposal has been developed in order to seek the consent of the MCA to the functions covered by borrowing and the borrowing cap proposed.
- Approve the proposed investment principles at paragraph 2.11.
- Approve the proposed next steps to implement the South Yorkshire Renewal Fund, as set out at paragraph 2.12, so that this can be operational from April 2022.

1. Introduction

- 1.1 A year into the COVID pandemic, the successful rollout of the national vaccination programme is paving the way for the easing of restrictions. But after a year where nearly 125,000 lives were lost to the virus and national output declined by 9.9%, a figure more than double that of the next largest fall of 4.0% in 2009¹, the need for national renewal is unarguable.
- 1.2 South Yorkshire has been hit hard by COVID. 3,425 people have died within 28 days of a positive test, equating to 2.7% of all national deaths, despite only having 2.1% of the country's population. The pressures on the NHS remain significant, whilst declining, with the greatest proportion of beds occupied by COVID patients in the North East, Yorkshire and Humber. Infection rates have also remained stubbornly high in parts of the region, amongst the working age population, even amidst lockdown restrictions. But this reflects the challenges of a key worker economy and where, in places, only a third of workers can work from home.
- 1.3 COVID has impacted most severely on the most vulnerable people in society. In terms of the economy, it has been young people, particularly those working in precarious employment that have suffered the most. The most affected sectors have been non-food retail, leisure and hospitality, all of which employ high levels of young people. Nationally, 60% of the reduction in payrolled employees since March 2020 has been in people aged under 25, and the redundancy rate is much higher for people aged 16-24. In South Yorkshire, the claimant count is higher for 16-24 year-olds than the overall rate. In Barnsley, Doncaster and Rotherham, the youth claimant count is between 9% and 10%, some of the highest rates in the country.

2. Proposal and justification

- 2.1 This paper proposes a range of mechanisms:
- To drive the region's recovery effort through £358m of investment in South Yorkshire in 2021/22; and
 - Its renewal from 2022/23 with up to £500m of investment.

Utilising up to £860m of the resources available to the MCA, the South Yorkshire Renewal Fund seeks to accelerate the delivery of the ambitions of the Region's Renewal Action Plan (RAP) and Strategic Economic Plan (SEP).

Investing £358m of MCA funds in South Yorkshire's Recovery in 2022

- 2.2 In 2021/22 the MCA Group's proposed budget totals some £358m of investment into South Yorkshire. Representing the Authority's largest annual budget since its formation in 2014, this is also effectively equivalent to receiving the six-year Local Growth Fund allocation in a single year. As detailed in agenda item 12, this will bring forward £340m of direct investment into the following thematic priorities:
- £214m on transport and the environment;
 - £68m on housing, infrastructure and planning;
 - £37m on education, skills and employment; and
 - £21m on business growth and recovery.
- 2.3 As part of the investment in 2021/22 and building on the agreements reached at its

¹ [The Office for National Statistics](#) (12th February 2021) Coronavirus and the impact on output in the UK economy: December 2020,

November meeting, it is proposed to utilise £32.3m of its Devolution Deal funding towards the following priorities summarised in greater detail in Appendix A:

- **£21.35m to deliver key infrastructure investments** across South Yorkshire, including:
 - £3.6m in Barnsley with funding for the Glassworks and the acquisition of Cheapside /Albert Street West;
 - £4.6m in Doncaster with funding for an electric buses pilot and retrofitting homes across the Borough;
 - £4.35m in Rotherham with funding for the Towns Fund Accelerator, construction of a new business centre and further investment in the town centre.
 - £8.8m in Sheffield with funding for the Heart of the City project including Block A on Pinstone Street / Peace Gardens and Fargate; Stocksbridge High Street; and brownfield housing schemes.
- **£5.5m for flood defences** - to accelerate the delivery of eight of the 27 schemes that form our South Yorkshire priority programme. This includes:
 - £2m of funding for the Rotherham to Kilnhurst Flood Alleviation Scheme (FAS);
 - £1m for the Bentley FAS;
 - £800,000 for the Sheaf Catchment FAS; and
 - £250,000 for the Barnsley Culvert programme.
- **£3.2m for additional investment in the bus network**– to deliver overdue improvements complementing the MCAs wider response to the Bus Review. This includes:
 - Upgrading up to 15% of South Yorkshire’s bus shelters;
 - Replacing up to a third of the 42 buses that comprise our community transport fleet with electric vehicles;
 - Installing electronic displays in up to 250 bus steps across South Yorkshire; and
 - Initiating a demand responsive transport pilot in each authority.
- **£2.24m for active travel** – to close the funding gap and bring forward in its entirety South Yorkshire’s tranche 2 active travel programme.

2.4 Alongside the deployment of funding to meet an investment programme of this scale over the next twelve months, it is considered imperative to establish a **‘signature’ policy** that tangibly exemplifies the transformative ambition for an inclusive economy that the MCA aspires to see in South Yorkshire. Due to the disproportionate impacts of the pandemic on our region’s young people, additional targeted, time sensitive support is proposed during the recovery period.

2.5 Therefore it is proposed to **extend the existing 11-18 year old young persons’ concession through to include all those age 21 and under, entitling them to pay an 80 pence single fare**. Operating for a year, the MCA intends that this policy will:

- Strengthen the ability of younger people others impacted by the pandemic to access and connect to jobs and training opportunities;
- Have a positive impact on passenger numbers, encouraging and enabling more young people to use public transport;
- Support the region’s net zero ambitions; and
- Accelerate the re-opening of the economy by encouraging more people to travel into our town and city centres to access services and other leisure and hospitality attractions.

2.6 Accordingly, the introduction of this one year extended concession should coincide with the end of social distancing restrictions in the summer; subject to the successful completion of the design and implementation steps, working in conjunction with partners,

including operators. It is estimated that the cost of introducing the concession from the 21st June until the June 2022 will be in the region of £6.7m to the MCA, which will be funded from gainshare and SYPTE revenue resources.

- 2.7** Alongside the proposed travel concession, some of the broader, complementary support being made available, including measures for South Yorkshire's young people, collectively comprises:
- Our devolved Adult Education Budget (AEB). From August 2021, we will ensure that young people have a second chance to secure the skills and qualifications they may have missed during formal schooling, allowing them to progress into work or further learning. Provision will be available to support basic English, maths and digital skills and to secure a Full Level 2 qualification.
 - Through our procurement we expect to allocate around £1.55m of AEB funding to ensure no young person is left behind, with provision that supports the 19-24 year olds most at risk of being not in education, employment or training.
 - £7.2m of investment to bring forward people elements of the MCAs RAP, including apprenticeships and a South Yorkshire Jobs Fund.
 - £3m of investment into the region's colleges to improve facilities and deliver employer-driven technical and digital skills as well as providing opportunity to train in new and innovative construction techniques.
 - Extending the Skills Bank programme to continue to co-invest with businesses in the development of their workforce. Particularly ensuring businesses are supported to train and develop their young workforce to progress their careers.
 - Growing our Careers and Enterprise Company hub to deliver high quality, relevant advice to inspire young people making decisions about the next steps into apprenticeships, work or further learning.
 - £5m of investment is being made available to support businesses to overcome challenges brought about by the Covid pandemic. Providing specialist advice, access to digital adoption and upskilling support as well as supply chain development will allow business to innovate, grow and create opportunities for employment.
 - The expectation that the ESF Managing Authority to launch a final SCR call for projects that will support young people whose mental health has suffered as a result of the pandemic, through isolation, disadvantage or lack of employment.

Investing up to £500m of additional, devolved funds into South Yorkshire's renewal from 2022

- 2.8** In addition to these measures to support economic recovery in the here and now, it is vital that these ambitions are also considered in the medium term. Through the Devolution Deal funds the MCA has the opportunity to bring forward a programme to deliver the ambitions of its SEP and RAP. By borrowing, the MCA could unlock **up to £500m of funding** to invest in South Yorkshire from 2022.
- 2.9** Whilst this is not a fixed position, this provides a framework within which to develop our programme. It is proposed that this could comprise:
- **£300m of investment in our places**, including infrastructure and transport; and
 - **£200m of funding for jobs and skills** in South Yorkshire.

These notional figures could be utilised to structure the development and scale of ambition for the detailed and iterative development work that needs to be undertaken in the following months to create the South Yorkshire Renewal Programme.

- 2.10** These allocations must also be considered and further developed relative to existing MCA programmes, for example, the Transforming Cities Fund, and opportunities to secure further investment from Government from, for example, the Levelling Up and Shared Prosperity Funds. To maximise the use of its existing funds and strengthen the Authority's ability to leverage resources it is proposed that the MCA seek to establish a Single Pot that

brings together its respective funding streams, to invest in its priorities.

2.11 To accompany these outline allocations, and to set the agenda for how these funds will be used, investment principles have been developed. Designed to ensure that the funding is used to create good and inclusive growth across all of South Yorkshire, the proposed principles for the fund are summarised below:

1. **Policy led** - the delivery of the ambitions and policies in the SEP and the RAP is the starting point.
2. **Equity** – each authority will get an equitable share of programme funds, but not necessarily at the same time and not in the same way, reflecting their respective priorities.
3. **Economic impact** – we need to invest to create a better, stronger and more resilient economy. It cannot be growth simply for growth's sake.
4. **Social impact** – investment to create jobs and grow the economy must also deliver greater inclusion and tangible opportunities for people and communities across South Yorkshire, particularly amongst our most deprived groups.
5. **Place** – creating vibrant places people want to live and work and contributing to our net zero ambitions to deliver sustainable growth in South Yorkshire.
6. **Sustained Investment** – where possible and appropriate, the MCA will seek a financial return on investments to enable evergreening of funds and to help deliver a sustained programme of activity.

Proposed next steps

2.12 Delivering upon the scale of ambitions set out within this paper will require a significant programme of activity. Collaboration between the local authorities and the Combined Authority will be key to success. To ensure that momentum is maintained and that the breadth of work required is undertaken, led by MCA members, the following next steps are proposed:

- **Secure the ability to borrow:** That the MCA Section 73 officer enters into discussions with Government to establish these arrangements for the Authority, based on an affordable but ambitious borrowing limit that enables the Authority to deliver its priorities.
- **Develop an outcomes framework:** produce a framework that brings together economic, social and sustainability outcomes that will guide investment decisions for the use of the funds from 2022. *By June / July MCA.*
- **Establish a feasibility fund:** given delivery challenges and the scale of the programme to be delivered, a £3.6m fund is proposed to develop capital bids from inception to delivery, more detail is set out in Item 12. *By June / July MCA.*
- **Realising social value of our proposals:** to develop a social impact policy to achieve the greatest value from MCA investment, including procurement and contractual requirements. *Options paper Summer, agreement by Autumn.*
- **Defining equity:** there is a need to agree a formal definition to implement the second principle for the allocation of funding. *Options paper Summer, agreement by Autumn.*
- **Defining subsidiarity:** define and agree how the subsidiarity principle will work in

practice, relative to the roles of local authorities and the MCA. *Options paper Summer, Agreement by Autumn.*

- **Establish our Single Pot:** a proposal is developed to form a single pot, comprising MCA funds. *Options paper Autumn, agreement by December.*
- **Implement the signature policy** – for officers to work with partners, including operators to implement the proposed travel concession enhancement for South Yorkshire’s young people.

3. Consideration of alternative approaches

- 3.1 Not pursuing borrowing powers** – MCA members could decide to not utilise the ability to borrow and instead decide to spend the £30m evenly over the course of the next 30 years. However, if adjustments are made to take account of the impact of the Bank of England target inflation rate (2%), our £900m Devolution Deal will be worth £672m if we spend to profile over 30 years. Given the impact of inflation and the desire to bring forward a larger amount of investment over a shorter time period it is recommended to pursue borrowing powers.
- 3.2 Entering into conversations with government regarding a smaller borrowing amount** – it should be noted that the figure of £500m set out at paragraph 2.8 is the upper most limit of what the MCA could borrow, relative to the £900m Deal and existing commitments it has agreed. Through the work undertaken over the next few months, if the MCA agrees this recommendation, it will develop the programmes and projects that it will bring forward and as such will better understand the exact amount required from the borrowing facility. So as not to potentially limit the outcome of this process, it is considered prudent to work from the most ambitious figure at this time.

4. Implications

4.1 Financial

The proposal to extend the young persons’ travel concession for a year is expected to cost £6.7m to run between 21 June 2021 and June 2022, based on the initial modelling that has been undertaken. However, the actual costs will depend on the take up by young people and the number of journeys made. The costs of the concession will be met from existing transport levy resource and contributions from gainshare.

The majority of other MCAs have agreed borrowing powers and caps with Government to deliver their priorities, following the completion of their Devolution Deals. In each of these areas, their respective investments strategies have a different look and feel relative to their individual circumstances.

From a South Yorkshire perspective, it will be important to agree a borrowing cap that enables an ambitious programme to be delivered. However, this must also be affordable. What the Authority can afford to borrow is shaped by its revenue resource; therefore, the more revenue that is committed to other investments, the less we can allocate to repay the costs of servicing the debt of the capital programme. It should also be noted that all MCAs are only allowed to borrow for capital purposes.

4.2 Legal

The proposed enhancement to concessionary travel will be introduced by SYPTE. Under Part 1 of the Localism Act 2011 both SYPTE and the MCA have the General Power of Competence. Further, under the Transport Act 2008 the MCA has power to take any action it determines is likely to achieve any one or more of the following objects—

- the promotion or improvement of the economic well-being of its area,
- the promotion or improvement of the social well-being of its area,
- the promotion or improvement of the environmental well-being of its area.

This use of this power can be delegated to the SYPTA under s.99(7).

Suitable arrangements with public transport operators will need to be put in place in respect of re-imbursement to compensate the operators from any reduction in fares revenue. These arrangements will need to comply with Regulations that govern such compensation.

The borrowing rules for Combined Authorities are different to those of local authorities. At present the MCA can only borrow for (capital) transport purposes. Securing a broader range of borrowing powers, reflecting the powers held by the Authority will require secondary legislation. The draft affirmative order will require the unanimous consent of the four South Yorkshire councils, the Combined Authority and the Mayor.

It should be noted that MHCLG have confirmed that following this process will require another MCA to also pursue borrowing powers in parallel. If no other MCA is seeking these powers at this point a hybrid bill process will need to be pursued. However, such a process would take significantly longer to conclude.

It is proposed that Officers should enter into discussions with Government to begin the process to establish this facility. This will broadly comprise two areas of activity; firstly, agreeing the amount that the MCA can borrow with Treasury and then progressing the required legislation.

4.3 Risk Management

Given the scale of the challenges facing South Yorkshire it is considered prudent to utilise all the funding available to the MCA to support the recovery and renewal effort. In 2021/22 proposed measures to mitigate the potential impacts by investing in skills, business support measures, a fiscal stimulus package of capital investment and keeping the public transport network running and measures to enable more active travel.

However, in developing this programme of activity from 2022 onwards it will be important to balance the ambitions for what can be done, with a prudent view on what is affordable from a financial perspective.

The management and deployment of the South Yorkshire Renewal Fund will be governed by the Assurance Framework which is agreed with Central Government and updated annually. All project development, assurance and approval processes and the monitoring and evaluation that follows will be subject to the Five-Year Gateway Review process put in place by Central Government. The outputs, outcomes and impact of the South Yorkshire Renewal Fund will be monitored and reported upon. These actions will mitigate the risk of non-delivery and ensure funding conditions are met.

4.4 Equality, Diversity and Social Inclusion

Creating inclusive growth that benefits all communities and people across South Yorkshire is at the core of the ambition for the use of the MCA's funding. The development of a dedicated social impact / value policy will be important in establishing the tangible mechanisms by which the MCA will achieve this ambition, supporting our most deprived communities.

In making the decisions contained in this report, Members are reminded of their legal **duty** under section 149 of the Equality Act 2010 to have due regard to the need to:-

- Eliminate discrimination, harassment and victimisation;
- Advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
- Foster good relations between those who share a protected characteristic and persons who do not share it.

It is clear that the one year concessionary travel extension through to age 21 and under has positive equality implications particularly based on age and gender, removing a barrier to the access of affordable public transport for the age group concerned generally, and specifically young persons who may share other protected characteristics. An equality impact assessment has been undertaken that shows no negative equality implications. This is included at Appendix B.

5. Communications

- 5.1 In communicating any agreement reached on these issues it will be important to demonstrate the material difference devolution resource is making in South Yorkshire, for people, places and businesses. It is also an opportunity to inject confidence and provide certainty to the market that South Yorkshire is a strong place to invest and has ambitions to grow.

6. Appendices/Annexes

- 6.1 **Appendix A - Proposed gainshare investment in 2021/22**
Appendix B - Equality Impact Assessment

Report Author	Fiona Boden
Post	Assistant Director - Policy
Officer responsible	Dave Smith
Organisation	Sheffield City Region MCA
Email	dave.smith@sheffieldcityregion.org.uk
Telephone	

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:

Appendix A – Proposed £32.3m gainshare investment in 2021/22

£21.35m to deliver the following key infrastructure investments:

Local Authority	Scheme	Proposed Funding £'000
Rotherham	Town Centre Housing Investment (Towns Fund Accelerator)	£350
	Century Business Centre	£1,000
	Town Centre Acquisitions	£3,000
Sheffield	Heart of the City Block A	£3,000
	Match for the Fargate Future High Street Fund programme	£3,000
	Stocksbridge High Street acquisition	£1,800
	Brownfield land housing schemes	£1,000
Doncaster	Green Transport Infrastructure (electric buses pilot)	£1,900
	Housing retrofit - Heat Pump upgrades (replacing gas CH)	£2,700
	Housing retrofit - Thermal efficiency	
Barnsley	Glassworks – Enhanced Capital Contributions	£2,600
	Acquisition of Cheapside /Albert Street West	£1,000

£5.5m to accelerate the delivery of 8 of the 27 schemes in the South Yorkshire Priority Programme

Local Authority	Scheme	Proposed Funding £000
Rotherham	Rotherham to Kilnhurst Flood Alleviation Scheme (FAS)	£2,000
Sheffield	Sheaf Catchment FAS	£800
Barnsley	Barnsley Culvert Programme	£250
Doncaster	Bentley FAS	£1,000
Doncaster	Borough Wide Surface Water Alleviation Scheme (Scawthorpe Pluvial)	£400
Doncaster	Natural Flood Management (NFM) Conisbrough	£200
Doncaster	NFM Scheme Tickhill	£200
Barnsley	Lundwood Flood Alleviation Scheme	£150
Contingency – Schemes' unknown costs		£500

£3.2m to deliver a package of investment in South Yorkshire's buses

Intervention	Outcome
High quality bus shelters	3,336 stops have shelters (approx. half of the estate) of these over 60% are over 20 years old. Proposed Target: replace up to 15%
Replace existing Community Transport fleet with EV/zero emission vehicles	Community Transport fleet consists of 42 vehicles across the Region. Approx. £80k per vehicle + additional costs for charging infrastructure. Proposed Target: Replace up to one-third of the fleet
Additional Passenger Information Displays at bus stops	Only 237 out of 7,571 bus stops in SY have electronic displays. Proposed Target: up to 250 additional bus stops
Demand Responsive Transport	Bus service designed by and for the community. Proposed Target: launch one pilot service per LA

£2.24m to deliver the following active travel schemes:

Local authority	Schemes	Proposed Funding £000
Barnsley	<ul style="list-style-type: none"> A635 Improvements (Stairfoot link to Ardsley & Goldthorpe) Elsecar links to Trans Pennine Trail Goldthorpe Active Neighbourhood 	£312
Doncaster	<ul style="list-style-type: none"> Conisbrough to Warmsworth Thorne Active Neighbourhood 	£426
Rotherham	<ul style="list-style-type: none"> Broom Road / Wellgate Route Broom Active Neighbourhood 	£495
Sheffield	<ul style="list-style-type: none"> Sheaf Valley Route Netheredge Active Neighbourhood Crookes Active Neighbourhood 	£1,007

Appendix B: Equality Impact Assessment Form (EIA)

Initial Screening

a	Name proposal. <i>If a policy, list any associated policies</i>	Concession enhancement for 18-21-year olds
b	Type of proposal:	New
c	Name of department:	Transport
d	Lead Officer:	Tim Taylor
e	Date of EIA:	10/03/21
f	Names of those involved in the EIA (Should include at least two other people):	Steve Davenport Richard Crawley Suzanne Hutchinson

g. Summary of the aims and objectives of the proposal – if this is an existing policy please state the current aims and objectives.

To extend the current under 18 concession (of an 80p notified fare) to those aged 18-21 (i.e. up to the day before their 22nd birthday) for a year. In doing so, the concession will encourage young person's travel and public transport use, enabling them to access jobs, services and opportunities that might have otherwise been unavailable or unaffordable to them were they subject to full adult fares once they reach adult age.

h. What are the proposed changes (if an existing policy/funding activity/event)?

Extend the current under 18 child concession of 80p notified fare to those aged 18-21 (i.e. up to the day before their 22nd birthday) for a year.

i. Why is this being proposed (eg, policy, deliverables, changes to systems/processes)?

To support young people to access jobs, services and opportunities and to assist younger people in the region who have been disproportionately affected as a result of the Covid-19 pandemic. The proposal will allow young people to continue to access affordable public transport whilst they move into employment, further education or vocational training and encourage longer-term advocacy of the benefits of public transport. There will also be benefits to the cost of living for families supporting young people.

j. What equality information is available? Include any engagement undertaken and identify any information gaps you are aware of.

Existing equality information for under 18's has been used in the modelling assumptions an uptake of pass holders in preparing this concession proposal. We will continue to use this information as part of monitoring and evaluation activities (see below).

k. What are the arrangements for monitoring and reviewing the actual impact of the proposal?

Given the concession will require the Authority to reimburse bus and tram operators for journeys made, we will monitor and review utilisation and travel patterns on a minimum 4-weekly basis (the frequency of reimbursement payments to operators).

We will also monitor pass application uptake by geography, age and other appropriate factors (though we do not collect gender, ethnicity or any other protected characteristic information at the point of pass application as it has no bearing on the issuing of the pass or eligibility).

l. Will this proposal affect people with protected characteristics and, if so, in which group?

Characteristic	Impact Level	State any evidence you have, and explain what you feel the impact may be
Age	Positive	The change extends the availability of concessionary travel to those that previously were not eligible. The change also continues the existing arrangements for those under 18 so they continue to receive the same benefits into early adulthood and up to their 22nd birthday.
Disability	None	No impact.
Gender reassignment	None	No impact.
Marriage/Civil Partnership	None	No impact.
Pregnancy/Maternity	None	No impact.

Race	None	No impact.
Religion/Belief	None	No impact.
Sex	None	No impact.
Sexual Orientation	None	No impact.

m. Is a full EIA required?	No - there are no foreseen negative impacts - GO TO SECTION 4
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EIA Summary – please provide a summary of the outcome here:
There are no negative impacts as a result of this proposed change. The positive impact is for those of a young age (namely 18-21 years of age). The benefit also arises for young people with other protected characteristics.

Level of negative impact (please tick one):	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low-none
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Lead Officer Name: Tim Taylor

Lead Office Signature: _____

Date: 10/03/21

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22nd March 2021

BUDGET AND BUSINESS PLAN 2021/22

Purpose of Report

This report proposes a budget and accompanying financial strategies for financial year 2021/22. The proposed budget provides resource totalling c. £358m to enable the activity required to deliver upon the objectives set in the MCA's Corporate Plan.

Thematic Priority

All.

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

This paper will be available under the Combined Authority Publication Scheme

Recommendations

1. Approve the adoption of the revenue and capital budget estimates for the year;
2. Approve the local contributions for the year;
3. Approve the Reserve Strategy;
4. Approve the Treasury Management Strategy; and,
5. Delegate authority to the Section 73 Officer to facilitate the creation of a Project Feasibility Revenue Reserve through an intra-group transaction.

1. Introduction

- 1.1 In common with other public bodies and local partners, the MCA Group is required to set a balanced budget every financial year. This budget must be approved by Members ahead of the new year and be supported by a medium-term financial strategy that takes account of forecast future expenditure, funding flows, and the requirements for use of reserves.
- 1.2 In support of this, the MCA has undertaken a Group wide integrated business planning process. This process seeks to derive resource requirements to deliver upon the aspirations set by the Member priorities and foundational strategies such as the Strategic Economic Plan and the Renewal Action Plan. The business plan in turn drives the budget by ensuring that financial resource is directed to business priorities.
- 1.3 In undertaking this activity at the Group level the MCA is better able to begin coordinating and aligning its Group wide financial and human resource to Group wide priorities. This supports a degree of business integration ahead of the formal integration process.
- 1.4 The budget estimates provided in this report reflect the levy funded activity of SYPTTE, and the broader activity of the MCA and LEP. Expenditure related to support functions is

shown in aggregate where possible, supporting greater transparency on the costs of delivering activity and statutory obligations across the Group.

- 1.5** Financial activity is presented for the first time along Thematic Board reporting lines, enabling oversight of funding and activity at this level at both budget setting and throughout the year as financial monitoring reports are prepared.
- 1.5** The budget proposals presented in this report are notable for a number of issues:
1. At c. £357m, the resource available to the MCA in the new financial year could enable record levels of investment;
 2. The budget largely reflects the delivery of pre-existing programmes of funded activity, and new ringfenced funding for the delivery of devolved functions such as the Adult Education Budget;
 3. Significantly, however, the budget now reflects the application of un-ringfenced devolution monies to South Yorkshire priorities;
 4. Whilst significant concern remains around the commercial sustainability of the public transport network, these budget proposals provide resource for the MCA to influence post-pandemic provision; and,
 5. Whilst the MCA's operating environment remains characterised by uncertainty around both demand for services and funding availability, resource is made available in reserves to mitigate some of the identified and latent risk.
- 1.6** Taken together these issues highlight the significant financial challenges ahead for the MCA. The adoption of new functions and new funding will present new and different challenges. Conversely, the MCA's ability to protect existing service provision will be tested as the country moves out of the pandemic phase.
- 1.7** Transitioning from a heavily-subsidised model to a sustainable transport system represents the most immediate and pressing issue. Whilst Government have provided an outline on how they will support this transition on a national level there is, at this stage, little certainty.
- 1.8** Though the MCA's ability to effectively manage a transition without major Governmental support is limited by both legislative and fiscal restrictions this budget does provide resource to both protect priority services where possible, and resource to manage the potential for legislative and regulatory change around the relationship between bus operators and local public bodies.
- 1.9** The budget proposals in this report further reflect the MCA's devolution journey. Whilst the significant majority of resource at the MCA's disposal comes from ringfenced grant to fund Government sponsored programmes, these proposals now highlight the application of devolved funding to South Yorkshire priorities. Resource is directed to Renewal Action Plan (RAP) priorities, along with capital investment in key areas such as flooding, bus, and South Yorkshire's urban centres, infrastructure, and environment.
- 1.10** Investment enabled by the in-year receipt of devolution monies could be complemented in time through borrowing funded activity. Further powers are required for the MCA to borrow for its non-transport activity, and the MCA continues to engage with Government to draw these powers down via secondary legislation.
- 1.11** The proposals presented in this paper reflect forecast pandemic related disruption to some of the MCA's funding streams (largely traded/commercial income) and the likelihood that other sources of Government funding will be withdrawn at some stage in the new year.
- 1.12** In recognition of this, at the MCA's January meeting it was agreed to freeze the transport levy. This report further recommends the freezing of other local authority contributions.

This provides a baseline of committed income that will be complemented through the application of known in-year grant and a prudent release of reserves.

- 1.13** This report provides a balanced budget proposal for the year and is presented along with medium-term forecasts and a reserve strategy. This strategy describes how resource generated from previous years will be released over time to supplement in-year funding, and how resource will be held to manage identified and latent risk.
- 1.14** Of note in this report is the recommendation for a delegation to the Section 73 Officer to facilitate the creation of a Project Feasibility revenue reserve via an intra-group transaction. The requirement for revenue funding to resource early development of priority schemes has long since been established. The proposals within this report would allow for the creation of such a reserve through the re-deployment of existing resource.
- 1.15** As is required by regulation, a Treasury Management Strategy is recommended for approval. This Strategy will shape the MCA's approach to managing its cash and debt portfolios over the course of the year.
- 1.16** Finally, in compliance with the Local Government Act 2003, this report includes a Section 25 statement from the Section 73 Officer confirming the robustness of estimates and the adequacy of the proposed reserve strategy.

2. Proposal and justification

- 2.1** This section of the report includes summaries of:
 - 1. The Group Business Planning process which formed the requirement for the budgeted resource;
 - 2. Budget proposals, complemented with further detail contained in the appendices;
 - 3. Medium-term financial estimates;
 - 4. The Reserve Strategy, including the proposal for the creation of a Project Feasibility reserve; and,
 - 5. The Annual Treasury Management Strategy
- 2.2** The Section 25 statement is provided at the end of this report. Summaries presented in this report are accompanied by more detail in the appendices.
- 2.3** Group Business Planning Process
The Group wide budget proposals and medium-term financial forecasts presented in this report have their foundation in Business Plans prepared across the Group.
- 2.4** Recognising the MCA's commitment to implementing the Bus Review's recommendation to merge SYPTTE into the MCA, an integrated Group wide business planning process was adopted for the first time ahead of this year's budget setting process.
- 2.5** This exercise has provided corporate focus on the objectives for the year, helped shape activity plans, and allowed for resource to be deployed to agreed priorities. The integrated approach across the Group has also supported better alignment in planning and use of shared resource.
- 2.6** The business planning process was fed from the MCA's anchor vision statements and influenced by a number of national policy issues such as the Spending Review, government's policy and fiscal response to the pandemic, and local policy issues such as the Bus Review and approaches to the deployment of devolution resource.

2.7 The Corporate Plan captured these issues and shaped agreed objectives for the coming year. Parameters for delivery plans were then set by the financial resource available and organisational capacity. These issues determine deliverability – what can be achieved.

2.8 The full process can be exemplified as follows:



2.9 Three iterations of business plans were developed across the Group between October and February. At each stage the plans were adjusted to realign to the latest developments in our funding and operating environment.

2.10 Whilst much of the planning process involved the continuation of existing workstreams and programmes, the process also allowed focus to be placed on new and uncertain issues. This included:

- Consideration of the integration of SYPTE and the MCA, and the resource required to manage that change in an orderly and effective manner;
- Consideration of how the MCA will react to changes in the existing dynamic around emergency financial support to the public transport network;
- Consideration of how the MCA will react to potential changes in the regulatory environment that governs the relationship between bus operators and local public bodies;
- The adoption of new spheres of activity around employer and employee RAP priorities; and,
- The adoption of new grant funded activity such as the Adult Education Budget.

2.11 The planning process was set against challenges around the MCA’s core discretionary funding. Identified disruption to commercial revenues has impacted on the amount of resource that could be deployed in support of non-grant funded discretionary priorities such as policy development, marketing and communications, and the resourcing of certain thematic areas that don’t attract discrete funding.

2.12 Using the Corporate Plan as an anchor, a rationing exercise was undertaken to align discretionary funding to key priorities. This has enabled the budget to be balanced, and for an appropriate use of reserves to be deployed, but it does mean that some aspirations have been deferred or displaced.

Budget Summary
Expenditure Plans

2.13 This report proposes a budget for the year of £357m, consisting of both revenue and capital expenditure. This expenditure will be resourced principally from discrete grants, with contributions, commercial income and the use of reserves supplementing:

Funding	£k	
Gross Expenditure	£358,194	
- Revenue	£133,356	37%
- Capital	£224,838	63%
Funded by:		
General Income	£4,978	2%
Release of Reserves and Provisions	£32,671	9%
Grants	£320,545	89%
	£358,194	

2.14 This level of expenditure represents an almost doubling of that budgeted for the preceding financial year, with an increase of c. £175m or 95%:

	2020/21 £k	2021/22 £k	Variance £k	Variance %
Revenue	£70,490	£133,356	£62,866	89%
Capital	£112,770	£224,838	£112,068	99%
	£183,260	£358,194	£174,934	95%

2.15 The significant increase in expenditure is largely driven by the adoption of a number of new funding streams in 2020/21 as part of the Government’s fiscal stimulus response to the pandemic, and the slippage of planned expenditure from 2020/21 to the following year.

2.16 Whilst the adoption of new funding has increased the overall quantum of expenditure, the relative share of revenue and capital expenditure remains relatively unchanged:



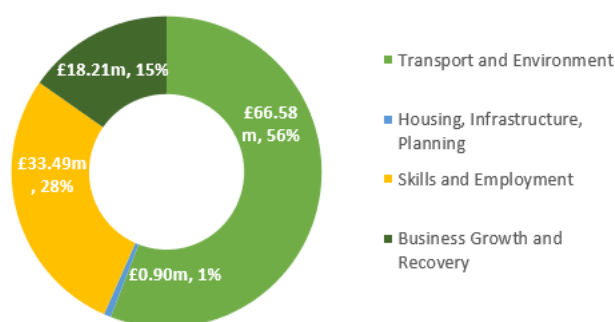
2.17 This issue reflects that whilst significant new capital funding streams such as the Brownfield Housing Fund and the Getting Building Fund have been adopted into the budget, revenue funding has also increased via the adoption of AEB and gainshare funding.

2.18 The spread of expenditure across the Thematic Board areas largely reflects the ringfencing of grants to certain activity and the MCA Group’s core competencies:

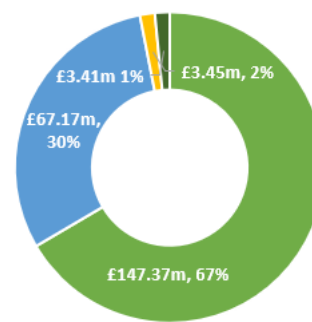
	Revenue £k	Capital £k	Total £k
Transport and Environment	£66,583	£147,368	£213,951
Housing, Infrastructure, Planning	£897	£67,170	£68,067
Skills and Employment	£33,490	£3,451	£36,941
Business Growth and Recovery	£18,213	£3,406	£21,619
	£119,183	£221,395	£340,578
MCA Executive	£12,762	£3,443	£16,205
Mayoral Office	£1,411	£0	£1,411
Total	£133,356	£224,838	£358,194

2.19 The differences in distribution between revenue and capital expenditure across the Thematic Board areas reflects the MCA's operational responsibilities for certain spheres of activity around transport, skills provision, and business support schemes:

Revenue Expenditure by Thematic Board



Capital Expenditure by Thematic Board



2.20 The Transport and Environment portfolio includes the operational transport costs of SYPTE, largely funded by the levy and reserves. Whilst the cost of SYPTE activity is budgeted to remain relatively stable, this report does recognise the significant risks in this area, with resource held in reserves to help mitigate those risks. Additional revenue resource is made available in this budget to support the costs of Bus Review activity and the costs of managing the likely regulatory changes in the public transport environment. Capital expenditure in this portfolio reflects the transport maintenance grants and the significant investment via the Transforming Cities Fund and Active Travel grants. Gainshare investment of £5m into bus priorities is also included here.

2.21 The Housing, Infrastructure, and Planning portfolio is a capital-intensive area. This principally reflects the inclusion in this portfolio of the Brownfield Housing and Getting Building grant funded activity. Revenue expenditure includes Net Zero activity, some non-capital Brownfield activity, and the costs of the commissioning team. There will be significant focus in this area during the year on meeting deadlines set by Government for the utilisation of funding.

2.22 Conversely, the Skills and Employment portfolio is a predominantly revenue area. This reflects the adoption of the AEB activity, and the extension of the Working Win programme for a further year, along with MCA investment in apprenticeships and training programmes funded from devolved monies. Capital expenditure includes investment in a number of the region's colleges, funded from the Getting Building grant.

- 2.23** The Business Growth and Recovery portfolio includes the budget for the South Yorkshire Business Support Scheme funded from the Government's Additional Restrictions Grant (ARG). This is complemented by MCA investment funded from devolved monies into RAP employer aspirations. Further activity around innovation and investment and international trade is funded from discretionary resource and reserves. Capital expenditure reflects the tail of the Local Growth Fund programme from investment in support of a number of business schemes.
- 2.24** Expenditure shown against the MCA Executive reflects the aggregate cost of the majority of the Group wide support functions. These functions are familiar to any public body and discharge the statutory responsibilities of the MCA, facilitate and manage the performance of the MCA's capital and revenue programmes, and provide the policy, assurance, communications, and strategic leadership for the Group. Expenditure is inflated in the next financial year in this area by the forecast expenditure that will be necessarily incurred in preparation for the second Mayoral election in 2022, and by a number of capital schemes seeking to improve and rationalise the MCA's estate.
- 2.25** Expenditure incurred in the Mayoral Office reflects the staffing support provided to the Mayor, and Mayoral priority activity. The costs of the Mayoral Office are fully funded by the Mayoral Capacity Grant provided by Government.
- 2.26** Reflecting the role of the MCA, the majority of the MCA's expenditure is incurred in direct investment into services via grant awards to partners for the delivery of programmes of activity, the payment of passenger and operator subsidies to public transport companies, and the delivery of projects. This is complemented by the cost of past financing decisions, people costs, the cost of premises including office accommodation and transport interchanges, and professional services:

Expenditure Type	£k	%
Investment	£309,318	86%
Financing	£18,573	5%
People	£15,978	4%
Premises	£5,724	2%
Professional Services	£4,824	1%
Supplies/Services	£3,201	1%
Communications	£575	0%
	£358,194	

Funding

- 2.27** To fund the budget proposals, this report recommends the application of grants, and the deployment of general income and reserves.
- 2.28** Grants can be differentiated between those that are ringfenced, and those that are free from restrictions. Restrictions may arise from grant conditionality or from past MCA decisions to use grants (such as gainshare) for specific purposes.
- 2.29** This report proposes a funding package as follows:

Funding Sources	£k
Ringfenced/Committed Grants	
Revenue Grants	£108,251
Capital Grants	£212,179
	£320,429
Reserves & Provisions	
Capital Receipts	£12,659
Revenue Reserves	£19,701
Provisions	£427
	£32,787
General Income	
Retained Business Rates	£2,152
Local Authority Subscriptions	£1,184
Asset Management Trading Surplus	£643
Un-ringfenced Grants	£584
Income from Business Loans	£340
Investment Income	£75
	£4,978
Total Funding	£358,194

2.30 Whilst a large number, the release of revenue reserves and capital receipts largely reflects timing issues with grants received but not used flowing through to reserves and being drawn down in the following year. Only a relatively small amount of reserves are released in support of un-forecast expenditure pressures with c. £450k released from the MCA's proposed Income Resilience Reserve to offset shortfalls on investment income and trading surpluses.

2.31 This report recommends the freezing of local authority subscriptions at their current levels. These subscriptions recognise the costs of transport strategy activity previously undertaken within SYPTE and resourced from the levy, and local contributions to LEP activity. Freezing subscriptions in this manner is in line with the MCA's January decision to freeze the transport levy.

2.32 Freezing the contributions would result in transport levy inclusive calls upon the South Yorkshire local authorities as follows:

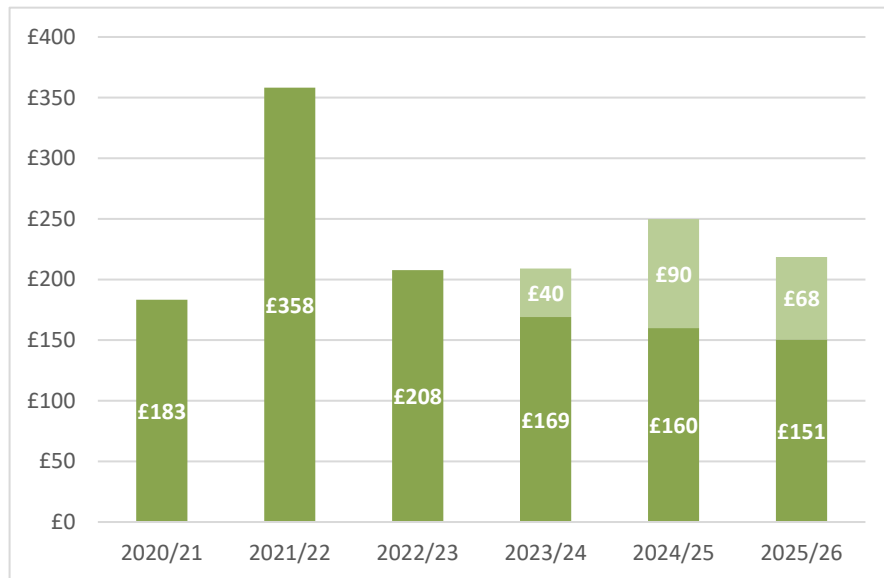
	Levy £k	Subscriptions £k	Total £k
Barnsley	£9,525	£206	£9,731
Doncaster	£12,034	£264	£12,298
Rotherham	£10,240	£226	£10,466
Sheffield	£22,565	£488	£23,053
	£54,364	£1,184	£55,548

Medium-Term Forecasts

2.33 Forecasts of spending power in future years highlights that the resource available in 2021/22 will likely represent a peak. This peak reflects the new short-term funding made available in 2020/21 as part of the Government's fiscal response to the pandemic, but also

the slippage of significant amounts of planned activity as the pandemic impacted upon delivery.

2.34 The following chart shows the forecast level of expenditure to 2026 based on known funding streams and known expenditure requirements:



2.35 The graphic highlights a number of underlying trends. In the next financial year a number of grant funded programmes will end, including the residual elements of the Local Growth Fund, the Getting Building Fund, the South Yorkshire Business Support Scheme, and the Active Travel 2 programme. By 2023, the major £166m Transforming Cities Fund programme will also conclude. However, in the chart above the loss of this activity is offset, in part, by assumed investment around the Mass Transit Renewal project (lighter green). This project is currently unfunded, with the MCA re-working an Outline Business Case for submission to the Department for Transport.

2.36 There are a number of potential mitigations to arrest this forecast decline in available resource. Principally, the MCA is likely to be in receipt of new funding streams as announced in the November 2020 Spending Review. The forecasts presented do not at this stage include allocations that may become available to the MCA from the new Levelling Up Fund nor the UK Shared Prosperity Fund. Furthermore, the MCA can expect to receive a share of the £4bn Inter City Transport Fund that will be made available to MCAs across the nation.

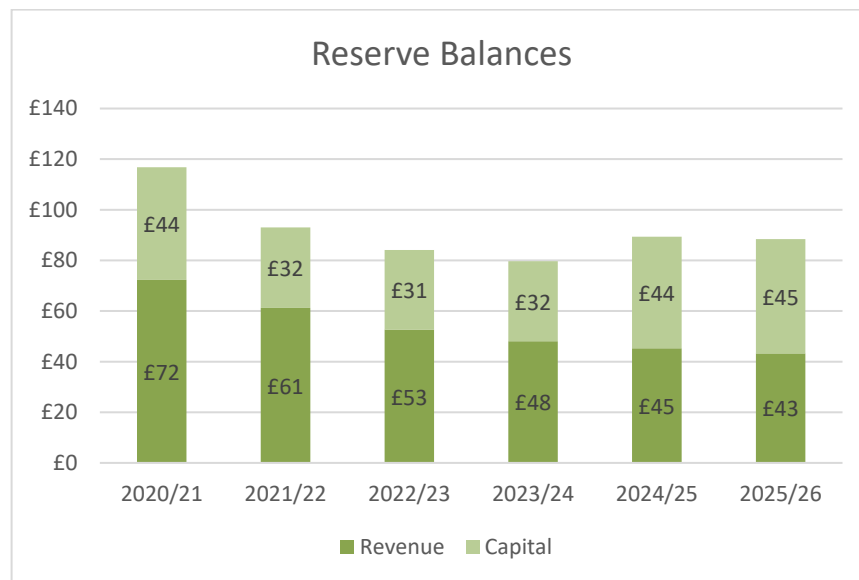
2.37 The ability to shape the pace and timing of investment resourced from devolution monies will also be in the gift of the MCA once it is in receipt of borrowing powers. These powers are complementary to the long-term funding commitments and will allow the MCA to accelerate investment into the near-term, accruing the benefits of investment far sooner than if expenditure was matched to the 30-year profile of the devolution settlement. The drawdown of these powers requires secondary legislation to be passed by Parliament.

2.38 As further detail becomes available on potential new funding streams and investment plans, the medium-term forecasts will be updated with budget revisions presented to Board on a quarterly basis.

Reserve Strategy

- 2.39** Regulation requires that the MCA adopts an annual reserve strategy. Reserves are held to mitigate risk, guard against financial shock, and provide available resource to meet opportunities.
- 2.40** The MCA holds reserves across the Group structure. These reserves are generally differentiated between capital and revenue amounts, and those that are earmarked to specific activity or otherwise.
- 2.41** Earmarked reserves are held to manage known issues, including the mitigation of identified risk or meeting the demands of forecast future resource requirements. Unearmarked reserves are held to provide the MCA with the ability to exploit opportunities that may arise, whilst also guarding against latent risk.
- 2.42** To-date, the MCA has adopted a reserve strategy largely defined by the release of earmarked reserves across the Group to support the resourcing of base expenditure. A 'Levy Reduction Reserve' has been drawn upon since 2015 to sustain reductions in the transport levy burden on local partners, whilst a revenue reserve created from the MCA's initial Growth Deal has been used over the same time-period to sustain business support activity.
- 2.43** The proposals to integrate SYPTE into the MCA, and the pressing demands of the adopted financial strategy to manage pandemic related risk around the passenger transport network, has precipitated a review of the MCA's Group wide reserve position.
- 2.44** This review sought to achieve a number of key objectives:
1. An assessment of whether the quantum of reserves held was appropriate for the heightened risk in our operating environment;
 2. An assessment of whether our reserves were mitigating the right risks; and,
 3. An assessment of whether our reserve strategy appropriately supported our revised financial strategy.
- 2.45** The review identified that whilst there was a prudent level of reserves held across the Group, there was some duplication with reserves held at the SYPTE and MCA level to mitigate the same risks. Conversely, some major risks and opportunities were not addressed anywhere within the Group.
- 2.46** These findings have prompted a re-casting of the Group wide reserves to ensure that resource is used efficiently and in support of our wider strategies. The recommended reserve profiles are detailed in the appendices, but notable proposals include:
1. The creation of a 'Protection of Priority Services' reserve at £7m to enable an orderly transition from the current heavily subsidised public transport system model to a sustainable post-pandemic model;
 2. The creation of a 'Bus Project' reserve (£3m) to efficiently resource the work that will be required in the coming years to support implementation of the Bus Review recommendations and manage the orderly transition to likely changes in the regulatory environment around the management of bus services in South Yorkshire;
 3. The creation of a 'Mass Transit Project Readiness' reserve (£3m) to ensure that the MCA has sufficient earmarked resource to undertake the required change-management processes associated with the end of the current tram concessionary arrangement;
 4. The creation of 'Income Resilience' reserves (aggregate c. £3m) to enable the Group to manage disruption to commercial income streams, mitigating some of the financial shock experienced in the current year; and,
 5. The creation of a Project Feasibility Fund (£3.6m) to provide sustainable revenue funding for the early stage development of investment propositions.

- 2.47** Recasting available reserves in this manner will allow for the MCA to resource the transport financial strategy agreed in January and allocate sufficient resource to identified risk to allow the MCA to tackle a number of macro challenges with confidence.
- 2.48** The proposed reserve strategy will continue to see planned releases of reserves to support existing financial strategies. Particularly, over £3.78m of revenue reserves will be released from the Transport Levy Reduction Reserve in the new year to sustain the levy freeze. Further draws on this resource will continue to 2026 when the resource will be exhausted.
- 2.49** Release of revenue reserves will be complemented by the release of capital receipts to fund capital expenditure. This largely relates to the funding of the tail of the LGF over-programming position and is resourced from recycled LGF funding held as receipts.
- 2.50** Over time, whilst revenue reserves will fall from their current elevated levels capital receipts will begin to rise. This reflects the repayment of capital loans afforded to business which will be due for repayment in 2023 and 2024. The forecast profile for cumulative capital and revenue reserves is as follows:



Project Feasibility Fund

- 2.51** This report contains a recommendation for the creation of a Project Feasibility Fund. The proposal for such a Fund has previously been discussed with the MCA Board, with it seeking to address a widely acknowledged problem around the lack of revenue funding available to support the early stage development of capital projects.
- 2.52** The lack of such funding has been acknowledged as a limiting factor in the region’s ability to develop and maintain a pipeline of investable propositions that could be matched to Government funding cycles as they become available. In turn, the lack of prepared schemes has contributed to the ongoing challenge of delivering programmes of activity within the tight delivery timelines set by Government.
- 2.53** As part of the reserves review, £3.60m of capital receipts have been identified as being available to support the creation of such a Fund. However, to properly support feasibility works it is essential that the Fund be of a revenue nature.
- 2.54** This report proposes that a delegation be granted to the Group Section 73 Officer to facilitate the creation of the proposed Fund by way of an intra-group transaction. Simply, this would enable capital and revenue resource to be ‘swapped’ between the MCA’s transport activity and its broader activity to better match off against requirements. The

transaction would be of no cost to the transport levy and allows the Group to manage its affairs as one body in the same manner as local partners.

- 2.55** Whilst this report seeks the tools to create the Fund, it is acknowledged that a further report will be necessary to seek approvals around the governance and operation of it.

Annual Treasury Management Strategy

- 2.56** Regulation and the MCA's Constitution require that the MCA approve the adoption of an Annual Treasury Management Strategy (TMS).
- 2.57** The TMS sets the parameters within which the MCA will deliver its cash and debt management activities. The proposed TMS is appended to this report and includes an Investment Strategy and Prudential Indicators. Progress against this proposed strategy will be reported to the MCA at the mid-year point, and again at outturn.
- 2.58** In common with most other public sector bodies, the MCA's approach to its Investment Strategy is governed by a hierarchy of considerations centred on protecting public funding. This hierarchy places a greater emphasis on the security and the liquidity of the MCA's investments than it does on the yield generated from them.
- 2.59** This relatively conservative approach limits the MCA's exposure to losses arising from counterparty default, but also limits the returns that can be generated from investing cash resource until it is required.
- 2.60** Noting the significant financial uncertainties prevailing in financial markets the TMS proposes to maintain the current stance, limiting investments to the safest of counterparties.
- 2.61** With interest-rates forecast to remain at record lows for some time, it is likely that revenue generated from the MCA's investment activity will remain lower than previously forecast. The impact of this is felt in the Group's proposed revenue budgets, with depressed income returns impacting upon the scope of activity that can be funded.
- 2.62** The TMS also notes the intention to retire a further £8m of borrowing during the year, following the £53m repaid this year. The repayment of this borrowing reduces the cost of debt by c. £1.20m.
- 2.63** The ongoing retirement of legacy debt will reduce the overall burden of financing costs on the revenue budget and the transport levy. This trend is matched to the release of reserves from the Levy Reduction Reserve, meaning that when that reserve is exhausted the cost of debt will have fallen so significantly that the reserve subsidy can be withdrawn on a sustainable basis.
- 2.64** It should be noted that the TMS contains a proposal to increase the operational boundary and the authorised limit on debt the MCA can hold. Whilst this budget report does not include proposals to finance any expenditure from borrowing in the new year, increasing the limits at this stage provides the MCA with the necessary headroom to initiate a programme of borrowing funded activity during the year should the need or opportunity arise.

Section 25 Statement

- 2.65** The Local Government Act 2003 requires that the statutory finance officer comments on the robustness of estimates used to determine the budget and the adequacy of reserves.
- 2.66** The Group Section 73 Officer (Group Finance Director) notes the significant work undertaken across the Group to develop the Corporate Plan and service level Business Plans. This work has been championed and led by senior officers across the Group. This

has provided a strong, focussed approach to defining a body of activity that can deliver upon the MCA's priorities as defined by its elected leadership.

- 2.67** This Business Planning exercise has enabled the MCA to match its resource to priorities, drive efficiencies, and effectively re-align its Group wide reserves to focussed risks.
- 2.68** The Section 73 Officer notes the multi-disciplinary approach to forecasting activity, risk, demand for services, and financial profiling. This has led to informed budgeting and the proactive management of a number of emerging issues.
- 2.69** Reserves continue to be held at prudent levels for the management of latent risk, whilst the reserve review undertaken as part of the budget setting process has allowed for a re-set of earmarked reserves.
- 2.70** Whilst the budget setting process and level of reserves allows for the MCA to approach the new financial year with a degree of confidence, a number of risks remain.
- 2.71** Principally, there are sustained concerns around the commercial sustainability of the South Yorkshire public transport network. The key variables in this equation – a return of fare-paying patronage and the longevity and level of Government funding – remain outside of the MCA's direct control.
- 2.72** Whilst agreement has been reached to freeze the transport levy, and additional resource is provided within the revenue budget and within new earmarked reserves, the scale of the potential challenge is likely to be beyond the MCA's ability to manage without sustained Government support.
- 2.73** The MCA's broader activity in the longer-term remains heavily reliant on Government funding cycles. The Government's longer-term response to the financial impact of the pandemic may see funding reduced or withdrawn which will have an impact on both the organisation and the level of investment into South Yorkshire.
- 2.74** Work to design a new South Yorkshire investment strategy is essential to ensure the region is able to design and implement financial plans that will allow the MCA to bridge gaps in the Government's investment cycles, avoiding exposure to boom-and-bust cycles that would impact on the organisation.
- 2.75** Finally, a financial and delivery plan will be required in the new financial year to begin to address the impending change management process that will be required to be undertaken ahead of the end of the current concessionary arrangements for the Supertram system.
- 2.76** It is the opinion of the Section 73 Officer that these budget proposals are robust and provide a sound basis for the delivery of the MCA's activity. The Section 73 Officer further believes that the overall quantum of reserves held are appropriate and have been earmarked to mitigate key risks.

3. Consideration of alternative approaches

- 3.1** The budget proposals and strategies proposed in this report have been developed from Group wide Business Planning processes.
- 3.2** The report notes that the budget proposals are largely shaped by grant conditionality and past MCA decisions. Under the MCA's Constitution the commitment of currently unallocated funding will be made under the direction of the Board or Thematic Boards.

4. Implications

4.1 Financial

This is a financial report, the details of which are presented in the main body of the report and in the appendices.

4.2 Legal

The MCA is obliged to set a balanced budget under law along with a Treasury Management Strategy.

4.3 Risk Management

This report provides detail on how the MCA's financial strategies will help mitigate risk across the Group.

4.4 Equality, Diversity and Social Inclusion

None.

5. Communications

5.1 None.

6. Appendices/Annexes

6.1 Appendix 1: Budget Detail
Appendix 2: Treasury Management Strategy

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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:

APPENDIX 1: BUDGET DETAIL

Table 1a: Group Budget by Thematic Board and Directorate

Portfolio	Directorate	Management Area	Gross £k	Income £k	Net £k	
T&E	Strategic Transport	Active Travel	£37,502	£37,502	£0	
		Public Transport	£22,802	£22,576	£226	
		Rail	£109	£50	£59	
		Roads	£69,898	£69,898	£0	
				£130,310	£130,026	£285
	Transport Ops - PTE	Bus Services	£17,303	£17,303	£0	
		Heavy Rail	£2,254	£2,254	£0	
		Light Rail	£6,638	£6,638	£0	
				£26,194	£26,194	£0
	Customer Services - PTE	Concessions & Ticketing	£29,803	£29,803	£0	
		Customer Services	£3,484	£3,484	£0	
		Facilities & Infrastructure	£4,099	£4,099	£0	
				£37,386	£37,386	£0
	Debt & Finance	Debt & Finance	£20,061	£20,061	£0	
TRANSPORT AND ENVIRONMENT TOTAL			£213,951	£213,666	£285	
HIP	Infrastructure & Housing	Digital	£5,500	£5,500	£0	
		Strategic Infrastructure	£39,924	£39,915	£9	
		Housing & Planning	£20,443	£20,347	£96	
		Net Zero	£2,201	£2,161	£40	
			£68,067	£67,922	£144	

HOUSING, INFRASTRUCTURE AND PLANNING TOTAL			£68,067	£67,922	£144
BGRB	Business Growth	Development Hub	£4,129	£4,129	£0
		Innovation & Investment	£4,402	£3,899	£502
		International Hub	£364	£0	£364
		Business Assistance	£12,500	£12,500	£0
		Special Projects	£225	£225	£0
			£21,619	£20,753	£866
BUSINESS GROWTH AND RECOVERY TOTAL			£21,619	£20,753	£866
S&E	Skills & Employment	Skills Priorities & Investment	£23,507	£23,507	£0
		Education & Skills For			
		Employment	£5,730	£5,730	£0
		Skills For Business & Growth	£7,704	£7,593	£111
			£36,941	£36,830	£111
SKILLS & EMPLOYMENT TOTAL			£36,941	£36,830	£111
MCA Executive	Deputy Chief Executive's Office	Business Operations	£714	£489	£225
		BSW	£1,005	£750	£255
		HR	£1,064	£726	£338
		Policy & Assurance	£2,010	£1,456	£553
			£4,793	£3,421	£1,372
	Finance	Finance	£1,505	£1,080	£425
		IT	£2,507	£2,076	£431
		MCA Asset Portfolio	£1,836	£1,605	£231
		Programme & Performance	£1,067	£1,060	£6
			£6,915	£5,822	£1,094

	Governance	External Affairs	£528	£205	£323
		Governance	£2,030	£1,676	£354
		Comms & Marketing	£1,404	£508	£896
			£3,963	£2,389	£1,573
	Legal	Legal	£535	£428	£107
MCA EXECUTIVE TOTAL			£16,205	£12,060	£4,146
MO	Mayor's Office	Mayor's Office	£1,411	£1,411	£0
MAYORAL OFFICE TOTAL			£1,411	£1,411	£0
MCA GROUP TOTAL EXPENDITURE			£358,194	£352,642	£5,552

Table 1b: Funding of Net Expenditure

Net Funding	£k
Net Expenditure	£5,552
Funded by:	
General Income	£4,979
Release of Reserves	£298
Release of Provisions	£275
	£5,552

Table 2: Reserves Profiles

Funding Type	Group	Restrictions	Reserve	Forecast Outturn £k	Proposed Draw £k	Contrib. £k	Carried £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k
Revenue	MCA/LEP	Unearmarked	General Fund	£1,050	-£50	£0	£1,000	£1,000	£1,000	£1,000	£1,000
			Earmarked	SY Renewals Fund (Gainshare):							
			Contingency	£710	£0	£0	£710	£410	£410	£410	£410
			18-21 Concessions	£1,454	-£1,454	£0	£0	£0	£0	£0	£0
			Employer Priorities	£2,386	£0	£112	£2,498	£0	£0	£0	£0
			Employee Priorities	£2,490	-£2,490	£0	£0	£0	£0	£0	£0
				£7,040	-£3,944	£112	£3,208	£410	£410	£410	£410
			Mayoral Election	£1,675	-£1,675	£0	£0	£500	£1,000	£1,500	£2,000
			LGF Revenue	£2,103	-£357	£0	£1,746	£1,199	£652	£105	£105
			Skills Bank	£5,902	-£109	£0	£5,793	£3,346	£899	£0	£0
			Income Resilience Fund	£1,434	-£448	£0	£986	£580	£189	£189	£189
			Mayoral Capacity Fund	£1,103	-£1,093	£0	£10	£10	£10	£10	£10
			Brownfield Funding	£430	-£430	£0	£0	£0	£0	£0	£0
			Apprenticeship Grant for Employers	£107	£0	£0	£107	£0	£0	£0	£0
			SAMS Grant Reserve	£28	-£25	£0	£3	£3	£3	£3	£3
				£12,782	-£4,137	£0	£8,645	£5,638	£2,753	£1,807	£2,307
			SY								
	Transport	Unearmarked	General Fund	£5,000	£0	£0	£5,000	£5,000	£5,000	£5,000	£5,000
	Earmarked		Levy Reduction Reserve	£16,701	-£3,786	£0	£12,915	£8,676	£5,653	£3,485	£678
			PFI Reserve	£12,447	£0	£1,300	£13,747	£15,047	£16,347	£17,647	£18,947
			Protection of Priority Services	£7,000	£0	£0	£7,000	£7,000	£7,000	£7,000	£7,000
			Mass Transit Project Readiness	£3,000	£0	£0	£3,000	£3,000	£3,000	£2,000	£1,000

			Bus Recovery Project	£3,000	-£860	£0	£2,140	£2,140	£2,140	£2,140	£2,140
			Asset Management	£1,812	-£150	£0	£1,662	£1,501	£1,501	£1,501	£1,501
			Income Resilience	£1,500	£0	£0	£1,500	£1,500	£1,500	£1,500	£1,500
			Pensions Smoothing	£412	£0	£412	£824	£1,236	£1,236	£1,236	£1,236
			Redundancy and Pay Inflation	£406	£0	£0	£406	£406	£406	£406	£406
			IT	£154	-£5	£0	£149	£149	£149	£149	£149
				£46,432	-£4,801	£1,712	£43,343	£40,655	£38,932	£37,064	£34,557
		<i>Unusable</i>	<i>Deferred capital grants (depreciation) [not included in sub-total]</i>	<i>£93,555</i>	<i>-£6,769</i>	<i>£0</i>	<i>£86,786</i>	<i>£80,431</i>	<i>£76,875</i>	<i>£73,341</i>	<i>£69,807</i>
TOTAL REVENUE RESERVES				£72,304	-£12,932	£1,824	£61,196	£52,703	£48,095	£45,281	£43,274
Capital	MCA/LEP	Unearmarked	Capacity Development Fund	£6,032	£0	£0	£6,032	£5,032	£4,032	£3,032	£2,032
		Earmarked	Project Feasibility Fund	£3,600	£0	£0	£3,600	£3,600	£3,600	£3,600	£3,600
		Earmarked	Corporate Asset Management	£2,659	-£910	£0	£1,749	£1,749	£1,549	£1,549	£1,549
		Earmarked	LEP Funding	£21,961	-£10,502	£0	£11,459	£12,009	£13,399	£26,920	£26,920
		Earmarked	Contingency (Gainshare)	£2,000	£0	£0	£2,000	£2,000	£2,000	£2,000	£2,000
				£30,220	-£11,412	£0	£18,808	£19,358	£20,548	£34,069	£36,101
	SYPTE	Unearmarked	Capital Development Fund	£914	£0	£0	£914	£914	£914	£914	£914
		Earmarked	Capital Grants Unapplied	£7,320	-£1,247	£0	£6,073	£6,073	£6,073	£6,073	£6,073
TOTAL GROUP CAPITAL RECEIPT RESERVES				£44,486	-£12,659	£0	£31,827	£31,377	£31,567	£44,088	£45,120

The following tables highlight individual schemes by local area, and the projects delivered by SYPTE and the MCA. The totality of the schemes may differ from the total capital expenditure reported in the main budget report due to funding which is recognised in the budget but isn't yet allocated to projects.

Table 3A: Barnsley MBC Current Capital Programme Schemes

Funding	Project	Sponsor	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k	Total £k
LGF	M1J37 Claycliffe Link - Phase 2	BMBC	£4,617					£4,617
TCF	A61 Active Travel	BMBC	£1,814	£3,294				£5,108
TCF	Barnsley Town Centre	BMBC	£2,500					£2,500
TCF	Barnsley Station Access	BMBC	£298	£783				£1,081
TCF	A635	BMBC	£578	£1,784				£2,362
HCM	Highways Capital Maintenance	BMBC	£3,690					£3,690
ITB	Integrated Transport Block	BMBC	£1,074					£1,074
GBF	New Active Travel Foot Cycle Bridge	BMBC	£1,500					£1,500
GBF	Goldthorpe Strategic Land Assembly	BMBC	£580					£580
GBF	Better Barnsley Market Gate Bridge	BMBC	£2,000					£2,000
GBF	Town Centre Public Realm	BMBC	£1,625					£1,625
GBF	Barnsley Digital Learning Sci Tech Services	Barnsley College	£1,445					£1,445
BFH	Goldthorpe Markets Ph.1a	BMBC		£225				£225
BFH	Goldthorpe Hotel	BMBC		£150				£150
BFH	Goldthorpe Market Ph.1b	BMBC		£125				£125
BFH	Dearne High Street	BMBC		£253				£253
BFH	Goldthorpe Pre 1919 Development	BMBC		£500				£500
Gainshare	Lundwood Flood Alleviation Scheme	BMBC	£150					£150
Gainshare	Barnsley Culvert Programme	BMBC	£250					£250
Gainshare	Glassworks Enhanced Capital Contribution	BMBC	£2,600					£2,600
Gainshare	Acquisition of Cheapside/Albert Street West	BMBC	£1,000					£1,000
ATEF2/Gainshare	Elsecar Links	BMBC	£450					£450
ATEF2/Gainshare	Goldthorpe	BMBC	£430					£430
			£26,601	£7,114	£0	£0	£0	£33,715

Table 3B: Doncaster MBC Current Capital Programme Schemes

Funding	Project	Sponsor	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k	Total £k
GBF	Quality Streets Active Travel and Digital Infrastructure	DMBC	£5,500					£5,500
GBF	DN Colleges Digital Infrastructure	Don. College	£519					£519
GBF	DN Colleges Construction Space	Don. College	£991					£991
ATEF2	Conisborough to Warmsworth	DMBC	£1,000					£1,000
ATEF2	Thorne & Moor Ends	DMBC	£300					£300
HCM	Highways Capital Maintenance	DMBC	£4,910					£4,910
ITB	Integrated Transport Block	DMBC	£1,350					£1,350
Gainshare	Bentley Flood Alleviation	DMBC	£1,000					£1,000
Gainshare	Borough Wide Surface Water Alleviation (Scawthorpe Fluvial)	DMBC	£400					£400
Gainshare	Conisborough Natural Flood Management	DMBC	£200					£200
Gainshare	Tickhill Natural Flood Management	DMBC	£200					£200
Gainshare	Green Transport Infrastructure (Electric Bus Pilot)	DMBC	£1,900					£1,900
Gainshare	Housing Retrofits	DMBC	£2,700					£2,700
TCF	Barnsley - Doncaster Quality Bus Corridor South	DMBC	£550	£3,570				£4,120
TCF	Doncaster Station Access	DMBC	£6,016					£6,016
TCF	Doncaster Urban Centre	DMBC	£450	£5,210				£5,660
TCF	M18 J3	DMBC	£1,000	£3,900				£4,900
TCF	Unity (AT)	DMBC	£1,650	£1,896				£3,546
			£30,636	£14,576	£0	£0	£0	£45,212

Table 3C: Rotherham MBC Current Capital Programme Schemes

Funding	Project	Sponsor	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k	Total £k
LGF	Greasbrough Corridor Improvements	RMBC	£1,750					£1,750
GBF	Rotherham Town Centre Housing - 3 Sites	RMBC	£1,198					£1,198
GBF	Century Business Centre	RMBC	£2,000					£2,000
GBF	Greasebrough Corridor Improvements The Whins	RMBC	£2,500					£2,500
HCM	Highways Capital Maintenance	RMBC	£3,619					£3,619
ITB	Integrated Transport Block	RMBC	£1,154					£1,154
BFH	Small Sites 2020-21	RMBC	£434					£434
BFH	Town Centre Housing Investment	RMBC		£2,700				£2,700
BFH	Small Sites 2021-22	RMBC		£419				£419
BFH	Canklow	RMBC		£560				£560
BFH	Eastwood	RMBC		£1,500				£1,500
ATEF2	Broom Road	RMBC	£1,500					£1,500
Gainshare	Rotherham to Kilnhurst Flood Alleviation Scheme	RMBC	£2,000					£2,000
Gainshare	Towns Fund Accelerator Scheme	RMBC	£350					£350
Gainshare	Century Business Centre	RMBC	£1,000					£1,000
Gainshare	Town Centre Acquisition	RMBC	£3,000					£3,000
TCF	A631 Maltby	RMBC	£750	£1,500				£2,250
TCF	AMID (RMBC)	RMBC	£1,350	£150				£1,500
TCF	Manvers Way	RMBC	£430	£0				£430
TCF	Doncaster Road, Dalton	RMBC	£210	£1,000				£1,210
TCF	Rotherham Town Centre	RMBC	£3,716	£5,591				£9,307
DfT Majors	Parkway Widening	RMBC	£40,000					£40,000
			£66,961	£13,420	£0	£0	£0	£80,381

Table 3D: Sheffield City Council Current Capital Programme Schemes

Funding	Project	Sponsor	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k	Total £k
GBF	Heart of the City Breathing Spaces	SCC	£3,943					£3,943
GBF	Parkwood	SCC	£6,000					£6,000
ITB	Integrated Transport Block	SCC	£2,543					£2,543
BFH	West Bar	SCC	£655					£655
BFH	Malthouse	SCC	£1,096					£1,096
BFH	Attercliffe	SCC	£1,700					£1,700
BFH	City Centre Sites - Porter Brook	SCC	£350					£350
BFH	Cannon Brewery HZN	SCC	£4,509					£4,509
BFH	Allen Street HZN	SCC	£1,337					£1,337
BFH	Hoyle Street HZN	SCC	£1,228					£1,228
BFH	Devonshire Quarter	SCC		£155				£155
BFH	Attercliffe-Worksop Road Titterton Close	SCC		£200				£200
BFH	Little Kelham	SCC		£1,275				£1,275
ATEF2	Sheaf Valley	SCC	£2,000					£2,000
ATEF2	Netheredge and Crookes	SCC	£627					£627
ATEF2	City Centre Cycle Hub	SCC	£300					£300
Gainshare	Sheaf Catchment Flood Alleviation Scheme	SCC	£800					£800
Gainshare	Heart of the City Block A	SCC	£3,000					£3,000
Gainshare	Fargate Future High Street	SCC	£3,000					£3,000
Gainshare	Stocksbridge High Street	SCC	£1,800					£1,800
Gainshare	Brownfield Housing Scheme	SCC	£1,000					£1,000
TCF	South West Bus Corridors ¹	SCC	£971	£2,765				£3,736
TCF	AMID (SCC)	SCC	£4,922	£14,649				£19,571
TCF	City Centre Cycling/Cross City Bus	SCC	£4,154	£11,189				£15,343
TCF	Kelham	SCC	£1,684	£7,545				£9,229
TCF	Nether Edge Wedge	SCC	£1,547	£7,545				£9,092
			£49,166	£45,323	£0	£0	£0	£94,489

Table 3E: SYPTE Capital Programme Schemes

	2021/22	TCF	ITB	Other
	£k	£k	£k	£k
Schemes in Delivery				
SCR Mass Transit	£1,994	£426	£568	£1,000
Phase 1 - Completion of OBC				
Phase 2 - OBC to Programme Entry				
Meadowhall Toilet Refurbishment	£5			£5
Supertram Rail Replacement	£80			£80
Smart Ticketing / R&I Strategy	£150		£150	
Programme Wide Costs	£374		£374	
LRT Signal Head Replacement	£75			£75
TCF Schemes				
A61 Wakefield Road Bus Corridor	£770	£770		
Barnsley - Doncaster Quality Bus Corridor	£2,345	£2,245	£100	
A630 Bus Improvements	£518	£518		
lport Bridge	£4,057	£4,057		
Magna Tram Train Stop and P&R	£1,166	£1,116	£50	
Parkgate P&R	£300	£200	£100	
Parkgate Link Road	£1,451	£1,451		
Taylor's Lane Roundabout	£1,226	£1,226		
South Yorkshire Rail Improvements	£2,359	£2,359		
Bus Related Schemes				
Bus Review Schemes (Quick Wins & prep costs)	£150		£150	
Bus Stop Improvements (Northern General)	£65			£65
Mexborough Market Gateway	£280			£280
Tram Related Schemes				
Tram Bridging Strategy Prep Costs/ Quick Wins	£1,000		£225	£775
Rail Related Schemes				
Rail Feasibility Work	£50		£50	
Life Cycle Works				

Shelter Programme Annual Programme	£100		£100	
Wind Turbines	£5			£5
Car Park Equipment	£90		£90	
Resurface Sheffield Interchange Runways	£45		£45	
Resurface Meadowhall Interchange Runways	£45		£45	
Park & Ride - Refurbishment	£45		£45	
Others				
Design Work for Projects "Pipeline"	£100		£100	
Expansion of Meadowhall Park & Ride	£35		£35	
CT Vehicle Replacement Annual Programme	£326		£300	£26
Wheels to Work	£70			£70
Programme / Project Management Software	£5			£5
IT Spend (Laptop Refresh Programme)	£29			£29
IT - Monitor Refresh Programme	£18			£18
IT - Network Switch Replacement Programme	£50			£50
Total	£19,378	£14,368	£2,527	£2,483

Table 3F: MCA Current Capital Programme Scheme

Programmes			2021/22	2022/23	2023/24	2024/25	2025/26	Total
Funding	Project	Sponsor	£k	£k	£k	£k	£k	£k
Receipts	Midland Road Remediation	MCA	£600					£600
Various	Rechargeable Programme Costs*	MCA	£2,517	£2,000	£1,000	£1,000	£1,000	£7,517
Gainshare	Bus Capital Investment	MCA	£3,170					£3,170
TCF	SCR Transport Modelling Updates	MCA	£375					£375
Receipts	BSW Ventilation	MCA	£200					£200
Receipts	ICT Cyclical Refresh	MCA	£0		£150			£150
Receipts	Estate Management	MCA	£110					£110
			£6,972	£2,000	£1,150	£1,000	£1,000	£12,122

* Future year costs are indicative only at this stage

Table 3G: Current Allocations of Gainshare Devolution Funding

	Sponsor	Revenue £m	Capital £m	Total £m
Allocations				
2020/21		£12,000	£18,000	£30,000
2021/22		£12,000	£18,000	£30,000
		£24,000	£36,000	£60,000
Commitments:				
Emergency Recovery:				
- Barnsley	BMBC	£1,005	£0	£1,005
- Doncaster	DMBC	£637	£637	£1,273
- Rotherham	RMBC	£1,085	£0	£1,085
- Sheffield	SCC	£1,194	£1,194	£2,387
- Mayoral Combined Authority	MCA	£740	£0	£740
		£4,660	£1,830	£6,490
Welcome to Yorkshire Grant				
	WTY	£300	£0.00	£300
Flooding Proposal				
- Lundwood Flood Alleviation Scheme	BMBC	£0.00	£150	£150
- Barnsley Culvert Programme	BMBC	£0.00	£250	£250
- Bentley Flood Alleviation	DMBC	£0.00	£1,000	£1,000
- Borough Wide Surface Water Alleviation (Scawthorpe Fluvial)	DMBC	£0.00	£400	£400
- Conisborough Natural Flood Management	DMBC	£0.00	£200	£200
- Tickhill Natural Flood Management	DMBC	£0.00	£200	£200
- Rotherham to Kilnhurst Flood Alleviation Scheme	RMBC	£0.00	£2,000	£2,000
- Sheaf Catchment Flood Alleviation Scheme	SCC	£0.00	£800	£800
- Project Contingency		£0.00	£500	£500
		£0.00	£5,500	£5,500
Active Travel Proposal				
- Barnsley	BMBC	£0	£312	£312
- Doncaster	DMBC	£0	£426	£426
- Rotherham	RMBC	£0	£495	£495
- Sheffield	SCC	£0	£1,007	£1,007
		£0	£2,240	£2,240
Placed Based Proposals				
- Glassworks Enhanced Capital Contribution	BMBC	£0	£2,600	£2,600
- Acquisition of Cheapside/Albert Street West	BMBC	£0	£1,000	£1,000
- Green Transport Infrastructure (Electric Bus Pilot)	DMBC	£0	£1,900	£1,900
- Housing Retrofits	DMBC	£0	£2,700	£2,700
- Century Business Centre	RMBC	£0	£1,000	£1,000
- Rotherham Towns Fund Accelerator Scheme	RMBC	£0	£350	£350
- Rotherham Town Centre Acquisitions	RMBC	£0	£3,000	£3,000
- Heart of the City Block A	SCC	£0	£3,000	£3,000
- Fargate Future High Street	SCC	£0	£3,000	£3,000

- Stocksbridge High Street	SCC	£0	£1,800	£1,800
- Brownfield Housing Scheme	SCC	£0	£1,000	£1,000
		£0	£21,350	£21,350
Bus Investment				
- Capital Investment	MCA	£0	£3,170	£3,170
- 18-21 Concessions	MCA	£4,210	£0	£4,210
		£4,210	£3,170	£7,380
Kickstart SY	MCA	£3,405	£0	£3,405
Enhanced Apprenticeships	MCA	£3,805	£0	£3,805
Employers	MCA	£6,910	£0	£6,910
		£14,120	£0	£14,120
Balance for Reserves and Feasibility Fund		£710	£1,910	£2,620

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APPENDIX 2

SHEFFIELD CITY REGION MAYORAL COMBINED AUTHORITY

ANNUAL TREASURY MANAGEMENT STRATEGY 2021/22

Introduction

The annual treasury management strategy is forward looking and seeks to ensure that:

- The MCA's overarching Borrowing strategy is appropriate in the context of the current economic climate
- The MCA Group's capital plans are affordable, prudent and sustainable (as measured via a series of prudential indicators);
- Prudent charges are made to revenue for the repayment of debt by adopting a minimum Revenue provision (MRP) policy that is compliant with statutory MRP guidance
- investments and borrowings are organised in accordance with the MCA's risk appetite (as measured via a series of treasury indicators); and
- The MCA Group's investment strategy pays due regard to security (the management of risk and the protection of the principal sums invested) and liquidity (availability of cash to meet liabilities as they fall due) as first priorities and then what level of return (yield) can be obtained based on risk appetite and the contribution each investment activity makes.

The annual treasury management strategy is set in the wider context of the MCA's medium and longer term capital investment plans. At this stage, whilst business investment, capital infrastructure and transport programmes beyond 2021/22 are still being developed, the financial planning horizon has been limited to the three-year minimum specified by the Code based on existing commitments.

In addition, the annual treasury management strategy sets out the MCA Group's position on:

- borrowing in advance of need;
- debt rescheduling; and
- use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Proposed changes to CIPFA's Prudential Code and Treasury Management Code are currently out to consultation with the focus on ensuring that:

- risks associated with commercial property investment are properly addressed
- treasury management staff and members receive adequate training to ensure that they have the necessary expertise, knowledge and skills to perform their duties
- treasury activities pay due regard to Environmental, Social and Governance risks over the sums invested

The impact of these changes will be reported back in the mid year report on treasury management.

Treasury management reporting

The annual treasury management strategy is the first of a minimum of three reports that will be reported in respect of 2021/22 treasury activity. As a minimum the two other reports will comprise:

- a mid year report which will provide an update on treasury activity for the first 6 months of the 2021/22 financial year, and

- an annual report which will report actual performance against the treasury management strategy after the end of the 2021/22 financial year

In addition, should there be any material changes to the strategy or associated indicators these will be brought back for approval before being implemented.

Recommendations

Members are asked to:

- Approve the annual treasury management strategy;
- Approve the borrowing strategy set out in Section A of the annual treasury management strategy;
- Approve the capital expenditure estimates and associated prudential indicators set out in Section B of the annual treasury management strategy;
- Approve the minimum revenue provision policy set out in Section C of the annual treasury management strategy;
- Approve the annual investment strategy set out in Section D of the annual treasury management strategy and to grant delegated authority to the Group Finance Director to develop it further by investigating options for diversification in consultation with the MCA's external advisors and Audit and Standards Committee;
- Grant delegated authority to the Group Finance Director in consultation with the Chief Executive to provide a financial guarantee in favour of the SCR Financial Interventions Holding company, and;
- Support the intention to negotiate with HM Treasury and MHCLG to agree a borrowing cap for non transport functions.

Borrowing Strategy

The borrowing strategy currently relates solely to the transport functions of the MCA as, at present, the MCA has no borrowing powers in relation to its LEP functions.

However, this position is likely to change during the course of 2021/22, to enable the MCA to borrow money for non-transport purposes, up to a Government agreed cap. These powers will be conferred by separate legislation following negotiation with HM Treasury and MHCLG on what level of cap is needed to meet the MCA's strategic plans having regard to affordability, prudence and sustainability.

The current borrowing strategy is to meet any borrowing need for the year internally from treasury investments rather than taking out external borrowing. This is in the expectation that the cost of new borrowing will continue to exceed likely investment returns. This remains likely to be the case despite the Government reducing PWLB rates on new loans by 1% under new lending arrangements which came into effect on 26 November 2020. This has reduced fixed term PWLB rates to between 1% and 2.3% currently. However, returns on investments are forecast to remain suppressed at 0.1% for relatively short term investments of three months duration up to and including 2023/24.

In addition, the current strategy is to repay debt as it falls due rather than to refinance debt. This assumption has been built into the financial plans resulting in a projected fall in debt servicing costs as debt is repaid.

The strategy also seeks to take the opportunity to reschedule existing debt where this will lead to an overall saving. However, for the reasons described further on in this report it is considered unlikely that any such opportunities will arise in the short to medium term.

The new lending arrangements introduced in November 2020, in addition to lowering interest rates, also tightened the rules governing local authorities, including MCAs, access to PWLB borrowing. The new rules do not allow access to PWLB where a local authority intends to buy commercial investment assets held primarily or partially to generate a profit for yield within its capital plans at any point in the next three years regardless of whether the transaction would notionally be financed from a source other than PWLB. The definition of commercial investment assets in this case is that contained within MHCLG Statutory Guidance on Local Government investments and includes, for example, investment property portfolios whose main purpose is to generate a profit.

The MCA Group's investment property portfolio is a legacy of bus deregulation and comprises former transport assets which are not being actively managed to achieve commercial returns. Accordingly, they are not considered to fall within the definition of commercial investment assets under the Statutory Guidance. This will however be kept under review should there be any plans to expand or diversify the portfolio.

Capital Expenditure Plans and Prudential Indicators: 2020/21 to 2023/24**Indicator 1 - Group Capital expenditure estimates**

The table below summarises the MCA Group's capital investment plans for the forthcoming year and indicative estimates for the following two years.

The estimates are based on known commitments at this point in time. It is highly likely that these commitments will change as new Government funding streams announced in the Spending Review come on-line, and the MCA begins to shape its own gainshare funded investment strategy. The estimates may also materially change should the MCA be successful in its Mass Transit Renewals bid into Government. The estimate below reflect known commitments:

1. Group Capital Expenditure Estimates	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Local Growth Fund	£39,531	£43,786	£10,502		
Brownfield Fund	£0	£1,907	£20,000	£8,112	£8,112
Getting Building Fund	£0	£5,155	£28,445		
Active Travel Emergency Fund (Capital)	£0	£603	£0		
Active Travel (phase-2)	£0	£0	£4,369		
Highways Capital Maintenance	£13,058	£13,552	£8,718		
Pothole & Challenge Fund	£0	£3,401	£6,974		
SYPTTE (excluding ITB & TCF)	£8,098	£6,957	£2,463		
Integrated Transport Block	£9,531	£8,668	£8,746		
Transforming Cities Fund - tranche 1	£1,973	£2,271	£0		
Transforming Cities Fund - tranche 2	£0	£4,534	£61,401	£100,370	
Gainshare Capital	£0	£5,500	£33,980		
Parkway Widening A630	£0	£0	£40,160		
ICT and Asset Renewals	£0	£411	£910		
BDR Transport Capital Pot	£2,607	£472	£0		
Low Emission Buses	£1,293	£0	£0		
Identified New Funding Streams:					
Levelling Up Fund					
Shared Prosperity Fund					
Inter-City Transport Fund					
Total Capital Investment	£76,091	£97,217	£226,668	£108,482	£8,112

Indicator 2 – Capital Financing Requirement (CFR) estimates

The table below shows how the planned capital expenditure is expected to be financed. Any capital expenditure not funded by capital grants, capital receipts, or revenue contributions, results in a need for borrowing.

2. Group Capital Financing Estimates	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Government Grant - LGF	£38,843	£43,239	£0	£0	
Government Grants - BrownField Fund	£0	£1,907	£20,000	£8,112	£8,112
Government Grants - Getting Building Fund	£0	£5,155	£28,445	£0	
Government Grants - transport	£25,855	£33,029	£130,368	£100,370	
Gainshare - capital	£0	£5,500	£33,980	£0	
Capital Receipts	£2,152	£958	£11,412	£0	
Earmarked reserves	£0	£0	£0	£0	
Revenue contributions	£0	£0	£0	£0	
SYPTF - other grant funding	£3,071	£2,722	£2,383	£0	
Borrowing	£6,170	£4,707	£80	£0	
Net borrowing needed for the year	£6,170	£4,707	£80	£0	£0

The borrowing need in 2020/21 and 2021/22 stems from the decision taken in 2018/19 to borrow up to £23.3m over the 3-year period 2018/19 to 2020/21 to support capital investment in South Yorkshire transport schemes (Rotherham Interchange, re-railing and the transport capital pot).

The cumulative borrowing need over the period from 2018/19 to 2020/21 is forecast to be £23.1m and therefore within the overall amount approved. The revenue implications of this borrowing have been factored into the 2021/22 South Yorkshire transport revenue budget approved by the MCA at its meeting on 25 January 2021.

As noted above under the section on Borrowing Strategy, the MCA will be negotiating with HM Treasury and MHCLG on a borrowing cap for non transport purposes. This has not been factored into the table above at this stage pending the outcome of the negotiations being known.

Based on the above capital investment plans and capital financing proposals, the Group's overall forecast underlying need to borrow or Capital Financing Requirement (CFR) is forecast to change as follows:

2. Group Capital Financing Requirement	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Opening CFR	£113,045	£116,054	£117,114	£113,334	£109,519
movement in CFR					
Additional borrowing requirement	£6,170	£4,707	£80	£0	£0
MRP	-£3,161	-£3,647	-£3,860	-£3,815	-£3,778
Capital receipts set aside for the repayment of debt	£0	£0	£0	£0	£0
Other adjustments	£0	£0	£0	£0	£0
Closing CFR	£116,054	£117,114	£113,334	£109,519	£105,741

Indicator 3 - Amount of external debt against the Capital Financing Requirement (CFR)

The purpose of this indicator is to assess the extent to which borrowing is only being used in the medium to longer term to finance capital expenditure. The benchmark recommended by CIPFA is that the estimated amount of gross debt should not exceed the estimated CFR for the current and following two years.

Group external borrowing	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
External Debt					
-MCA Loans	£25,660	£25,660	£25,000	£25,000	£25,000
-Expected change in MCA Loans	£0	-£660	£0	£0	-£4,000
-SYPTe Debt	£161,375	£161,375	£108,375	£100,400	£92,400
-Expected change in SYPTe Loans	£0	-£53,000	-£7,975	-£8,000	-£46,400
Gross Debt	£187,035	£133,375	£125,400	£117,400	£67,000
The Capital Financing Requirement	£116,054	£117,114	£113,334	£109,519	£105,741
Debt in excess of CFR	£70,981	£16,261	£12,066	£7,881	-£38,741

Historically, gross debt has exceeded CFR because MRP has been charged annually to the transport levy to write down the CFR but no loan repayments had taken place. As illustrated in the table above, this situation is now rebalancing as debt matures and significant loan repayments are being made.

The repayment of borrowing is also drawing down on the cash investments built up in previous years for the repayment of debt with the consequence that the level of investments is also forecast to fall - see Investment Strategy - Table 2.

Indicator 4 - Ratio of Financing Costs to Net Revenue Stream

This indicator is a measure of the affordability of decisions taken to finance capital investment borrowing in the context of the Group's overall financial sustainability.

Ratio of financing costs to net revenue streams	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Interest	£13,136	£9,554	£8,359	£7,762	£5,555
MRP	£3,161	£3,647	£3,859	£3,815	£3,777
Less Investment Income	-£2,000	-£1,189	-£870	-£496	-£386
Net Financing Costs	£14,297	£12,012	£11,348	£11,081	£8,946
Income - transport levy	£54,365	£54,365	£54,365	£54,365	£54,365
Finance Costs/Unrestricted Revenue Income %	26.3%	22.6%	21.2%	20.2%	16.5%

Interest payable is principally fixed rate PWLB borrowing. The reduction in the amount of interest payable is therefore a function of PWLB debt being repaid as it matures. A significant amount of PWLB debt is scheduled to be repaid over the period to 2023/24 as illustrated in Indicator 3, hence, the downward trend.

The return on investments is a function of the average level of treasury investments and target returns which are expected to be achieved. The reduction in investment income reflects the fact that investments are being used to settle loan repayments as they fall due in accordance with the borrowing strategy thereby reducing the level of core funds. The expected returns on investments are also expected to decline as long term investments on which decent returns are currently being earned unwind - see Investment Strategy Table 2.

External Debt – borrowing limits – Indicators 5 and 6

There are two indicators on borrowing limits: the authorised limit and operational boundary

The **authorised limit** represents a control on the maximum amount of debt the Group can borrow for capital investment and temporary cash flow purposes. Under Section 3 of the Local Government Act 2003 this limit is agreed by the MCA and cannot be revised without that body's agreement.

The authorised limit reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the long term.

The **operational boundary** is the maximum amount of money the Group expects to borrow during the financial year. It acts as a useful warning if breached during the year that underlying spend may be higher than expected or income lower than budgeted.

Authorised Limit	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Loans	£228,500	£228,500	£673,500	£665,500	£657,500
Other Long Term Liabilities	£11,500	£11,500	£11,000	£11,000	£10,500
Total	£240,000	£240,000	£684,500	£676,500	£668,000

Operational Boundary	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Loans	£213,500	£213,500	£658,500	£650,500	£642,500
Other Long Term Liabilities	£11,500	£11,500	£11,000	£11,000	£10,500
Total	£225,000	£225,000	£669,500	£661,500	£653,000

Both the Authorised Limit and Operational Boundary allow for up to a £500m increase in borrowing capacity to accelerate delivery of the Gainshare funded Investment Programme by bringing forward all uncommitted Gainshare capital that the MCA is due to receive in years 3 to 30 so that it can be invested upfront in the near term. The figure of £500m represents the upper limit of what is potentially affordable to enable the associated debt financing costs to be contained within the overall 30 year Gainshare allocation. It will also be subject to the borrowing cap that the MCA agrees with HM Treasury and MHCLG for non-transport purposes.

In addition, the authorised limit allows for an additional £40m headroom over the maximum expected amount of gross debt in 2021/22 (excluding the £500m referred to above) - the operational boundary allows for an additional £25m headroom. The headroom provides capacity for short term temporary borrowing to manage the MCA's cash position rather than having to realise higher yield longer term investments early before they are due to mature.

The MCA has ready access to temporary borrowing should the need arise through local authority to local authority lending. Currently, borrowing rates in the local authority to local authority market are around 0.1% to 0.25% for one to two year borrowing. In this context, having headroom of up to £40m is considered affordable in the short term.

The Other Long-Term Liabilities set out in the table below represents the PFI liability in respect of Doncaster Interchange.

Major changes to local authority accounting rules under IFRS 16 in respect of accounting for leasing may lead to "right of use" leased assets being brought on balance sheet which would increase the value of Other Long-Term Liabilities. The new accounting rules were due to come into effect in 2020/21 but implementation has now been deferred until the start of 2022/23. Should the introduction of the new accounting rules lead to other long term liabilities being brought on balance sheet on 1 April 2022 this will be reflected in the 2022/23 annual treasury management strategy.

Indicator 7 – Maturity structure of borrowing

The maturity profile is important in ensuring there is sufficient liquidity to meet loan repayments as they fall due.

Maturity of Group borrowing:	Amount	
	£'000	%
2020/21	53,000	28%
2021/22	7,975	4%
2022/23	8,000	4%
2023/24	50,400	27%
2024/25	4,000	2%
2025/26	4,000	2%
2026/27	4,000	2%
2027/28	22,000	12%
2028/29	0	0%
2029/30	4,000	2%
2030/31	4,000	2%
2043 to 2056	25,000	13%
Total	£186,375	100%

The level of core funds available up to and including 2023/24 (see Investment Strategy - Table 2) indicates that there are sufficient internal funds to meet loan repayments in the medium term without the need for external borrowing.

In the period 2024/25 to 2026/27 the amount raised as MRP through the levy will more or less match the loan repayments of £4m p.a in each of these years. Hence, it is not until 2027/28 that there is a potential need for external borrowing. This is on the assumption that:

- Borrowing requirement - the net borrowing need is as set out in Indicator 2
- Market loans - there is no early repayment of market loans (considered very unlikely in the prevailing low interest rate environment - see Debt Rescheduling below)

Debt Rescheduling

Opportunities for debt rescheduling depend on the difference between the repayment rates on early redemption and the interest rates on existing debt.

Where repayment rates on early redemption are lower, a premium (cost) is payable. Where repayment rates are higher, a discount (saving) can be obtained.

In the present low interest rate environment, PWLB rates for early repayment are currently in the range minus 0.2% to 1.2%. This is significantly lower than rates on the Group's existing PWLB debt portfolio which range from 4.25% to 8.50%. Early repayment would therefore incur a very substantial premium.

The interest rates on the Group's market loans range from 4.50% to 4.95%. As these are considerably higher than the prevailing rates it is considered unlikely that the lender would exercise their call option which would trigger an opportunity to repay the debt early and refinance it by cheaper PWLB debt.

The prospect of refinancing or paying off early some of the underlying PFI debt relating to Doncaster Interchange in order to reduce future unitary payments over the remainder of the PFI term is discussed at the regular review meetings with the PFI Operator. No such opportunities have presented themselves to date.

Borrowing in advance of need

The MCA will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the MCA can ensure the security of such funds.

Risks associated with any borrowing in advance will be subject to prior appraisal and reporting through the mid-year treasury report or annual report on treasury management.

Financial guarantee

The MCA has a wholly owned subsidiary, the SCR Financial Interventions Holding Company whose sole purpose is to hold finance to support the delivery of the LGF programme. The company does not trade, is controlled by the MCA Executive and only has intercompany transactions with the MCA.

Under Companies Act legislation, the company can be made exempt from the requirement for audit, and therefore save the public purse, if the MCA as parent provides a financial guarantee in the required format stating the financial year to which it relates.

The effect of the guarantee is that the MCA guarantees all outstanding liabilities to which the company is subject at the end of the financial year to which the guarantee relates until they are satisfied in full; and, the guarantee is enforceable against the MCA by any person to whom the company is liable in respect of

those liabilities. However, as the company's only liability is to the MCA, there is no risk to the MCA group.

It is therefore proposed that the MCA provides a financial guarantee in respect of the 2020/21 financial year and that this remains in force if and until such time that the company transacts with parties other than the MCA. As the MCA's Financial Regulations allow the Group Finance Director to enter into any borrowing, investment and financing arrangements on behalf of the Authority compliant with the Treasury Management Policy, it is recommended that delegated authority be given to the Group Finance Director to provide the financial guarantee on the MCA's behalf for filing with Companies House.

Use of external advisors

Link Asset services have been appointed as treasury advisors to the MCA to provide technical guidance and support on treasury matters, including providing a creditworthiness service on financial institutions and other potential counterparties.

The MCA also has a service level agreement with Sheffield City Council to provide day to day banking and treasury services including managing the MCA's investment portfolio on its behalf.

Where external advisors are appointed to provide specialist skills and resources, officers will ensure that the terms of their appointment and methods by which their value will be assessed are properly agreed and documented.

Minimum revenue provision (MRP) policy statement

This policy statement has been prepared having regard to the Revised Statutory MRP Guidance issued in 2018. This limited the maximum number of years over which MRP can be charged to 50 years unless a suitably qualified professional advisor advises that the related asset will deliver service functionality for more than 50 years.

In practice, this change will have little or no practical effect on the existing profile of MRP charges.

The broad aim of MRP is for an authority to make a prudent provision by charging revenue over time to reduce its Capital Financing Requirement. In doing so, an authority should align the period over which they charge MRP to one that is commensurate with the period over which its capital assets / expenditure provides benefits either in terms of service potential or economic return.

Regulation 28 of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended]* gives local authorities flexibility in how they calculate MRP, providing the calculation is 'prudent'. In calculating a prudent provision, local authorities are required to have regard to statutory guidance on determining MRP which offers a number of options for meeting this requirement.

In addition, an authority may charge an amount greater than the statutory minimum should it wish to do so. The MCA has not elected to charge in excess of the minimum statutory amount to date and has no plans to do so in 2021/22.

The MCA is recommended to approve the following MRP statement for financial year 2021/22:

MRP on the residual Capital Financing Requirement at the end of 2015/16 relating to capital expenditure incurred before 1st April 2008, is being charged on a flat line basis over fifty years. This is considered a more prudent approach to the "regulatory method" adopted up to and including 2015/16, as it better aligns the charges to revenue to the benefits the related assets deliver.

MRP on capital expenditure incurred since 1st April 2008, financed by unsupported borrowing will be based on the 'asset life method'. This means that MRP will be based on the estimated useful life of the assets created. The MCA will apply a maximum life of 50 years to new assets unless a suitably qualified professional advisor advises that an asset will deliver service functionality for more than 50 years or where an asset is a lease or PFI asset, and the length of the lease/PFI contract exceeds 50 years. MRP will commence in the year after an asset becomes operational to align charges to revenue to the economic benefits generated from those assets.

MRP on capital loans and capital grants awarded to partners and third parties financed by borrowing will be charged over the useful life of the assets concerned.

MRP on capital expenditure on assets not owned by the MCA or on assets for use by others will similarly be charged over the useful life of the assets concerned. MRP on expenditure capitalised by virtue of a statutory direction, repayment of capital grants or loans received, or acquisition of share capital, will be charged over a period not exceeding the maximum period specified by regulation.

If, as noted in the section about the Authorised Limit and Operational Boundary, the MCA agrees increase its borrowing capacity by up to £500m to accelerate delivery of the Gainshare Funded Investment Programme, Gainshare capital will be applied in the first instance to meet the requirement to set aside an amount to repay debt in lieu of charging revenue.

Investment strategy

The MCA's investment policy has regard to the following:

- MHCLG's Guidance on Local Government Investments
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017
- CIPFA Treasury Management Guidance Notes 2018

The MCA's investment priorities will be security first, portfolio liquidity second and then yield (return). The MCA will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the MCA's risk appetite.

MHCLG and CIPFA place a high priority on the management of risk. Accordingly, the MCA has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- A defined list of **types of investment instruments** that the treasury management team are authorised to use. These fall into two categories - 'specified' and 'non-specified' investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- **Lending limits** (amounts and maturity) for each counterparty will be set through applying the matrix in Table 4
- A limit on investments which are invested for **longer than 365 days** - see Table 2

At the advent of the Covid 19 pandemic the Bank of England took emergency action in March 2020 to reduce the base rate to first 0.25% and then to a historic low of 0.10%. This, together with the Government's fiscal stimulus package, has resulted in returns on traditional types of investment being suppressed. This is likely to remain the case in the medium term as illustrated in the table in the section below on Prospects for Interest Rates.

In view of this and in accordance with the 2020/21 annual treasury management strategy, preliminary discussions have taken place with the Group's treasury advisors and bankers on options to diversify into other types of pooled investment funds including, for example:

- Short dated bond funds (suitable for investors with a minimum time horizon of 2 to 3 years)
- Property Funds (suitable for investors with a minimum time horizon of at least 5 years)
- Multi-asset income funds (suitable for investors with a minimum time horizon of at least 5 years)

These types of investment can generate a higher rate of return but inevitably at a greater risk than traditional types of investment. A comprehensive understanding of the varying degrees of risks

associated with these types of investment is therefore required to assess against the potential rewards having regard to appropriate professional advice from external advisors.

Given the risks and uncertainties in the current economic climate, the focus for the time being at least, has been and will continue to be on maximising returns from traditional types of investment rather than on diversification.

Investment Performance

Over the course of 2020/21 in the 10 months to January 2021, the average size of the investment portfolio was £260m with the weighted average return on investments falling from 1.07% in April 2020 to 0.50% in January 2021 and averaging 0.70% for the 10 months to date.

The types of investment included within the investment portfolio are the more traditional ones held by local authorities, namely:

- Deposits with local authorities through the local authority to local authority market;
- Call accounts with reputable banks with a high credit rating, and;
- Low volatility low risk highly liquid Money Market Funds which provide for instant access.

The returns on all of these types of investment have declined over the year with the average return now being c. 0.30% on local authority deposits (excluding longer term investments), 0.35% to 0.40% on call accounts and 0.02% on Money Market Funds.

The reason for the weighted average return for the 10 months to date of 0.70% being higher than the returns on traditional investments is due to the higher returns being earned on longer term fixed interest local authority deposits of more than 365 days duration. As at January 2021 there were £85m of such longer investments on which the average return was 1.70%.

Table 1 - Prospects for interest rates

Link Group Interest Rate View	9.11.20													
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	1.80	1.80	1.80	1.80	1.80	1.90	1.90	1.90	1.90	1.90	2.00	2.00	2.00	2.00
10 yr PWLB	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30
25 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70	2.70	2.70	2.80	2.80	2.80	2.80
50 yr PWLB	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.60

As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table over the next three years as economic recovery is expected to be only gradual and, therefore, prolonged.

Returns on investments are expected to remain suppressed at 0.10% on investments of shorter duration and 0.20% on investments of 12 months.

On the positive side, PWLB interest rates on borrowing are expected to rise only marginally over the next three years.

Table 2 - Core funds and balances and longer term investments of more than 365 days

Core funds	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Reserves and balances - revenue and capital	£107,290	£131,301	£84,035	£72,297	£66,179
Cash set aside to repay debt	£70,981	£16,261	£12,146	£7,961	-£38,661
Sub - Total	£178,271	£147,562	£96,181	£80,258	£27,518
Short term cash / working capital / capital grant unapplied	£39,200	£121,778	£77,259	£34,007	£25,000
Total	£217,471	£269,340	£173,440	£114,265	£52,518

The level of core funds available beyond 2023/24 will remain reasonably constant until 2027/28 when (as illustrated in Indicator 7) £22m of borrowing is due to be repaid.

Investment greater than 365 days	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Maximum - end of the year	£90,000	£96,000	£80,000	£27,500	£33,000
Existing long term investments	£60,000	£85,000	£63,000	£15,000	£15,000
Balance available to invest	£30,000	£11,000	£17,000	£12,500	£18,000

The table above shows the estimated amount available to invest in longer term investments of more than 365 days duration based on the estimated level of core funds available (excluding short term cash and working capital) measured against the existing longer term investment portfolio as at January 2021.

It shows that some capacity remains for further longer term investments in the next three years but that the position will now need to be managed carefully as the headroom is down to an estimated £12.5m in 2022/23

Table 3 - Target return on investments (Yield)

Using the prospects for interest rates, returns on longer term investments and core funds available to investment set out above, the target return on the investment portfolio as a whole (short and long term) is as follows:

Returns on investments	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Forecast	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Target return on treasury investments	1.22	0.7	0.7	0.7	0.7

Security

The risk of default varies according to the type of investment. Local authorities are assumed to have a zero default rate. The default risk attached to other counterparties depends on their creditworthiness and duration of investment. The MCA's treasury advisors provide historic default rates for different types of counterparty as a guide. The risk of default on non local authority investments in the investment portfolio

as at January 2021 using historic default rates provided by the MCA's treasury advisors at the end of 2019/20 is c. 0.013% or £8k.

This is considered an acceptable level of risk against an average portfolio of £260m.

Liquidity

A balance of £25m will be maintained in highly liquid instant access investments / the bank to manage day to day treasury activity.

Creditworthiness policy

The MCA has adopted the creditworthiness service provided by its external treasury management advisors to manage counterparty risk.

The service involves a risk weighted scoring of the three main credit rating agencies to arrive at a colour coding system to recommend the maximum duration of investments. This is summarised in the table below:

Colour Band	Duration
Yellow	5 years *
Dark pink	5 years for Ultra Short Dated Bond Funds with a credit score of 1.25
Light pink	5 years for Ultra Short Dated Bond Funds with a credit score of 1.5
Purple	2 years
Blue	1 year (only applies to nationalised/semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

The Lending limits (amounts and duration) for each counterparty are unchanged from 2020/21.

At the foot of the matrix table, other investment options have been introduced. These include, for example, short dated bond funds, property funds and multi asset income funds. No limits have been specified for these new investment types as yet, subject to further investigation into the risks and suitability of these options.

Table 4 - Lending Limits

	Colour (and long term rating where applicable)	Maximum sum and/or % Limit (per institution)	Time Limit
Banks *	Yellow	100%	5 years
Banks	Purple	£30m	2 years
Banks	Orange	£30m	1 year
Banks – part nationalised**	Blue	£50m	1 year
Banks (UK Banks)	Red	£20m	6 months
Banks (non-UK Banks)	Red	£15m	6 months
Banks	Green	£10m	100 days
Banks	No colour	Not to be used	

	Colour (and long term rating where applicable)	Maximum sum and/or % Limit (per institution)	Time Limit
MCA's banker (Barclays) in the event of the bank being 'no colour'	-	100 %	5 days***
DMADF	AAA	100%	6 months
Local authorities and other suitable public bodies or bodies delivering public services funded by the government	N/A	£50m	10 years
Money market funds – CNAV****	AAA	100 %	Liquid
Money market funds – LVNAV*****	AAA	100 %	Liquid
Money market funds – VNAV*****	AAA	100 %	Liquid
Ultra short dated bond funds with a credit score of 1.25	Dark pink / AAA	100 %	Liquid
Ultra short dated bond funds with a credit score of 1.5	Light pink / AAA	100 %	Liquid
Short dated bond funds			
Property Funds			
Multi Income Asset Funds			

* Please note: the yellow colour category is for UK Government debt, or its equivalent, constant net asset value money market funds and collateralised deposits where the collateral is UK Government debt.

** When placing deposits with part nationalised banks the MCA will take care to review when it expects the UK Government to divest its interest in the institution, and the impact this move would have on the MCA's view of the institutions security.

*** to cover period to next working day allowing weekends and bank holidays such as Easter

**** CNAV refers to Constant Net Asset Value Money Market Funds when investors will be able to purchase and redeem at a constant Net Asset Value (£1 in / £1 out)

***** LVNAV refers to Low Volatility Net Asset Value Money Market Funds when investors will be able to purchase and redeem at a stable Net Asset Value to two decimal places, provided the fund is managed to certain restrictions

***** VNAV refers to Variable Net Asset Value Money Market Funds where the price may vary

The MCA is alerted to changes to ratings through the creditworthiness service provided by its external treasury advisors.

If a downgrade results in the counterparty / investment scheme no longer meeting the MCA's minimum criteria, its further use as a new investment will be withdrawn immediately. Any existing investment will be redeemed as soon as it is economically viable.

Investment instruments identified for use in the financial year are listed under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the MCA's treasury management practices.

Country limits

The MCA has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of "AA-" from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are as shown below. Should ratings change, this list will be added to, or deducted from, by officers in accordance with this policy.

- AAA
- Australia
 - Denmark
 - Germany
 - Luxembourg

- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

Specified and Non specified investments

The distinction between specified and non specified investments is important because of the additional procedures that need to be undertaken in considering the risk attached to non specified investments.

Specified Investments

Statutory Guidance on Investments defines specified investments as ones having the following characteristics:

- Denominated in sterling
- The duration is 12 months or less
- The investment is high quality or is with the UK Government or a local authority

High quality is determined by reference to the matrix table included in the creditworthiness policy.

Table 5 - Limits on Specified Investments

	Minimum credit criteria / colour band	** Max % of total investments / £ limit per institution	Max. maturity period
Money Market Funds CNAV	AAA	100%	Liquid
Money Market Funds LNAV	AAA	100%	Liquid
Money Market Funds VNAV	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	100%	Liquid

Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	100%	Liquid
Local authorities	yellow	100%	12 months
Term deposits with banks and building societies or housing associations	Blue Orange Red Green No Colour	As per lending limits table	12 months 12 months 6 months 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	As per lending limits table	12 months 12 months 6 months 100 days Not for use
UK government debt	Yellow	100%	12 months

Non specified investments

These are any investments which do not meet the specified investment criteria.

As far as the MCA is concerned, Non-specified investments represent those with a duration of more than one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

The table below illustrates the types of non specified investment that are currently being invested in or could be considered at a future date. The list is not however intended to be exhaustive and may be expanded as other types of investment are investigated.

Table 6 - Limits on Non Specified Investments

Duration of more than one year	* Minimum Credit Criteria	** Max % of total investments	Max. maturity period
Term deposits – local authorities	N/A	100%	10 years
Term deposits – banks and building societies	Purple	£30m	2 years
UK Government Debt	Yellow	100%	5 years
Multi asset income funds			
Property Funds			
Short dated bond funds			

22nd March 2021

PROGRAMME APPROVALS

Purpose of Report

This paper seeks:

1. Approval of one scheme with a total value of £9.45m Transforming Cities Fund Tranche 2 (TCF2) and Getting Building Fund (GBF),
2. Approval of Four Transforming Cities Fund Tranche 2 (TCF2) Outline Business Cases (OBCs) to proceed to Full Business Cases (FBCs) and early release of development cost funding with a total value of £3.31m
3. Approval of early release of business case development cost funding for one Transforming Cities Fund Tranche 2 ('TCF2)
4. Approval of early release of business case development cost funding for one Active Travel Fund Phase 2 ('ATF2') scheme;
5. Approval of 4 change requests for existing Local Growth Fund (LGF) projects;
6. Approval of 4 change requests for existing Getting Building Fund (GBF) projects;
7. Approval of 1 change request for an existing Getting Building Fund and Transforming Cities fund Tranche 2 (TCF2) project,
8. Approval to award Adult Education Budget (AEB) Grants to 5 Further Education Establishments, 3 Local Authorities and 1 sixth form college.
9. Approval to award Adult Education Budget (AEB) funding to successful applicants through the MCA procurement exercise being currently undertaken and;
10. Approval for delegated authority to be granted to the Head of Paid service in consultation with the Section 73 Officer and the Monitoring Officer to enter into legal agreement for the schemes.

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 MCA consider and approve:

1. Progression of "Quality Streets - Active Travel and Digital Infrastructure" project to full approval and award of £9m grant to Doncaster Borough Council subject to the conditions set out in the Assurance Panel Summary attached at **Appendix A**
2. Progression of "A635 Active Travel Link OBC" to FBC and delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to agree an appropriate early release of development cost funding of up to £0.41m TCF2 to BMBC subject to the conditions set out in the Appraisal Panel Summary Table attached at **Appendix B**;
3. Progression of "A61 Active Travel" OBC to FBC and delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to agree an appropriate early release of development cost funding of up to £1.72m TCF2 business case development cost funding to BMBC subject to the conditions set out in the Appraisal Panel Summary Table attached at **Appendix C**;

4. Progression of “Parkgate” OBC to FBC and early release of development cost funding of up to £1m to South Yorkshire Passenger Transport Executive (‘SYPTTE’) subject to the conditions set out in the Assurance Panel Summary attached at Appendix D
5. Progression of “Rail Station Improvements” OBC to FBC and release of development cost funding of up to £0.172m to SYPTTE subject to the conditions set out in the Assurance Panel Summary attached at Appendix E;
6. Approval to release scheme development cost funding for one scheme up to £48k, from TCF2 to Barnsley Metropolitan Borough Council (‘BMBC’);
7. Release of scheme development cost funding for “Sheaf Valley” ATEF2 scheme, of up to £46k from ATF2 and Gainshare, to Sheffield City Council
8. Project change request from “Doncaster Urban Centre” to agree a reprofile of job outcomes from 20/21 to 21/22
9. Project change request from “DSA Car Park Expansion Loan Agreement” to agree an extension to works completion from January 2021 to May 2022 and reprofile of outputs and outcomes in accordance with the revised timescales.
10. Project change request from” Peak Resort” to agree a reprofile of outputs from March 2023 to March 2024
11. Project change request from” Digital Media Centre 2” to agree a reprofile of outputs from March 2021 to March 2022
12. Project change request from” Rotherham Town Centre” to agree a reprofile of £0.53m grant from 20/21 to 21/22,
13. Project change request from “Barnsley Digital Learning Sci Tech Building” to agree an extension to works completion from June 2021 to September 2021 and reprofile of £0.74m from 20/21 to 21/22 and reprofile of outputs and outcomes in accordance with the revised timescales
14. Project change request from “DN College Digital Infrastructure” to agree a reprofile of £0.31m from 20/21 to 21/22
15. Project change request from” Goldthorpe Strategic Land Assembly” to agree revision of conditions to enable entry into contract
16. Project change request from “Heart of the City Breathing Spaces 2” to agree a reprofile of £0.41m GBF funding from 2021/22 into 20/21 and £0.4m TCF funding from 20/21 and £1.38m from 2021/22 into 2022/23
17. Progression of “AEB – Grant Provider Agreements” to full approval and award
18. Progression of “AEB Procurement Funding Agreements” to full approval and award
19. Delegated Authority to be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to agree an appropriate level of development costs and enter into legal agreements, following receipt of clarity on development cost requests for the schemes listed at recommendation 3 and 4 above and detailed in sections 2.2 and 2.3 below.
20. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.

1. Introduction

- 1.1 This report seeks approval for a number of funding awards and project changes requests. The report further recommends a number of delegations to officers to expedite the award of contracts and grant awards in a timely manner.

Getting Building Fund and Transforming Cities Fund Awards

- 1.2 On 30th June 2020 the MCA was awarded £33.6m GBF to invest in ‘shovel-ready’ projects that will provide stimulus to local economies. The funds need to be defrayed by 31st March 2022 which allows an 18-month delivery window.

In March 2020 the Department for Transport ('DfT') approved a grant award of £166.3m for the MCA's TCF aspirations. This grant was allocated from April 2019 to March 2023 resourcing a programme of transformational public transport, active travel and rail initiatives.

In March 2020 the MCA approved the early release of scheme development costs in the following manner:

- release up to 2% of the total scheme cost (as included in the bid/SOBC) to facilitate the development of the OBC.
- release further costs (based on a costed fee plan) following approval of the OBC to enable the schemes to progress to FBC

This paper requests;

- approval of one combined GBF /TCF2 funded scheme subject to any conditions to be set out in the Assurance Panel Summary with a total value of £9m;
- approval of progression of four schemes to Full Business Case (FBC) and early release of up to £3.3m development costs subject to any conditions to be set out in the Assurance Panel Summary, with total scheme values of £23.9m and
- approval to release development costs of £48k for one new scheme, to be added to the TCF2 programme pipeline.

Active Travel Fund Awards

- 1.3** In December 2020 the MCA was awarded £5.46m funding for the Active Travel Fund Phase 2 ('ATF2') towards total programme costs of £7.7m, matched by £2.24m Gainshare (the approval for which is sought in a further paper on this agenda). The grant was allocated to the 4 Local Authorities for active travel activity to March 2022 and builds upon the temporary provisions as proposed during ATEF1.

In June 2020 the MCA approved the early release of up to 2% of total scheme costs to facilitate the development of the business case. This paper requests permission for development cost funding for one scheme to be released detailed in section 2.7 below.

Project Change Requests

- 1.4** In recognition of unforeseen circumstances that can arise during the project delivery phase, the approved Assurance Framework establishes a formal process for the acceptance of change requests. These change requests could be financial, requiring reprofiling of funds, or could be to amend deliverables or timescales.

The Assurance Framework established that some change requests will be presented for approval to the relevant Thematic Board, in line with their agreed delegation levels whilst others will require the approval of the MCA Board. In line with the agreed Assurance Framework there are 4 change requests proposed through this report which require MCA approval. These are detailed in sections 2.8 to 2.19 below.

Adult Education Budget

- 1.5** AEB funding will be devolved to the MCA from 1st August 2021 and the process to commission AEB-funded provision is underway

The total value of AEB to be devolved to the MCA is expected to be c£38.5m, of which c£36m will be AEB and c£2.5m will be additional money for Level 3 provision as part of the Government's Lifetime Skills Guarantee. This paper requests delegated authority to be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the AEB provision detailed in section 2.20 below.

2. Proposal and justification

2.1 Quality Streets – Active Travel and Digital Infrastructure Project – GBF/TCF2 Fund

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

The Project – This investment is for a £9m grant comprising of £5.5m GBF and £3.5m TCF2 towards total project costs of £9.45m.

The scheme is complementary to the previously funded Local Growth Fund schemes, providing an improved link between the areas of investment, to continue delivery of the Doncaster Quality Streets programme. The programme will support and enable new investment in the town's urban employment and residential development zones, linking the City Gateway to the Civic and Cultural Quarter. The overall aim of the scheme is to develop a streetscape that is suitable for all road users and caters for the urban centre through supporting pedestrians, bike users, disabled and buses in a safer environment.

The Benefits and Outcomes - An estimated 15,893sqm of infrastructure improvements, including -

- 1.4km of cycle lanes on Wood Street, Cleveland Street, Duke Street and St Sepulchre Gate
- Highway improvements including single carriageway and road narrowing
- Public realm improvements to St Sepulchre Gate, Duke Street, Cleveland Street and Wood Street
- Improved bus stops and real time information points
- Installation of ducting to enable digital infrastructure provision to improve digital connectivity

Key risks are noted regarding robust consultation requirements and alignment with SYPTTE to enable necessary bus route changes, however the level of risk appears acceptable and capable of being managed.

2.2 A635 Active Travel Link – TCF2 Fund

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

The Project – This investment is for £2.24m from TCF2, with development costs to be released of £0.41m to BMBC.

The A635 Active Travel Link Scheme is a package of measures which seeks to promote walking and cycling connectivity on the A635 between Stairfoot Roundabout and Hollygrove Round in Goldthorpe. The scheme comprises -

- Provide a crossing facility for Oakhill Primary Academy;
- Widen footways that run parallel along the A635;
- Improved bus stop facilities with real time information, shelters and seating for patrons;
- Improve junctions along the route with side roads allowing active travel priority when crossing the junction;
- Improved street lighting
- Wayfinder and signage.
-

The Benefits and Outcomes - The outputs are –

- 24km of improved walking and cycling infrastructure;
- 72km of new walking and cycling infrastructure;
- 20 junction improvements to benefit non-car modes, with 7 bus gates.

Detailed methodological concerns have been highlighted during assurance which will impact the value for money assessment, particularly further work being required to determine non monetised benefits. This will need to be resolved before an FBC can be approved and is detailed in full within Appendix B.

The development costs requested significantly exceed the levels set out in the MCA Assurance Framework and further analysis is required to understand the activities and costs included. This paper seeks delegated authority to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to agree an appropriate level of development costs and enter into legal agreements following receipt of clarity on the development cost request.

2.3 A61 Active Travel Route – TCF2 Fund

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

The Project – This investment is for £5.20m from TCF2, with development costs to be released of £1.72m to Barnsley Metropolitan Borough Council.

The A61 Active Travel Scheme is a package of measures which seeks to promote walking and cycling connectivity between Barnsley and Royston via Smithies. The scheme comprises:

- Sections of on and off-road routes
- Improvements to pedestrian crossings into Toucans
- Wayfinding signage
- Improvements to public realm
- Resurfacing of existing sections of the routes

The Benefits and Outcomes - The outputs are -

- 24km of improved walking and cycling infrastructure
- 72km of new walking and cycling infrastructure
- 20 junction improvements to benefit non-car modes, with 7 bus gates

A significant risk allocation is noted and considered prudent at this stage given it reflects uncertainty regarding land acquisition and ground investigations. Detailed methodological concerns have been highlighted during assurance which will impact the value for money assessment, particularly further work being required to determine non monetised benefits.

This will need to be resolved before and FBC can be approved and is detailed in full within Appendix C.

The development costs requested significantly exceed the levels set out in the MCA Assurance Framework and further analysis is required to understand the activities and costs included. This paper seeks delegated authority to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to agree an appropriate level of development costs and enter into legal agreements following receipt of clarity on the development cost request.

2.4 Parkgate Package – TCF2 Fund

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

The Project – This investment is for £11.52m from TCF2 towards project costs of £12.86m, with development costs to be released of £1.01m to SYPTE.

The scheme comprises three interventions -

- Parkgate Shopping Link Road - a new 800m link road across a former steelworks and railway siding site from the A6123 Aldwarke Lane into the rear of the Parkgate Shopping complex
- A 300 space Park and Ride site at the tram-train stop
- Widening to the southern entry and exit arms of the Taylors Lane roundabout on the A633 with provision of a strip to link to adjoining footways to allow for possible later conversion to cycleway

The Benefits and Outcomes - The proposals aim to reduce congestion on the A633 by diverting traffic destined for the retail park from the east side away from the congested roundabouts, shortening journeys and freeing road space for traffic passing by. It will also provide a dedicated Park and Ride site for the tram-train stop at the retail park, expected to draw commuters from car. It complements expenditure at adjacent sites by making provision for a walking/cycle lane. The scheme will make a small contribution to improving bus journey time reliability during peak periods and encouraging the continued economic growth in Rotherham and the Dearne Valley, including improved transport links between the two.

Access requirements through Parkgate Shopping Centre to allow connection to the Shopping Park is noted as a key risk, however SYPTE have advised that preparation of a legal agreement with the landowner has commenced. Therefore, the level of risk appears acceptable and capable of being managed, nevertheless the legal agreement will need to be in place prior to FBC submission.

2.5 Station Improvements – TCF2 Fund

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

The Project - This investment is for £3.45m from TCF2, towards total project costs of £3.46m, with development costs to be released to SYPTE of £0.17m.

The scheme comprises of a package of improvements to 11 rail stations across South Yorkshire - Barnsley, Bolton on Dearne, Goldthorpe, Thurnscoe, Wombwell, Adwick, Bentley, Conisborough, Hatfield and Stainforth, Kirk Sandal, Conisbrough, Mexborough - aimed at providing customers with café and secure facilities that are accessible, gives readily available service information, and offers a pleasant waiting environment with appropriate amenities.

The Benefits and Outcomes - The scheme covers design and implementation of a range of small-scale station infrastructure improvements and compliments other active travel schemes being brought forward separately that connect to the stations. The scheme also aligns with national policy to encourage use of lower carbon transport modes (public transport) and zero carbon modes.

The need for a delivery agreement between SYPTE and the franchise owner and potential delays which may be caused to procurement as a result of a renewal of franchise contracts are noted as key risks. However, the delivery agreement is pending finalisation and work is underway to renew the framework to enable procurement to commence. Therefore, the level of risk appears acceptable and capable of being managed.

2.6 TCF2 Pipeline

Barnsley Metropolitan Borough Council has submitted five Expressions of Interest proposing inclusion onto the TCF2 programme pipeline of three active travel hubs and two active travel routes that are complementary to those already included. A strategic review has been completed and the Transport and Environment Board recommended acceptance on to the TFC2 pipeline.

Scheme development costs of up to £48k for Barnsley Active Travel Hub are recommended to be released, due to estimate project costs of c.£2.4m.

Development funding is made available to fund the OBC, progression beyond this point is entirely contingent on funding being available in the TCF2 programme.

2.7 ATF2 Programme

The 4 Local Authorities have submitted proposals to deliver 8 projects focusing upon Active Travel Lanes and Low Traffic Neighbourhoods, totalling £7.40m. In order to facilitate the development of 2 Business Justification Cases and 6 OBCs, development cost funding of up to £0.10m was approved to be released at the Transport and Environment Board on the 4th March 2021. This report recommends the Board approve £46k for Sheaf Valley (SCC), noting that this project's total costs are in excess of the Thematic Board delegation. To summarise -

		Development Costs	Project Costs
		£k	£k
Active Travel Links			
BMBC	Elsecar	£12	£575
DMBC	Conisbrough to Warmsworth	£20	£1,000
RMBC	Broom	£30	£1,500
SCC	Sheaf Valley	£46	£2,300
SCC	City Centre Cycle Hub	£6	£300
Low Traffic Neighbourhoods			
BMBC	Goldthorpe	£11	£550
DMBC	Thorne and Moorends	£8	£380
SCC	Netheredge and Crookes	£16	£795
Total		£148	£7,400
ATF2		£103	£5,160
Gainshare		£45	£2,240

2.8 LGF Change Requests

2.9 Doncaster Urban Centre

On 9th October 2020 Doncaster Borough Council completed delivery of a 3,251 sqm (35,000 sqft) cinema and restaurant development on a vacant plot adjacent to the Cast Theatre, in the heart of Doncaster's Civic & Cultural Quarter.

The development comprises a 1,672 sqm (17,997 sqft) 6 screen cinema to be operated by Savoy Cinemas Ltd and an adjacent terrace of family restaurant units extending to a total of 1,579 sqm (17,000 sqft), sub divided into units of circa 4,000–5,000 sqft.

Change proposed and reasons:

The contract has an outcome of 102 jobs due to be created in financial year 2020/21. Due to the impact of the COVID 19 pandemic these have not been achieved and therefore a

request to transfer the proposed delivery of job outcomes, and the associated clawback provision, into financial year 2021/22 has been made.

2.10 DSA Car Park Expansion Loan Agreement

A change request to extend the works completion date from April 2020 to January 2021 due to the discovery of a protected species on site was previously considered and approved by the MCA on 1st June 2020. A relocation exercise was undertaken in late Summer/Autumn 2020, but further lizards have now been found and a second deferral of Phase II of the carpark expansion, has now been proposed along with the reprofile of job outputs in accordance with the revised timescales. This species is protected by legislation and can only be relocated during the summer months.

2.11 Peak Resort

LGF Funding was awarded to Chesterfield Borough Council to improve access to the Peak Resort site in 2016. The public infrastructure has been constructed and all spend was completed and fully defrayed as per contractual requirements by March 2018. 30% clawback applies to delivery of the jobs outcome which are targeted to be delivered by 31st March 2023.

Change proposed and reasons:

Peak Resort is an all year-round tourist and leisure destination, the scope of which has been subject to significant changes over the last year, in particular due to COVID 19. There have been significant changes to the approach of the wider project and works on site. The scheme promoter has consistently demonstrated robust project management procedures and works were completed to contractual targets with all relevant evidence and information submitted to the MCA Exec as required.

The change requested is to allow a 12month extension to the timescales for the project outputs and outcomes only from March 2023 to March 2024.

2.12 Digital Media Centre 2

LGF funding enabled the Recipient to deliver a new Digital Media Centre in Barnsley. The Project acquired and refurbished The Core building, delivering three floors of “grow on” office space, a ground floor co-working space and provision of a tech lab facility. Building works completed in September 2020

Change proposed and reasons:

Due to the continued impact of the COVID 19 pandemic, which also resulted in a delay in completion of the refurbishment, the rate of occupation of DMC 02 has been slower than was initially anticipated.

The change requested is to allow a 12month extension to the timescales for the project outputs and outcomes only from March 2021 to March 2022.

2.13 GBF Change Requests

2.14 Rotherham Town Centre

On 16th November 2020 a grant of £2.18m of GBF was awarded to Rotherham Borough District Council for works within the adopted Masterplan for Rotherham Town Centre.

Proposed works include:

HE Hub Acquisition & Demolition - the site will house the new Community Sector Hub building to sit alongside the relocated Central Library.

Riverside Precinct acquisition & demolition - demolish the existing buildings on the site and undertake preparatory works to prepare the site for future development.

Improvements to the key streets in the heart of the pedestrianised Rotherham Town Centre. Works will include the complete resurfacing of Bridgegate, Effingham Street, College Street and Howard Street, as well as the replacement of all existing street furniture and lighting.

Change proposed and reasons:

Due to the pressures of the on-going Covid pandemic there has been a delay to the start on site. The forecast start date was Sept 2020 and this is now forecast as Jan 2021.

RMBC have requested to reprofile £0.532m grant from 20/21 to 21/22 with no change to works completion date of delivery of outputs.

2.15 Barnsley Digital Learning Sci Tech Building

The scheme is to re-purpose the ground floor of Barnsley Colleges Digital Innovation Hub to add further value to the current refurbishment of this building funded by LGF and DfE to provide a world class digital learning experience. The project builds 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.

Change proposed and reasons:

The physical site delivery of the project has been delayed due to issues that were not possible to have been foreseen – namely the sub structure and mains power cables owned by Northern PowerGrid.

The 'as is' plans did not include full details of the substructure and the detailed surveys required prior to commencement of construction have identified a potential problem regarding a concrete slab which is in situ. An additional complication came to light where it was identified that the mains power feed to the building passes under the proposed construction site. This, again, could not be identified until the physical investigations and searches were complete. The cost has been approved within budget but has caused a delay. These works must be completed prior to the main works and has caused a 3-month delay resulting in a request to an extension to works completion from June 2021 to September 2021 and reprofile of £0.74m from 20/21 to 21/22 and reprofile of outputs and outcomes in accordance with the revised timescales

2.16 DN Colleges Digital Infrastructure

Due to the impact of the pandemic the project aim is to enable an acceleration of the College's digital strategy, including the move to distance learning and home working which identified a high priority need for mobile devices. 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.

Change proposed and reasons:

The project has experienced supply issues relating to the current pandemic and Brexit. There have been significant delays in the delivery of key items relating to the connectivity project. This has then further delayed the procurement of Edge switches and Meraki access points for which there is an 80-day lag time. The impact of these delays has

resulted in a request to reprofile £0.31m from Q4 20/21 to Q1 21/22. This will not impact the ability to complete the project within the delivery window.

2.17 Goldthorpe Strategic Land Assembly

In January 21 a grant of £0.58m was awarded to Barnsley Metropolitan Borough Council (BMBC), subject to conditions, by the Housing and Infrastructure Board to deliver a new access/roundabout to the ES10 employment site towards the eastern end of the M1 J36 Economic Growth Corridor.

Change proposed and reasons:

The approval conditions prior to contract execution included:

- Following the procurement of a contractor, BMBC to confirm the final tender price is in line with the FBC Financial Case
- Confirmation of planning approval and the successful negotiation of 3rd party land acquisition.

Due to BMBC internal approvals, and the requirements of the procurement process, BMBC are requesting that conditions above are moved from 'conditions to be satisfied prior to contract execution' to 'conditions to be satisfied before drawdown of funding'

2.18 TCF2/GBF Change Request

2.19 Heart of the City 2 Breathing Spaces

On 16th November 2020 a grant of £4m of Getting Building Fund was approved for works within the Heart of the City Programme in Sheffield City centre. On 25th January 2021 a further £2m from the Transforming Cities Fund was approved. The proposed works included the creation of three new spaces in Sheffield City Centre: a landscaped pocket park on Block G including a cycle hub; a vibrant small square on Carver Street with seating terraces for adjoining cafes and civic space and there will be an expansion and improvement of the area between the Peace Gardens and Town Hall, and the proposed Radisson Blu hotel on Pinstone Street. TCF funded works will reduce private vehicle movements to improve capacity and reliability of public transport and provide safer routes to promote active travel.

Change proposed and reasons:

After discussions with Transport/Highways engineers and undertaking a cost exercise the project is requesting a reprofile of funding resulting in £0.04m of GBF brought forward from 2021/22 into the current financial year and £0.4m TCF funding from 20/21 and £1.38m from 2021/22 into 2022/23 resulting in a significant amount of the TCF spend in 2022/23

2.20 Adult Education Budget

A dual approach to commissioning provision is being taken across South Yorkshire to ensure the needs of residents can be met, taking into account the long-term skills challenges across the region, the impact of the pandemic and the need to support employment opportunities in key growth sectors.

Grant funding agreements with Further Education colleges and Local Authorities based in South Yorkshire. - The MCA have been actively engaging with all grant funded providers in development of 3-year delivery plans. Across the board, the plans that have now been submitted demonstrate an increased level of ambition. Devolved AEB funding to South Yorkshire based grant providers will be allocated on an agreed payment profile and reconciled in-year. Grant providers must not over deliver against this allocation without the

express agreement of the MCA. Any under-performance will be discussed with the provider and the MCA retain the right to re-allocate that funding to another grant provider in-year. Any under-performance at the end year reconciliation point would either be returned to the MCA by the provider or through a reduction in the 2022/23 allocation.

Proposed AEB Grant Allocations

Provider	“Core” Base 18/19 Allocation	“Growth” 15% Additional Funding	Total
Barnsley College	£1.78m	£0.26m	£2.04m
Barnsley MBC	£2m	£0.3m	£2.31m
DN Colleges Group	£2.8m	£0.4m	£3.27m
Doncaster MBC	£0.67m	£0.1m	£0.77m
Longley Park SFC	£0.04m	£0.06m	£0.05m
Northern College	£2.36m	£0.35m	£2.71m
RNN Group	£3.94m	£0.59m	£4.53m
Sheffield City Council	£1.85m	£0.28m	£2.12m
Sheffield College	£8.76m	£1.3m	£10m

The allocations for the Adult Skills Offer funding for Level 3 provision to a maximum of £2.79m are currently still under review.

Procured Provision – through Call-Off Contracts to providers who are successfully appointed to a new MCA Framework Agreement. The AEB procurement process was launched on 18th December. The value of this procurement is expected to be £10.2m in 2021/22 and £30.6m over 3 years. The MCA have received in excess of 190 bids from 120 providers and are currently starting the evaluation process and are confident of being able to award the contracts in May, with delivery in place from 1st August 2021.

Due to timescales this paper requests delegated authority to be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to award and enter into legal agreements for the AEB and Level 3 provision with a list of successful awards being presented at the June MCA.

3 Consideration of alternative approaches

3.1 Do nothing:

TCF2 - Inability to release development costs or approve the project presented today may result in a slower pace of delivery and loss of activity/spend to the programme

GBF – Guidance received from Government states that Sheffield City Region will be expected to deliver the agreed projects and any significant changes to the projects will be discussed and agreed with the Government in advance.

LGF Change Requests - LGF projects presented in this paper do not have any impact on profiled spend. If the scheme change requests are not approved, then the schemes would become undeliverable within the current timeframe and cause significant risk to the scheme promoters.

ATEF2 Programme – Inability to release development costs may result in a slower pace of delivery

4. Implications

4.1 Financial

The projects presented for approval today are profiled to drawdown £5.5m from the GBF allocation of £33.6m and 6.8m from the TCF2 allocation of £166m.

The GBF change requests reprofiling will not have an adverse effect on the overall target of £33.6m due to be fully defrayed by March 2022.

The TCF change request reprofiling will not have an adverse effect on the overall target of £166.3m due to be fully defrayed by March 2023.

The ATEF2 project presented for approval of early release of development funding is profiled to drawdown £46k from the allocation of £7.7m.

The funding for the LGF projects has been previously defrayed and therefore has no impact on the target for LGF in the financial year 2020/2021.

4.2 Legal

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

4.3 Risk Management

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

High risk schemes will continue to be monitored and any changes will be reported back to the Executive Boards and MCA.

4.4 Equality, Diversity and Social Inclusion

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

5. Communications

- 5.1** The business cases for all schemes presents opportunities for positive communications; officers from the MCA Executive Team will work with the relevant officers on joint communications activity at the appropriate.

6. Appendices/Annexes

- 6.1** Appendix A: Quality Streets Assurance Panel Summary
Appendix B: A635 Active Travel Assurance Panel Summary
Appendix C: A61 Active Travel Assurance Panel Summary
Appendix D: Parkgate Package Assurance Panel Summary
Appendix E: Rail Station Improvements Rail Station Improvements

Report Author **Sue Sykes**

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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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Assurance Panel Summary

Scheme Details

Project Name	Quality Streets - Active Travel and Digital Infrastructure		
Grant Recipient	Doncaster Metropolitan Borough Council		
MCA Executive Board	Infrastructure and Transport and Environment	MCA Funding	£9.0m (£5.5m GBF and £3.5m TCF)
% MCA Allocation	95%	Total Scheme Cost	£9.45m

Appraisal Summary

Project Description
<p>Doncaster Town Centre Quality Streets - Active Travel and Digital Infrastructure Programme is complementary to the previously funded Local Growth Fund schemes, providing an improved link between the areas of investment, to continue delivery of the Doncaster Quality Streets programme. to see the continued delivery of the Doncaster Quality Streets programme to support and enable new investment in the town's urban employment and residential development zones; linking the City Gateway to the Civic and Cultural Quarter. The scheme includes a mix of traffic management, street lighting, junction improvements, active travel provision, landscaping and environmental improvements, as well as the provision of new digital infrastructure.</p> <p>The overall aim of the scheme is to develop a streetscape that is suitable for all road users and caters for the urban centre through supporting pedestrians, bike users, disabled and buses in a safer environment.</p> <p>The funding will be used for the costs associated with the delivery of the overall scheme with an estimated square meterage of 15,893m². Infrastructure improvements include:</p> <ul style="list-style-type: none"> • Cycle lanes • Highway improvements including single carriageway and road narrowing • Public realm improvements • Improved bus stops and real time information points • Installation of ducting to enable digital infrastructure provision to improve digital connectivity <p>Upon completion the scheme will deliver 1.4km of cycle lanes on Wood Street, Cleveland Street, Duke Street and St Sepulchre Gate providing the connectivity for cyclists from Civic and Cultural Quarter to the Station Forecourt.</p> <p>The highway improvements include narrowing the highway to accommodate the new cycle lanes across all four streets, Wood Street one way from Prince Gate towards Cleveland Street, Cleveland Street bus gate remains and becomes one way outbound, relocating the location of the taxi rank on St Sepulchre Gate and removal on pay and display parking on Duke Street and Wood Street.</p> <p>St Sepulchre Gate, Duke Street, Cleveland Street and Wood Street will all benefit from public realm improvements which will include new paving, wider footpaths, trees, new lighting, CCTV to create an environment where residents and visitors choose to return to.</p>
Strategic Case
<p>The Applicant has made clear references to the relevant Strategic objective, including: TCF objectives, SCR Transport Strategy objectives and aims and the 2020-2040 Growth Plan. The business case also sets out the contribution the scheme makes to Doncaster's own policies including the Doncaster Inclusive Growth Strategy, as well as being aligned to the Doncaster Growing Together, Doncaster's 2020 Cycling Strategy and Doncaster Local Plan (2015-2035).</p>

There are short term (2 years after completion) goals which are to increase cycling and create a cycling culture, as well as increasing football in the area by between 2% and 4%. The business case also sets out medium term (5 years after completion) goals to increase footfall to the area by a range of 10% to 15%.

The scheme objectives do not capture all of the outcomes of the scheme, for example there are a number of wider impacts which have not been reflected as SMART objectives and are important for the economic case eg, increases in spending as a result of the public realm improvements and increase footfall. This weakness is not critical, but should be considered in the monitoring and evaluation of the scheme.

Value for Money

Overall, the economic case provides sufficient detail and robust methodologies through the use of AMAT and VURT tools.

The Applicant presents a Core BCR of 1.7 : 1 and has undertaken sensitivity testing to consider the key areas of risk. The Applicant has tested:

- A 25% reduction in trips in both the do minimum and do something has been undertaken to understand the potential impact on the BCR. This reduction lead to a BCR of 1.34 : 1
- Low level and high level uplift factors have also been used in AMAT to determine the impact of both High and Low response to the scheme.

The sensitivity testing includes consideration COVID-19 and has been undertaken in AMAT as part of the appraisal.

Some consideration should be made around the values that are provided within VURT as the underlying assumption in the tool are likely to overestimate the benefits which are realised in different places. As the majority of the benefits are derived from the active travel benefits, this limitation of local values is not considered critical. AMAT has been undertaken using recognised data sources and methods with the costs also being processed through this tool. The benefits and costs produced are therefore following TAG and have good analytical assurance.

COVID-19 sensitivity testing has been undertaken in AMAT as part of the appraisal. A 25% reduction in trips in both the do minimum and do something has been undertaken to understand the potential impact on the BCR.

Low level and high level uplift factors have also been used in AMAT to determine the impact of both High and Low response to the scheme.

It should be noted that the assessment of traffic impacts has been based on current year traffic count data for an average 07:00-19:00 period which may not pick-up peak traffic points where capacity constraints are likely to be at their highest i.e. by spreading the assessment across the day the peaks are dampened.

A high-level approach to calculating jobs and GVA has been included in the submission. This provides a broad-brush assumption to provide a ballpark figure for uplift in jobs and GVA. Displacement and additionality have not been taken into account therefore the figures have a very low analytical assurance. These wider economic benefits have not been included in the BCR but are considered as part of the overall Value for Money.

Risk

The top 5 risks have been highlighted and mitigated, and a full list has been supplied in Appendix U. The top risk is identified as a failure to consult with stakeholders, leading to lack of up-take. The ongoing engagement of DMBC Corporate Communications is identified as the mitigation action which reduces the risk to an acceptable level. It will be important for DMBC to ensure this activity takes place. Other risks include typical events for a scheme of this nature, e.g. cost increase and delays due to Covid.

The risks are appropriately identified, and mitigations briefly described. 15% of total cost has been allocated for risk/contingency. However, there is no explanation of how risks will be managed or the processes that will be followed. This is a weakness of the business case and DMBC will need to ensure risk management is part of project delivery.

Inbound bus routes will be impacted as part of the scheme, however these diversions were also in place during the Covid-19 Town Centre Emergency Access arrangements, with no negative impact on buses. The council will engage with SYPTE and bus operators to test if proposed routes are fit for purpose.

This assumption that disruption to a route during Covid-19 will have the same effect in the long term when traffic returns to long term levels is suspect and more analysis should be done around this.

Delivery

The Major Projects Board is accountable to the Council's leadership for PM. A designated PM will be responsible for the overall delivery, supported by internal service partners. The project will be monitored daily, and progress meetings held once works commence on site.

Key milestones are set out in 7.1, including dependencies and dates. Public consultation has been indicated as Sep 2020 to Feb 2021 (in the past), and dates set out for TROs that are required. Dates proposed seem to be realistic for the project.

The council plans to utilise existing in-house suppliers to deliver the majority of the work – any additional work will be procured in line with Contract Procedure Rules and Public Contract Regulations (2015). Specialist contractors will be required for the connection of new lighting columns and CCTV cameras.

The Applicant sets out that pre-start preliminary works can commence following funding approval. These include statutory services surveys, planning in any redirection of statutory services and Traffic Regulation Orders (TRO) process commencement.

The financial case costs have been well evidenced using a schedule of costs although no project specific inflation has been included which could be further justified. £450k has been confirmed in corporate match funding

Legal

The funding applicant and the site owner is a local authority and the proposed scheme does not meet one of the prescribed State Tests of 'Affecting Trade between Member States', therefore State Aid Rules do not apply.

Recommendation and Conditions

Recommendation	Contract award, subject to Conditions of Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	

The following conditions must be satisfied before contract execution.

None.

The following conditions must be satisfied before drawdown of funding.

None.

The following conditions must be included in the contract

DMBC to work with SCRMCAs to undertake monitoring and evaluation of the scheme in line with Getting Build Fund and Transforming Cities Fund requirements.

Record of Recommendation, Endorsement and Approval

Barnsley Digital Innovation Hub

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

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Assurance Panel Summary

Scheme Details

Project Name	A635 Active Travel Link		
Grant Recipient	Barnsley Metropolitan Borough Council		
MCA Executive Board	Transport and Environment	MCA Funding	£2,404,480.68
% MCA Allocation	100%	Total Scheme Cost	£2,404,480.68

Appraisal Summary

Project Description
<p>The Applicant has identified this scheme to respond to growing demand for cycling to work, education and for leisure and health purposes. The A635 Active Travel Link Scheme is a package of measures which seeks to promote walking and cycling connectivity on the A635 between Stairfoot Roundabout and Hollygrove Round in Goldthorpe.</p> <p>The Scheme comprises:</p> <ul style="list-style-type: none"> • Provide a crossing facility for Oakhill Primary Academy; • Widen footways that run parallel along the A635; • Improved bus stop facilities with real time information, shelters and seating for patrons; • Improve junctions along the route with side roads allowing active travel priority when crossing the junction; • Improved street lighting • Wayfinder and signage. <p>The desired outputs for the TCF programme relevant to the A635 Active Travel Scheme are:</p> <ul style="list-style-type: none"> • 24km of improved walking and cycling infrastructure; • 72km of new walking and cycling infrastructure; • 20 junction improvements to benefit non-car modes, with 7 bus gates. <p>The scope of activities required for the delivery of the A635 Active Travel scheme comprises:</p> <ul style="list-style-type: none"> • Detailed design of the preferred option, the inclusion of off and on-road pedestrian and cycling provision and associated highway improvements; • Incorporating improvements to public realm including Green Infrastructure into the scheme; • Consultation events with key stakeholders in relation to the design and construction of the scheme to gauge opinion; • Resolution of any issues arising; • AMAT appraisal; • Data collection; • Scheme evaluation and monitoring following completion of the scheme; • Preparation of the Full Business Case; • Internal Governance – Cabinet reports, Ward Member briefings etc; • Air Quality Surveys; • Procurement and construction, including contract administration, supervision and compliance with Construction Design Management (CDM) Regulations; • Promotion and implementation of any Traffic Regulation Orders required; • Liaising with the local Cycle Forums and area Committees; • Liaising with key businesses / stakeholders / residents on the route with regard to traffic management.
Strategic Case
<p>The applicant has included references to the key policy documents which we would expect to see to demonstrate alignment with the Strategic Objectives of the MCA and BMBC. While specific references to</p>

the relevant sections are made, the contribution this scheme makes to the policies has not been clearly set out. A stronger description of the strategic alignment would describe specifically what the scheme will deliver against a number of the key policy and strategy documents. The FBC will require a more detailed assessment of how the scheme itself works to address specific aims and objectives in each of these strategy/policy documents.

The Applicant does however provide six clear and SMART objectives that are consistent with the nature of the scheme and the MCA's Strategic objectives. In section 3.6 the applicant sets out clear objectives and defines targets against which the scheme can be measured.

The applicant has set out a clear 'Do Nothing', and alternative 'Do Minimum' and 'Do All' options alongside the Preferred Option, highlighting the effects of not proceeding, investing in a smaller scale scheme or the challenges in delivering a larger scale scheme. Alternative options have been appropriately discounted.

The Applicant has been clear on the consequences of the scheme not going ahead, that it would infer a lost opportunity to deliver better active travel connectivity within Barnsley and associated economic benefits.

Value for Money

The Applicant has undertaken proportionate modelling, using the Department for Transport (DfT) Active Mode Appraisal Toolkit (AMAT), consistent with WebTAG guidance.

The Applicant presents a Core BCR of 1.37 : 1 and has undertaken sensitivity testing to consider the key areas of risk. The Applicant has tested:

- a 50% increase (+£413,000) in construction costs, reducing the core BCR of 1.37 : 1 to 1.07 : 1. A further increase of £131,000 would be needed before the BCR falls below 1 : 1.
- a 25% decrease in take-up of Active Travel below the central forecast uplift. This would bring the core BCR of 1.37 down to 1.12 : 1.

As such the benefit cost assessment undertaken for the scheme appears to be robust to key sensitivities and includes the consideration the potential effects of COVID-19.

Costs are estimated on an appropriate basis at OBC stage, drawing on costs from previous schemes delivered through SCRIF and BMBC's schedule of rates.

Overall the approach taken is appropriate, but there are some detailed methodological concerns with the analysis which has been undertaken which will impact the value for money assessment and will need to be resolved before and FBC can be approved:

- The Applicant should apply a base level of Active Travel in the modelling for the Darfield to Goldthorpe housing/employment site stretches of the proposed scheme. This is currently set to zero as the routes are not yet established. However, the baseline should refer to active travel trips made between these destinations and around the area using alternative routes.
- In terms of the uplift in active travel applied we note that:
 - a 375% increase has been applied for Field End Business Park to the Goldthorpe employment site against a quoted value of 353%.
 - The Options Assessment Report (OAR) includes statement that suggests a 51% for cycling and 26% for walking. The AMAT form shows 930% and 76% respectively.
 - These points should be clarified and corrected in the AMAT, OAR and main Business Case document.
- Modelling has only been undertaken for the Preferred Option. This will suffice for the OBC but will need to be provided for the FBC.
- The Applicant needs to update figures relating to the Economic Case based on the latest/updated modelling undertaken, reflecting changes to the baseline required (stated above).
- No modelling of wider impacts has been undertaken. Beyond the benefits assessed using the AMAT, the scheme stands to deliver improved connectivity and access to the town centre (increasing access to key facilities and jobs), wider environmental benefits to the surrounding

areas and wider well-being benefits. The Applicant should explore these wider benefits qualitatively as part of the FBC, particularly given the marginal BCR value.

The benefit cost assessment undertaken for the scheme appears to be robust to key sensitivities. The sensitivities will need to be updated given any changes applied to the modelling (i.e. changes to costs and/or to baseline active travel).

Risk

The key risks to the project in terms of the economic case relate to the effect on usage of COVID-19, potential additional costs relating to the final scheme design and procurement. The Applicant should ensure that risks to the BCR and wider Economic Case are appropriately covered for the FBC.

It is proposed that the project will draw on a £272,000 contribution from BMBC. This contribution is not consistently reflected in the business case and must be resolved in the FBC.

Uptake of Active Travel is a key risk to the project in terms of Value for Money. The applicant should explore what activities can be put in place or leveraged from complementary activity to underpin the success of the scheme. E.g. promotional activity.

A risk allowance of circa. £325,000 is included in the core scheme costs, accounting for unforeseen cost overruns. This is based on a detailed Quantitative Risk Assessment provided as Appendix E. This risk allowance is significant and reflect uncertainty for land and ground investigations. The approach is prudent for this stage of the project.

Delivery

The applicant has set out clear project management and governance arrangements. The milestones that have been set out are proportionately detailed and sensible. The Applicant has set out the planned approach for procurement of the core scheme works and for planning consultancy in appropriate detail for the OBC.

Details for procurement are yet to be finalised. 'Option A' or 'Option B' for the NEC4 contract will be pursued and the final tender documents are still being developed. It is anticipated that the procurement process will run alongside the planning application and that it will have been completed in time for the FBC.

The Applicant must ensure that the procurement route is confirmed for the FBC alongside a detailed description of the preferred approach and clear timetable/milestones.

The Applicant needs to set out an outline timetable relating to any dependencies – e.g. for land acquisitions and/or planning relating to e.g. path widening or TROs. Details of any dependencies should also be set out under 3.10 and 3.4.

The applicant has set out clear and detailed plans for monitoring and evaluation at OBC stage.

Legal

BMBC's Legal Team considers that the State Aid test is not satisfied in respect of BMBC in its capacity as the Highway Authority for BMBC for the purpose of carrying out highway improvements in the public highway.

Recommendation and Conditions

Recommendation	Approval to progress to FBC and draw down further scheme development funds
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <p>None at this stage. Inclusion of condition are subject to submission of the Full Business Case.</p> <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <p>None at this stage. Inclusion of condition are subject to submission of the Full Business Case.</p> <p>The following conditions must be included in the contract</p> <p>None at this stage. Inclusion of condition are subject to submission of the Full Business Case.</p>	

Record of Recommendation, Endorsement and Approval

Barnsley Digital Innovation Hub

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

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Assurance Panel Summary

Scheme Details

Project Name	A61 Active Travel Route		
Grant Recipient	Barnsley Metropolitan Borough Council		
MCA Executive Board	Transport and Environment	MCA Funding	£5,200,172.86
% MCA Allocation	100%	Total Scheme Cost	£5,200,172.86

Appraisal Summary

Project Description

The Applicant has identified this scheme to respond to growing demand for cycling to work, education and for leisure and health purposes. The applicant highlights that there are some major deficiencies in the quality and amenity of infrastructure for non-motorised users along the A61 area. Specific issues include:

- Lack of off-road “safe” cycle routes;
- Poor quality physical infrastructure that doesn’t facilitate cyclists, such as inaccessible and unsafe crossings;
- Lack of linkages to other routes;
- Poor connections between residential areas and local amenities;
- Lack of signposted cycle routes;
- Poor quality cycle parking.

The A61 Active Travel Scheme is a package of measures which seeks to promote walking and cycling connectivity between Barnsley and Royston via Smithies.

The Scheme comprises:

- Sections of on and off-road routes;
- Improvements to pedestrian crossings into Toucans;
- Wayfinding signage;
- Improvements to public realm;
- Resurfacing of existing sections of the routes.

The scope of activities required for the delivery of the A61 Active Travel scheme comprises:

- Detailed design of the preferred option, the inclusion of off and on-road pedestrian and cycling provision and associated highway improvements;
- Incorporating improvements to public realm including Green Infrastructure into the scheme;
- Consultation events with key stakeholders in relation to the design and construction of the scheme to gauge opinion;
- Resolution of any issues arising;
- AMAT appraisal;
- Data collection;
- Scheme evaluation and monitoring following completion of the scheme;
- Preparation of the Full Business Case;
- Internal Governance – Cabinet reports, Ward Member briefings etc;
- Air Quality Surveys;
- Procurement and construction, including contract administration, supervision and compliance with Construction Design Management (CDM) Regulations;
- Promotion and implementation of any Traffic Regulation Orders required;
- Liaising with the local Cycle Forums and area Committees;
- Liaising with key businesses / stakeholders / residents on the route about traffic management.

Strategic Case

The applicant has included references to the key policy documents which we would expect to see to demonstrate alignment with the Strategic Objectives of the MCA and BMBC. While specific references to the relevant sections are made, the contribution this scheme makes to the policies has not been clearly set out. A stronger description of the strategic alignment would describe specifically what the scheme will deliver against a number of the key policy and strategy documents. The FBC will require a more detailed assessment of how the scheme itself works to address specific aims and objectives in each of these strategy/policy documents.

The Applicant does however provide five clear and SMART objectives that are consistent with the nature of the scheme and the MCA's Strategic objectives. In section 3.6 the applicant sets out clear objectives and defines targets against which the scheme can be measured.

The applicant has set out a clear 'Do Nothing', and alternative 'Do Minimum' and 'Do All' options alongside the Preferred Option, highlighting the effects of not proceeding, investing in a smaller scale scheme or the challenges in delivering a larger scale scheme. Alternative options have been appropriately discounted.

Map 7 Appendix B shows two potential routes for the Preferred Option – an off-road route around Lee Lane and via a new housing development. The former is the preferred option but site planning approval is still required. An update should be provided for the FBC.

The Applicant has been clear on the consequences of the scheme not going ahead, that it would infer a lost opportunity to deliver better active travel connectivity within Barnsley and associated economic benefits.

An update should be provided for the FBC, including working with the MCA Exec Team during further design to work through how the route will meet SCRMA cycle design standards.

Value for Money

The Applicant has undertaken proportionate modelling, using the Department for Transport (DfT) Active Mode Appraisal Toolkit (AMAT), consistent with WebTAG guidance.

The Applicant presents a Core BCR of 1.21 : 1 and has undertaken sensitivity testing to consider the key areas of risk. The Applicant has tested:

- a 10% increase in costs, reducing the core BCR of 1.21 : 1 to 1.10. A 20% increase would be needed before the BCR falls below 1 : 1.
- a 25% decrease in take-up of Active Travel below the central forecast uplift of 323%. This would bring the core BCR of 1.21 below a 1 : 1 return at 0.96 : 1.

This testing of active travel take-up includes the consideration the potential effects of COVID-19.

Costs are estimated on an appropriate basis at OBC stage, drawing on costs from previous schemes and applying a sensible allowance for optimism bias and inflation.

The applicant has undertaken appropriate and proportionate options analysis to determine the Preferred Option.

Overall the approach taken is appropriate, but there are some detailed methodological concerns with the analysis which has been undertaken which will impact the value for money assessment and will need to be resolved before and FBC can be approved:

- The Applicant should apply a base level of active travel in the modelling for Bar Lane to Royston and Mapplewell New Lodge and Royston Housing developments. These are currently set to zero as the routes are not yet established. However, the baseline should refer to active travel trips made between these destinations and around the area using alternative routes.

- The Applicant has only modelled benefits and costs for the Preferred Option. This will need to be extended to the Do Minimum for the FBC.
- No modelling of wider impacts has been undertaken. Beyond the benefits assessed using the AMAT, the scheme stands to deliver improved connectivity and access to the town centre (increasing access to key facilities and jobs), wider environmental benefits to the surrounding areas and wider well-being benefits. The Applicant should explore these wider benefits qualitatively as part of the FBC, particularly given the marginal BCR value.
- Sensitivities will need to be updated given any changes applied to the modelling (i.e. changes to costs and/or to baseline active travel).
- The applicant will revisit the cost of the scheme and update the QRA. The applicant should use this opportunity to reduce the total cost of the scheme, by controlling risks in the QRA and undertaking a value engineering exercise.

Risk

The key risks from a delivery perspective pertain to the effect of COVID-19 restrictions on scheme delivery, land acquisition related to path widening, mine works surveying and consultation. Sensible mitigating actions have been proposed. Nonetheless, the Applicant will need to provide a detailed update on these risks for the FBC.

Uptake of Active Travel is a key risk to the project in terms of Value for Money. The applicant should explore what activities can be put in place or leveraged from complementary activity to underpin the success of the scheme. E.g. promotional activity.

A risk allowance of circa. £564,000 is included in the core scheme costs, accounting for unforeseen cost overruns. This is based on a detailed Quantitative Risk Assessment provided as Appendix E. This risk allowance is significant and reflect uncertainty for land and ground investigations. The approach is prudent for this stage of the project.

Delivery

The Applicant has set out the planned approach for procurement of the core scheme works and for planning consultancy in appropriate detail for the OBC. Details are yet to be finalised and the final tender documents are still being developed. The Applicant must ensure that the procurement route is confirmed for the FBC alongside a detailed description of the preferred approach and clear timetable/milestones.

The milestones that have been set out are proportionately detailed and sensible.

The Applicant needs to set out an outline timetable for any planning application and reference to completed and required consultation within 7.1.

Legal

The Applicant has provided a strong response on State aid, confirming that the scheme should not be subject to State aid obligations.

Recommendation and Conditions

Recommendation	Approval to progress to FBC and draw down further scheme development funds
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	

The following conditions must be satisfied before contract execution.

None at this stage. Inclusion of condition are subject to submission of the Full Business Case.

The following conditions must be satisfied before drawdown of funding.

None at this stage. Inclusion of condition are subject to submission of the Full Business Case.

The following conditions must be included in the contract

None at this stage. Inclusion of condition are subject to submission of the Full Business Case.

Record of Recommendation, Endorsement and Approval

Barnsley Digital Innovation Hub

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

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Assurance Panel VfM Statement

Scheme Details

Project Name	TCF - Rotherham – Parkgate Package		
Grant Recipient	South Yorkshire Passenger Transport Executive		
MCA Executive Board	Transport	MCA Funding	£11,552,500
% MCA Allocation	90%	Total Scheme Cost	£12,857,286

Appraisal Summary

Project Description

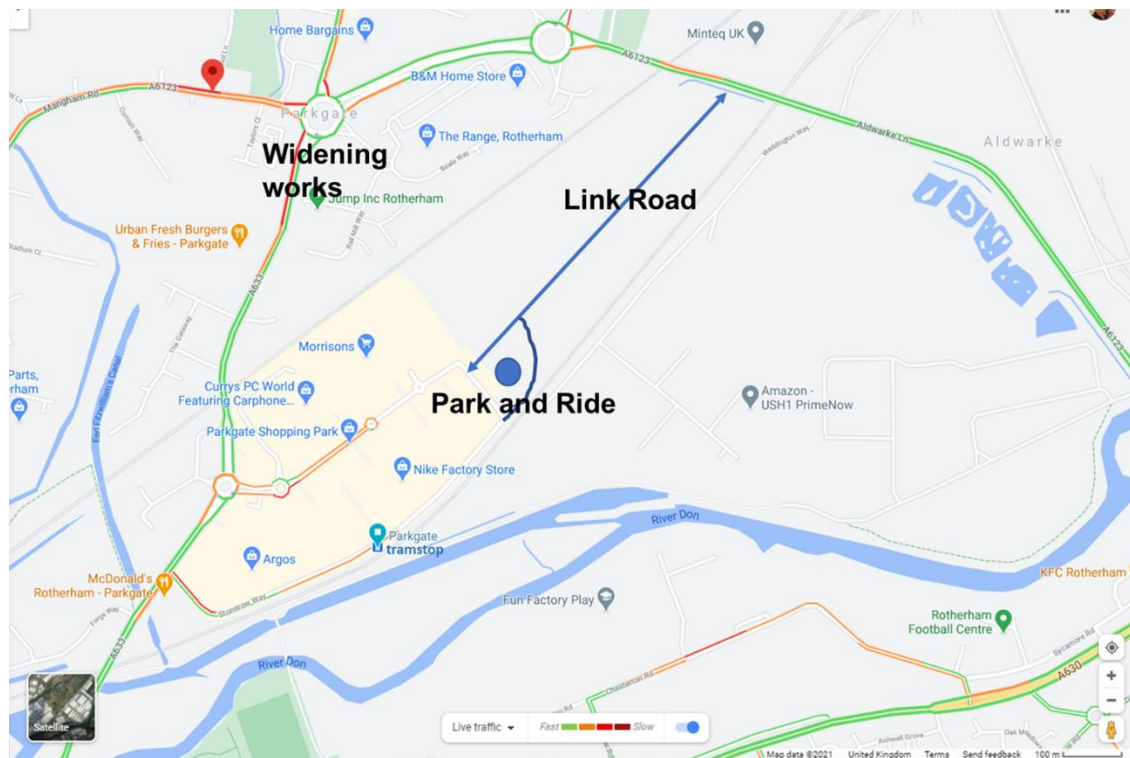
The proposal comprises three interventions

1. Parkgate Shopping Link Road – a new 800m link road across a former steelworks and railway siding site from the A6123 Aldwarke Lane into the rear of the Parkgate Shopping complex;
2. A 300 space Park and Ride site at the tram-train stop, and
3. Widening to the southern entry and exit arms of the Taylors Lane roundabout on the A633 with provision of a strip to link to adjoining footways to allow for possible later conversion to cycleway.

The proposals aim to reduce congestion on the A633 by diverting traffic destined for the retail park from the east side away from the congested roundabouts, shortening journeys and freeing road space for traffic passing by. It will also provide a dedicated Park and Ride site for the tram-train stop at the retail park, expected to draw commuters from car.

The locations of these are shown in Figure 1 below. (Note that traffic speeds shown are as recorded by Google at about 08:30 12/02/21)

Figure 1: Location of scheme



Strategic Case

The scheme has a strategic rationale that aligns with SCR’s objectives. It will support the SEP in enabling inclusive economic growth by modestly reducing congestion on the A633 (one of SCR’s major roads) and increasing the opportunity to travel by public transport (tram-train, using the proposed P&R site). **It complements expenditure at**

adjacent sites by RMBC by “making provision for” a walking/cycle lane. Table 2 claims the proposal “enables access to opportunities through choosing greener and healthier forms of transport by investment in high quality public transport, cycling and walking infrastructure”. This could be seen as “over-egging” the case since the costs and benefits of the relevant infrastructure is excluded from the appraisal. A more modest claim for complementarity with neighbouring walking and cycling infrastructure would be more acceptable here particularly as such information was requested by DfT. Further information on the details of potential elements enabled by the scheme, would be helpful.

The Business Case refers to “longer term” SMART outcome-oriented objectives for 2024, **but doesn’t link these to the overarching aims**, nor include any longer-term SMART objectives.

The process of reaching a preferred scheme option from an initial long list of possible measures appears appropriate.

The Business Case states that if the scheme does not go ahead, congestion-related delays on the A633 will worsen with population growth in the area. There is claimed to be suppressed demand for tram which will capture trips currently made by car and other modes. **The promoter states that the modelled (via microsim) benefits of up to 6 minutes for buses and 20 mins for cars are unrealistically high (likely to be a result of a fixed matrix assumption).**

The land take for the link road is a brownfield site, so the environmental impacts could be positive rather than negative.

In terms of strategic objectives, modelling results (described below) suggest that the scheme will make a small contribution to improving bus journey time reliability during peak periods and to reducing journey times and delays along the A633 corridor. This will also make a small contribution to encouraging the continued economic growth in Rotherham and the Dearne Valley, including improved transport links between the two.

The P&R demand modelling forecasts around 280 daily users of the new site, which shows that it should meet the fifth overarching objective – ‘to improve access to tram-train services between Parkgate, Rotherham and Sheffield through the Park & Ride site’.

Value for Money

Alternative options to the preferred option have been sifted out of consideration through a structured process considering the pros and cons of all options, practical and cost concerns, and including some preliminary modelling. **This appears to be a reasonable and proportionate approach.**

The benefits for this economic case have been estimated using model outputs from the SCRTM1 modelling suite. **The assessment and screening of impacts for the scheme appraisal have been undertaken in accordance with the relevant TAG units.** Journey time and user operating cost benefits have been assessed using TUBA. The usage and range of potential monetised benefits from the park and ride scheme have been estimated using a bespoke park and ride forecasting module as well as CUBE. Changes to bus journey times have been extracted from the SCRTM1 model and presented to understand the impact of the schemes on bus services. Operating costs for each element have been specified and included in the appraisal.

This appears to be a reasonable and appropriate approach, given the scale of the scheme and gives a realistic view of traffic conditions once trips accessing the Parkgate Shopping Park from the east re-route to the new link road. **There are some weaknesses with using SCRTM1 in this instance**, which result in an under-estimation of time savings. Some of these, relating to accurate calibration of delays, will be addressed in later versions of the model.

The modelling forecasts significant time savings for car users visiting the Parkgate Shopping Park from the east and northeast, who will use the new link road rather than looping round the north and west sides of the Park to enter via the western access road. This will result in small reductions in traffic and travel times on the A633 on an average weekday. The bus journey time savings as modelled on an average weekday on the A633 are consequently also very modest (a maximum of 5 seconds according to the SCRTM1 modelling results).

In general, the modelling appears to follow TAG – the main shortfall being that modelled journey times on the northbound A633 in the PM peak period could not accurately represent all of the current delay observed on this route. As a result, the SCRTM1 modelling may underestimate future A633 journey time savings of the scheme in the PM peak and on Saturdays, so the reported benefits can be viewed as a conservative estimate.

The monetisation of P&R demand forecasts (which seem reasonable) into benefit value is not well-explained. Given that these make up half of overall benefits it is important that this is clarified in the FBC.

Works cost plans for the new link road and Taylors Lane roundabout improvements have been provided which build up detailed cost estimates from unit costs. The P&R site cost plan is high level only at this stage and is based on historical costs for all other SYPTe delivered park and ride sites. Although the accuracy is not stated, these appear appropriate for OBC stage.

For the FBC the base costs of each element should be presented clearly rather than aggregated.

A 15% optimism bias factor has been applied to capital costs in the economic appraisal. This is expected to reduce to 3-4% at FBC, with potential impact on the risk allowance as cost estimation improves.

A BCR of 2.38 has been calculated. High and Low (including COVID) tests do not significantly change this. It is recommended that further updating and sensitivity testing is undertaken at FBC stage (for details see Conditions of Award, below). It is accepted that whilst Saturdays have been excluded from the appraisal due to only weekday flows being modelled in SCRTM1, the observed traffic levels there (from 1000-1700) suggest that inclusion would not change the BCR from its value in the range 2-3 (High value for money) and the extensive work needed to show this this would not be justified.

Environmental, social and distributional impacts of the scheme are likely to be low, with some small positive impacts and some small negative impacts.

Risk

Financial

A risk allowance of £2m has been included within the project plan which is considered to be adequate and spread between the three key interventions. It is understood that consideration will be given to moving risk allocations between interventions subject to over/under spend. The promoter states that cost increases in excess of the calculated risk allowance will be covered by SYPTE.

Link Road and Roundabout works - A full cost analysis has been undertaken on the Link road (two independent consultants) and the Taylors Lane roundabout (one independent cost consultant) **based on detailed designs** and including diversion costs from C3 estimates. A more than conservative risk allowance has been included within these cost estimates. The Link Road detail design is substantially completed and will be submitted to Planning prior to commencing the tender process, which will take 3-4 months from OBC approval.

The P&R - The cost plan is high level only at this stage (30% certainty) and is based on the upper-end of historical delivery costs per space for other SYPTE P&R sites. Although the accuracy is not stated, these appear appropriate for OBC stage. The car park will be procured under the same contract as the Link Road. ITQs have been issued for quotations for detailed design. The P&R cost estimate should be refined through a detailed costing exercise prior to tendering

Appointment of contractors for the main three interventions is still to be undertaken, and procurement based on advice from the appointed engineers/QS but is most likely to be NEC Design and Build.

The promoter states that if greater than anticipated cost increases occur, **additional funding could be covered by SYPTE ITB funds or reduction in scope**, e.g. Taylors Lane – works take place on only the east / southbound side and the land acquisition and footway widening on the west / northbound side do not take place, or for the P&R - a reduction in the specification.

Scheme finances appear to have been assessed appropriately. Appropriate allowance has been made for risk and inflation. The cost estimate for the P&R site is less certain than the estimates for the other elements, which have detailed cost plans.

Post-delivery revenue costs associated with the P&R will be covered by SYPTE, while RMBC will cover highway maintenance costs.

Commercial

The promoter has confirmed that SYPTE is to prepare a legal agreement (easement) with the Bank of Montreal (Parkgate Shopping Park owner) to allow connection into the Shopping Park. All legal agreements will need to be in place prior to FBC submission.

The Financial and Commercial cases are appropriately developed for OBC stage and demonstrate that the issues and processes of financing, procurement and project management have been well thought through.

The levels of risk appear acceptable and capable of being managed.

Delivery

It is noted that the intention is to let a single Design and Build contract for the Link road and P&R site elements, and to separately appoint Rotherham MBC Engineering Services to undertake the Taylors Lane Roundabout works in parallel to RMBC-promoted resurfacing works at the roundabout starting in the autumn of 2021.

As shown in the work programme, this will require submission of a separate standalone FBC for the Taylors Lane Roundabout works in June 2021, in advance of an FBC submission for the Link road and P&R site in October 2021. As well as modelling and appraisal of the Taylors Lane Roundabout works as a standalone scheme, this will also require land acquisition issues surrounding the scheme that are highlighted in the Risk Log to be resolved very quickly, which may not be realistic. It is recommended that the promoter gives early further consideration to whether the proposed approach to implement the Taylors Lane roundabout works significantly in advance of the other elements is achievable.

A number of risks have been identified in the Risk Log, and mitigation/management responsibilities proposed. **The levels of risk appear acceptable and capable of being managed.**

The project management and delivery plan is clear and appropriate to the nature of the scheme, with an appropriate governance structure. Scheme milestones are sufficiently mapped out for OBC stage

Legal

Although the promoter states that **State Aid is not applicable, the reasoning to support this is rather brief.** It is recommended that the promoter provides further justification of this at FBC stage - particularly with respect to the issue of the P&R site facilitating increased use of the tram-train (operated by one operator) and reduced use of existing bus services run by other operators (as indicated by the P&R modelling).

Recommendation and Conditions

Recommendation	Proceed to FBC
-----------------------	----------------

Payment Basis	
----------------------	--

Conditions of Award (including clawback clauses)

The FBC should :

- Change references to encouraging cycling and walking in 3.2 table 2 to emphasise complementarity with or extension of (as appropriate) adjoining new infrastructure;
- Include a coherent set of overall aims and linked SMART objectives (beyond 2024);
- Consider whether the proposed approach to implement the Taylors Lane roundabout works in advance of the other elements is achievable;
- Update the BCR and sensitivity tests with any cost changes between OBC and FBC and test the inclusion of the proposed 150 P&R spaces planned at Magna (in the Do Something);
- Provide more detailed reasoning as to why State Aid is not applicable (for the P+R element) and
- Detail a scheme-specific Monitoring and Evaluation plan.

Prior to FBC submission -

- The promoter has confirmed that SYPTTE is to prepare a legal agreement (easement) with the Bank of Montreal (Parkgate Shopping Park owner) to allow connection into the Shopping Park. All legal agreements will need to be in place prior to FBC submission.

Record of Recommendation, Endorsement and Approval

Project Name

Appraisal Panel Recommendation		Board Endorsement		MCA Approval	
Date of Meeting	19/2/21	Date of Meeting		Date of Meeting	
Head of Paid Service or Delegate	Ruth Adams Deputy CEX	Endorsing Officer (Board Chair)		Approving Officer (Chair)	
Signature		Signature		Signature	
Date		Date		Date	
S73 Officer or Delegate	Gareth Sutton Finance Director	Statutory Finance Officer Approval			
Signature					
Date					
Monitoring Officer or Delegate	Steve Davenport SCR CA Solicitor				
Signature					
Date					
		Date:			

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Assurance Panel VfM Statement

Scheme Details

Project Name	TCF - Rail Station Improvements		
Grant Recipient	South Yorkshire Passenger Transport Executive		
MCA Executive Board	Transport	MCA Funding	£3,451,959
% MCA Allocation	99.7%	Total Scheme Cost	£3,461,667

Appraisal Summary

Project Description

The OBC states that there is ongoing customer dissatisfaction with the standard and scope of waiting facilities provided at local rail stations in South Yorkshire. An example of current facilities at one of these has been supplied by the promoter and is shown in Figure 1.

Figure 1: Issues at Goldthorpe rail station



Inadequate seating



Ramp surfacing deteriorating



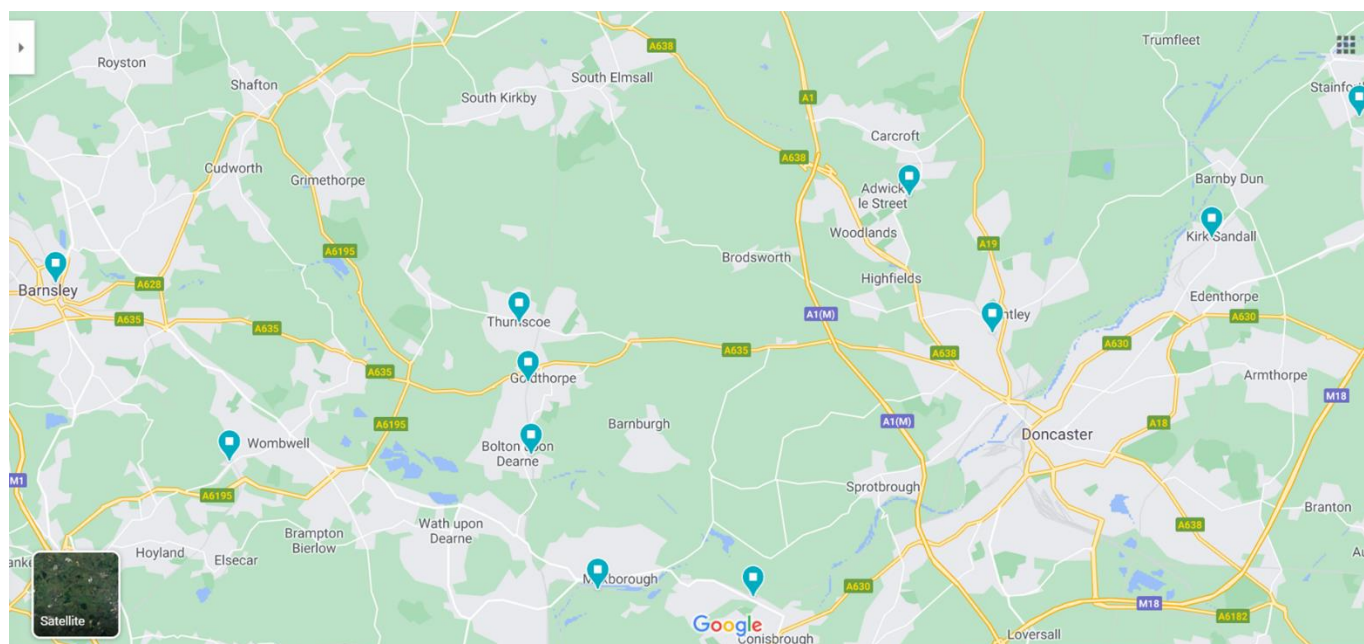
Car parking not signed



Limited coverage of CCTV

Eleven stations are considered to be in the greatest need of improvement, with catchment area populations having below average car ownership, bus service frequency and job security. Their location is shown in Figure 2. Following a detailed audit and Gap Analysis by SYPTE and Northern, informed by surveys and discussions with local authorities, a package of improvements is proposed to raise the standard of facilities provided.

Figure 2: Location of rail stations where improvements proposed



The package covers:

- Lighting;
- Station signage;
- Highway directional signage;
- Platform seating;
- CCTV;
- Electronic passenger information displays;
- Walkway enhancements (access to/between platforms);
- New waiting shelters;
- Refreshed ticket office;
- Refurbished waiting room facilities;
- Cycle storage and
- Car park improvements.

It is understood that all stations are fitted with legally required platform edge tactile paving, anti-slip surfacing on ramps, passenger shelters and handrails. This proposal therefore does not reduce Northern's responsibility for these or for general maintenance.

Strategic Case

The scheme clearly supports the overarching core **TCF objectives** - in particular, improving public transport and sustainable transport connectivity in the city region. It also aligns with the MCA SEP ambitions concerning green connectivity and growth. The proposed scheme has a clear strategic rationale. The outline business case (OBC) demonstrates strong linkage to transport strategy goals, mayoral commitments and policies,

The scheme aligns with **national policy** to encourage use of lower carbon transport modes (public transport) and zero carbon modes.

The scheme aligns with **Transport for the North's Long-Term Rail Strategy (LTRS)** and the **Sheffield City Region Integrated Rail Plan**, a principal component of which is 'a rolling programme of improvements at our network of local stations'

The proposals also appear to align well with the strategies, visions and plans for the local authorities involved (**Barnsley, Doncaster and Rotherham**).

It is recommended that the individual strategic objectives are refined further in the Full Business Case submission – to make each one as specific as possible, link it with how it will be measured, and make it timebound. This will demonstrate the outcomes in non-monetary terms and to monitor their achievement.

All realistic alternatives for achieving objectives have been considered, and not maintaining standards for customers will, over time turn more of them away from sustainable (and active) modes. The precise scope of work at each station will be refined between OBC and FBC to remain within the budget whilst maximising value for money.

There are no obvious adverse consequences of implementing the scheme.

Value for Money

A logical and proportionate approach was taken to define and model the preferred option using recommended tools, based on established evidence within the Passenger Demand Forecasting Handbook (PDFH) and Transport Appraisal Guidance (TAG) which are used widely in the rail industry. Uplift in demand as a result of the station improvements has been based on factors contained in the PDFH for different types of improvement, but with only a proportion of the uplift factors applied, to reflect the local circumstances.

Benefits to passengers are expected to arise from increased "willingness to pay" resulting from the defined improvements. This is based on Stated Preference surveys conducted by Transport for London, with adjustments made to reflect local conditions.

Monetised benefits

A small level of benefits to road users is calculated from TAG factors for average decongestion cost savings assuming some of the additional trips (calculated using PDFH elasticities) are attracted from car. This also leads to small improvements in air quality, CO2 emissions and noise as reported in the AST. Accident savings from improved stair design have been calculated from local data. Additional rail patronage increases revenue for the operator – which is treated as a benefit for the taxpayer. Shift from car reduces fuel duty revenue, which is counted as a disbenefit. Wider impacts of the scheme have not been computed.

Non-Monetised impacts

Other Social impacts (reliability of train services for non-business users, physical activity, security, access to services, affordability, severance and option values are not expected to be significantly impacted and are scored as “neutral-slight beneficial”.

A Distributional Impact assessment has not been carried out – it is recommended that this be carried out for the FBC.

BCR

A profile of costs and monetised benefits has been calculated over 60 years indicating a BCR of 2.11 (1.77 with low growth if COVID effects continue). (Optimism bias factor of 18% included.) Over a 30-year period the BCR is still above 1 at 1.37 (central growth) and 1.15 (low growth) but with the renewals and maintenance as included in the full appraisal, the scheme is likely to continue to give benefits beyond then, depending on the level of rail services.

A number of sensitivity tests were carried out, none (on their own) giving a BCR lower than 1.

Risk

Capital costs

Cost estimates are stated to be at 30% (i.e. based on similar schemes) but in fact this (+/-30%) is the range of the promoter's expectation around mean cost estimates based on current unit prices for the equipment proposed. Other items have also been subject to a risk analysis and the total mean additional cost of known risks, based on the promoter's experience of similar schemes has been added to the base expectation of costs in the bid. Equipment requirements, scope and constraints have been investigated, if not finalised, hence the “degree of certainty” required by para 6.2 of the OBC is closer to 60% than 30% at this stage

To account for cost increases beyond the range of expectation, an Optimism factor of 18% has been used, in line with DfT guidance. Whilst this is expected to fall to low levels (3-4%) at FBC, as with all schemes there is a possibility for unforeseen events thereafter to adversely influence prices and costs. Whilst this monetary risk will be shifted as far as possible to contractors before then, the promoter's statement that the total cost will remain within the MCA funding allocation by means of value engineering or, as a last resort, de-scoping elements of the proposal suggests that a degree of residual risk will remain, either in terms of cost or delivery. It is recommended therefore that a clear statement that the promoter will underwrite risks to costs beyond FBC be included in the FBC to avoid overrun on MCA resource.

With the proposed mitigation/management actions, some of the key risks identified should be resolved before FBC submission.

Commercial

1. Northern Rail will act as SYPTTE's delivery agent. This arrangement will be formalised with the signing of a Funding Agreement between SYPTTE and Northern ahead of procurement. It is understood that this has been almost completed.
2. SYPTTE/Northern will be looking to enter into contract with contractors/suppliers late September/early October 2021. It is noted that the renewal of Northern Framework contracts is 'pending', and that any delay to this could lead to delays in procurement of the required services for this scheme. It is recommended that the scheme promoter liaises closely with Northern to minimise the possibility of such delays.

Northern will undertake a fully competitive tender process in line with Northern Procurement process for Professional services, Lead Designer and Construction Contractor in line with the agreed draft Funding Agreement with SYPTTE.

The main activities and milestones in the procurement process are included in the project programme submitted as Appendix E, which shows completion of the scheme at the end of May 2022. There are a number of question marks shown against durations in this programme, and these should be confirmed as early as possible after OBC approval. It is also noted that some design development activities are scheduled to take place prior to MCA approval of the OBC; these will presumably be done 'at risk' by the scheme promoter.

The level of risk appears acceptable and capable of being managed.

Delivery

The project management and delivery plan is clear and appropriate to the nature of the scheme. The governance structure appears sound, although it will need to be updated at FBC stage due to the demise of the TCF Programme Board.

The main scheme milestones are sufficiently well mapped out for OBC stage and appear achievable and realistic. Further detail will need to be added to the programme on the implementation phase at FBC stage.

Monitoring and evaluation procedures are not yet defined, as they need to fit within the overall MCA TCF monitoring and evaluation plan. A monitoring and evaluation plan will need to be completed before FBC submission. The draft outcome evaluation metrics document provided as Appendix J looks to be a good starting point for such a plan.

Legal

Advice has been provided by the Principal Solicitor and Secretary to SYPTE that State Aid is not applicable to the proposed scheme.

Recommendation and Conditions

Recommendation	Proceed to FBC
Payment Basis	
Conditions of Award (including clawback clauses)	

Conditions of Award (including clawback clauses)

The Full Business case should include:

- Re-consideration of the social impacts “security” and “access to services” which are currently rated “neutral-slight beneficial” in the Appraisal Summary Table;
- Quantified, clear strategic objectives relevant to the proposals;
- A Distributional Impact assessment;
- A clear statement that any cost over-run will be fully met by the promoter;
- Evidence of close liaison with Northern to minimise the possibility of delay;
- Confirmation of timescales;
- An updated governance structure;
- More detail on the implementation phase and
- A completed Monitoring and Evaluation plan.

Record of Recommendation, Endorsement and Approval

Project Name

Appraisal Panel Recommendation		Board Endorsement		MCA Approval	
Date of Meeting	19/2/21	Date of Meeting		Date of Meeting	
Head of Paid Service or Delegate	Ruth Adams Deputy CEX	Endorsing Officer (Board Chair)		Approving Officer (Chair)	
Signature		Signature		Signature	
Date		Date		Date	
S73 Officer or Delegate	Gareth Sutton Finance Director	Statutory Finance Officer Approval			
Signature					
Date					
Monitoring Officer or Delegate	Steve Davenport MCA Solicitor				
Signature					
Date					
		Date:			

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22nd March 2021

ASSURANCE AND MONITORING AND EVALUATION FRAMEWORKS

Purpose of Report

Each year the MCA and LEP are required to update and publish its Assurance Framework to outline the robust, transparent and effective governance arrangements that are in place. Following devolution, the Assurance Framework also needs to be approved by four Government departments. The MCA is also required to produce and publish a Monitoring and Evaluation Framework alongside the Assurance Framework to outline how projects and programmes funded with devolved and awarded monies will be robustly monitored and evaluated. This also requires Government approval.

This report summarises the amendments that have been incorporated into the two frameworks and presents them for consideration by Members so that they can be submitted to Government for approval before 31 March 2021.

Thematic Priority

Cross cutting - Governance

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

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

Recommendations

That the MCA:

1. Notes, at section 2.3, the key amendments that have been made to the Assurance Framework to ensure compliance with the Government's requirements on Gainshare and the Gateway Review Process.
2. Considers and endorses the updated Assurance Framework set out at Appendix 1, pending any amendments required by the MCA, and gives consent for it to be submitted to Government by 31 March for approval.
3. Considers and endorses the updated Monitoring and Evaluation Framework set out at Appendix 2, pending any amendments required by the MCA, and gives consent for it to be submitted to Government by 31 March for approval.
4. Gives delegation to the Head of Paid Service in consultation with the Mayor, to agree any final changes required by Government for them to approve and sign-off both Frameworks.

1. Introduction

- 1.1 Each year the MCA and LEP is required by Government to update and publish its Assurance Framework by the 31st March. The Assurance Framework sets out how the MCA and LEP will use public money responsibly, make robust decisions, achieve best value for money and act in an open and transparent manner. It explains the governance structures in place for making decisions, outlines the policies and procedures that support decision-making and

summarises how investments and interventions are appraised and managed, and how the MCA and LEP will publish information.

- 1.2 The Government requires MCAs with devolution deals to specify, in their Assurance Framework, how all devolved and awarded monies and powers, including Gainshare, and the Adult Education Budget (AEB) and Transforming Cities Fund (TCF) will be administered. Four Government departments (BEIS, MHCLG, DfT and DfE) must also approve the Assurance Frameworks of all MCAs with devolution deals.
- 1.3 The Government also requires MCAs with devolution deals to produce and publish an accompanying Monitoring and Evaluation Framework to detail how projects and programmes funded through devolved and awarded funding will be monitored and evaluated.

2. Proposal and justification

- 2.1 The MCA and LEP is required by Government to publish an updated Assurance Framework by 31st March 2021 in accordance with the National Local Growth Assurance Framework guidance (issued in January 2019) and the 2018 LEP Review (Strengthened Local Enterprise Partnerships).
- 2.2 As advised at the MCA meeting on 25th January 2021 the Assurance Framework has been revised to outline the governance arrangements that will be used to manage and account for Gainshare and the Adult Education Budget (AEB), to incorporate changes made to the HM Treasury Green Book in November 2020, and to streamline and improve the assurance processes and procedures based on lessons learnt. The draft Assurance Framework 2021 is attached at Appendix 1.

2.3 Key amendments made to the Assurance Framework

Management of Gainshare – A summary of the processes in place for allocating, managing, monitoring and evaluating the use and impact of Gainshare including the five-year Gateway Review process with Government.

Funding Flexibilities – Clarity on the appraisal and assurance process to reflect the flexibilities available to the MCA.

Adult Education Budget (AEB) – Further detail on the procurement and approval process for contracting with AEB delivery partners and investing AEB.

SYLTE integration with MCA Executive – Detail on the integration of SYLTE within the MCA which will conclude in 2021.

Project Development – Reference to working with scheme promoters and partners to identify and develop project ideas to deliver the Strategic Economic Plan (SEP) and Renewal Action Plan (RAP) objectives.

Other minor changes include:

- Changing the name of the SCR Executive Team to the MCA Executive Team
- Changing the name of the Appraisal Panel to Assurance Panel
- Removal of references to SCR and Sheffield City Region as far as possible with more emphasis on South Yorkshire
- Removal of references to LGF as far as possible to reflect the new funding programmes and responsibilities from 1st April 2021
- Updated charts and tables for the timeline of the organisation, LEP and Thematic Board membership, staff structure and project appraisal and assurance process.

- 2.4 Further to the presentation of an early draft of the Monitoring and Evaluation Framework to the MCA Board on 25th January 2021, the Monitoring and Evaluation Framework has been

further refined. The Monitoring and Evaluation Framework attached at Appendix 2 now includes the logic models that will be used to evaluate the impact of programmes and projects by thematic area, against the SEP and RAP targets, and to include the Monitoring and Evaluation Plans required for individual programmes, specifically Transforming Cities Fund (TCF).

3. Consideration of alternative approaches

- 3.1** Failure to update, endorse and submit the Assurance Framework and Monitoring and Evaluation Framework for Government approval would risk the MCA and LEP being non-compliant with national standards on governance and transparency, and not fulfilling the conditions for devolution.

4. Implications

4.1 Financial

The MCA and LEP are required to demonstrate compliance with national guidance in order to receive devolved and core funding. The release of Gainshare funding is dependent on the Government's approval of the Assurance Framework.

4.2 Legal

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

4.3 Risk Management

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

4.4 Equality, Diversity and Social Inclusion

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

5. Communications

- 5.1** The MCA and LEP is obliged to publish information on the decisions that are being made, particularly on investments, in an open and transparent way. The MCA and LEP has always taken the approach of publishing as much information as possible on the website so that it is accessible.

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

- 5.2** The Assurance Framework 2021 and Monitoring and Evaluation Framework will be published on the website following Government approval.

6. Appendices/Annexes

- 6.1 Appendix 1 - Draft Assurance Framework 2021
Appendix 2 – Draft Monitoring and Evaluation Framework

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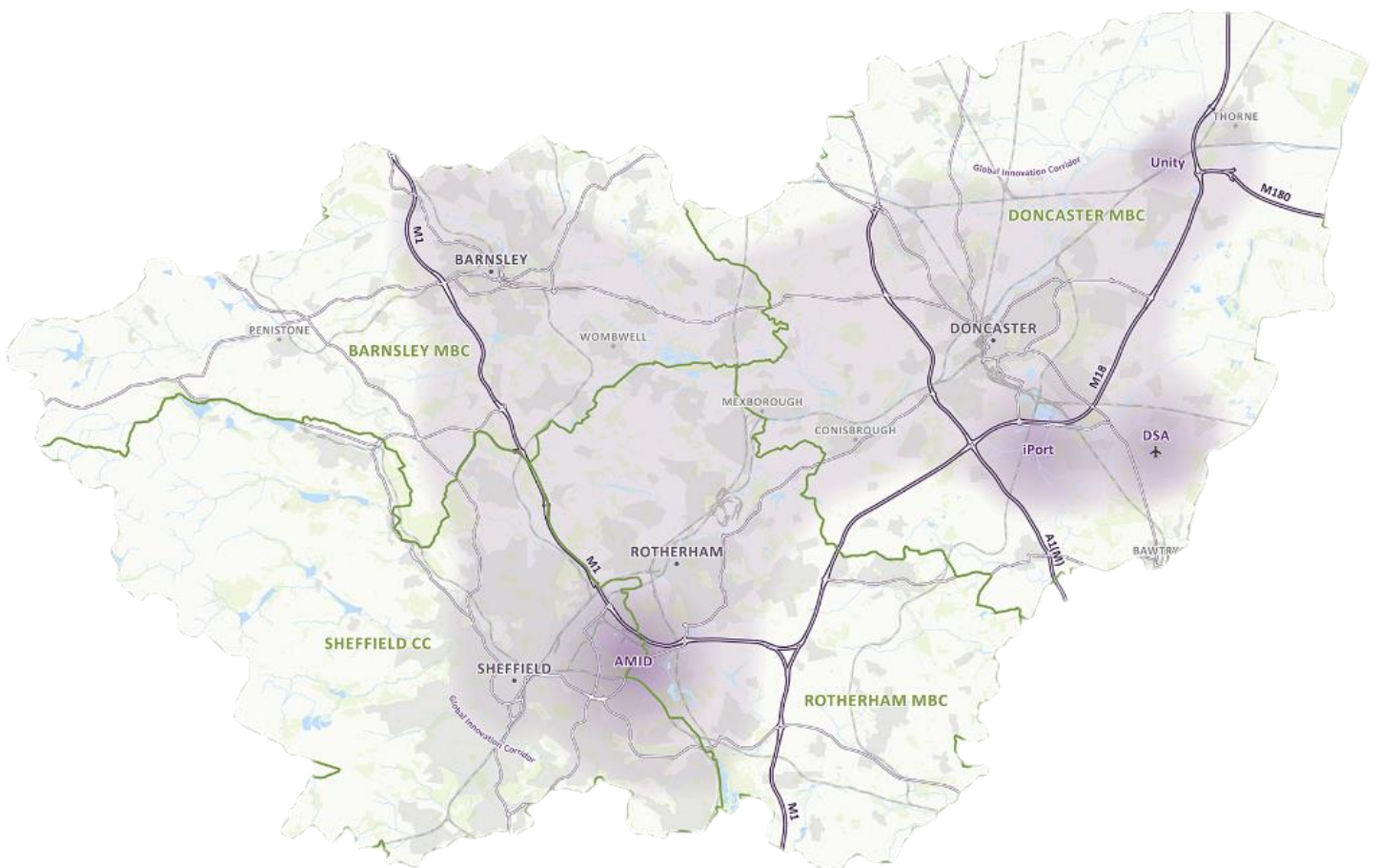
Telephone 0114 220 3442

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

Other sources and references:

Sheffield City Region

Assurance Framework



2021

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Version Control

V1	First draft	L Whitaker
V2	Second draft	C Howard, F Kumi-Ampofo, N Byers, C James, L Whitaker
V3	Incorporated amendments from R Adams and S Davenport	L Whitaker, F Kumi-Ampofo
V4	Incorporated amendments from N MacDonald	L Whitaker
V5	Amended para 3.66 as requested by BEIS	L Whitaker
V6	Amended MCA Executive Team diagram and para 5.25	L Whitaker

1. Introduction

Purpose of the Assurance Framework

- 1.1 The aim of this document is to set out how the Sheffield City Region Mayoral Combined Authority (MCA) will use public money responsibly, both openly and transparently, and achieve best value for money. This document outlines:
- The respective roles and responsibilities of the Mayoral Combined Authority Board, the Sheffield City Region Mayor, the Local Enterprise Partnership (LEP) Board and other elements of the decision-making and delivery structure;
 - The key processes for ensuring accountability, probity, transparency, legal compliance and value for money;
 - How potential investments will be prioritised, appraised, approved, and delivered; and
 - How the progress and impacts of these investments will be monitored and evaluated.
- 1.2 The Assurance Framework sits alongside several key governance and policy documents – most notably the Devolution Agreement and Settlement Letter, the MCA Constitution, the LEP Terms of Reference, the Financial Regulations, the Strategic Economic Plan (SEP), Renewal Action Plan (RAP), Investment Plan and Monitoring and Evaluation Framework.
- 1.3 The Assurance Framework has been developed in response to the National Local Growth Assurance Framework (January 2019, which incorporates the Single Pot Assurance Framework Guidance 2016), Strengthened Local Enterprise Partnerships Report (July 2018), the LEP Governance and Transparency Best Practice Guide (January 2018) and the Ney Review (October 2017).
- 1.4 This Assurance Framework takes effect from 1 April 2021. It will apply to all new funding bids, funding regimes and projects from this date. For continuity and consistency purposes, some existing projects which are already part way through the 2020 Assurance Framework process, will conclude their approval through that route.

Updating the Assurance Framework

- 1.5 The Assurance Framework is reviewed and updated at the end of each year. The next annual review of this document is scheduled to commence in November 2021. However, this document may be amended and re-published prior to the annual review date if improvements or significant changes are made to the MCA, LEP or its governance and assurance structures and processes, or if new guidance is received from the Government.
- 1.6 A draft of the Assurance Framework is presented to the MCA and LEP Boards to approve any changes. The Assurance Framework is then submitted to the Ministry of Housing, Communities and Local Government (MHCLG) and other Government Departments for approval, including the Department for Transport and Department for Education.

The Structure of this Document

- 1.7 The remainder of this document is structured into the following sections:

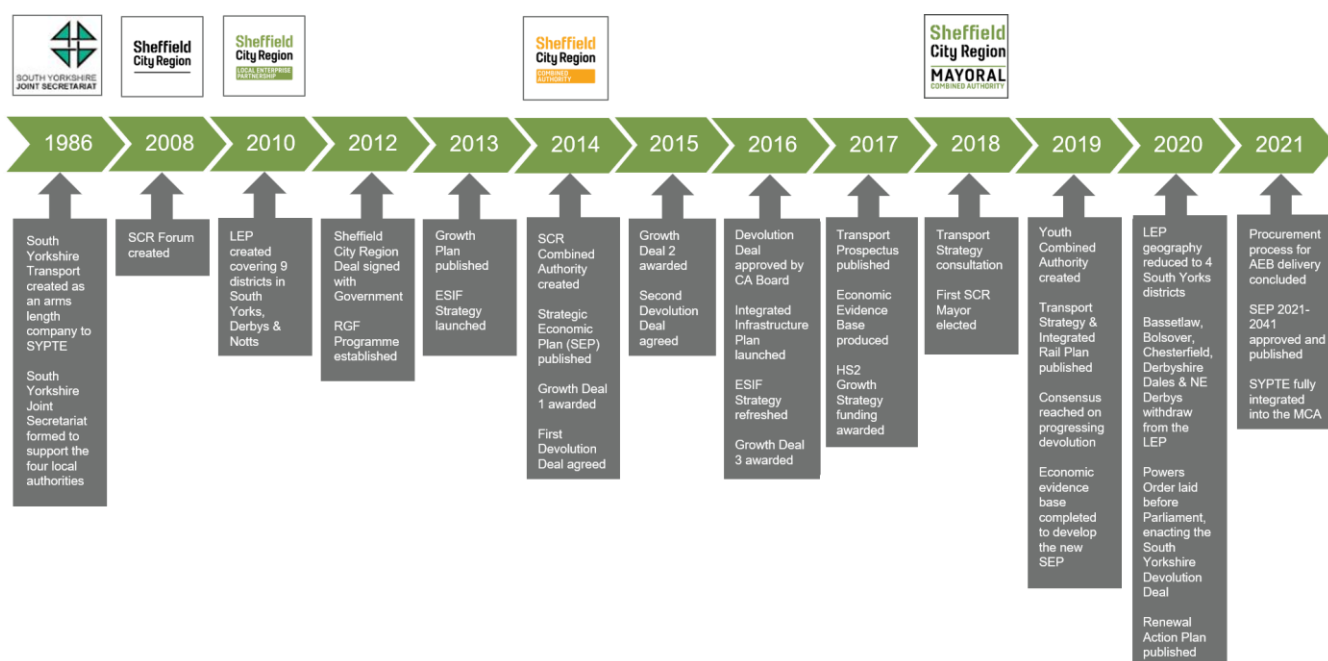
- **Section 2** describes the Sheffield City Region, the funding devolved by Government and the plan for economic growth;
- **Section 3** explains the structures, roles and responsibilities of the organisations that make up the decision-making bodies;
- **Section 4** outlines the processes for ensuring openness and accountability for public funds;
- **Section 5** describes how the MCA and LEP collaborate and engage with other MCAs, LEPs, partners and the public;
- **Section 6** illustrates how decisions are made in a robust, evidenced and transparent manner;
- **Section 7** explains how projects are delivered and monitored and evaluated;
- **Section 8** outlines how information is published;
- **Appendix A** provides a summary of the policies that the LEP is governed by; and
- **Appendix B** is a joint statement from the LEP and MCA on their respective roles and responsibilities.

2. About the Sheffield City Region

History

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

Figure 1: Sheffield City Region Timeline



- 2.3 The SCR Forum evolved into the Local Enterprise Partnership (LEP) in 2010. This was followed by the formation of the Mayoral Combined Authority (MCA) on the 1st April 2014 and the election of the first Mayor on the 4th May 2018. The South Yorkshire Devolution Deal¹ was signed into law on 27 July 2020.

Geography

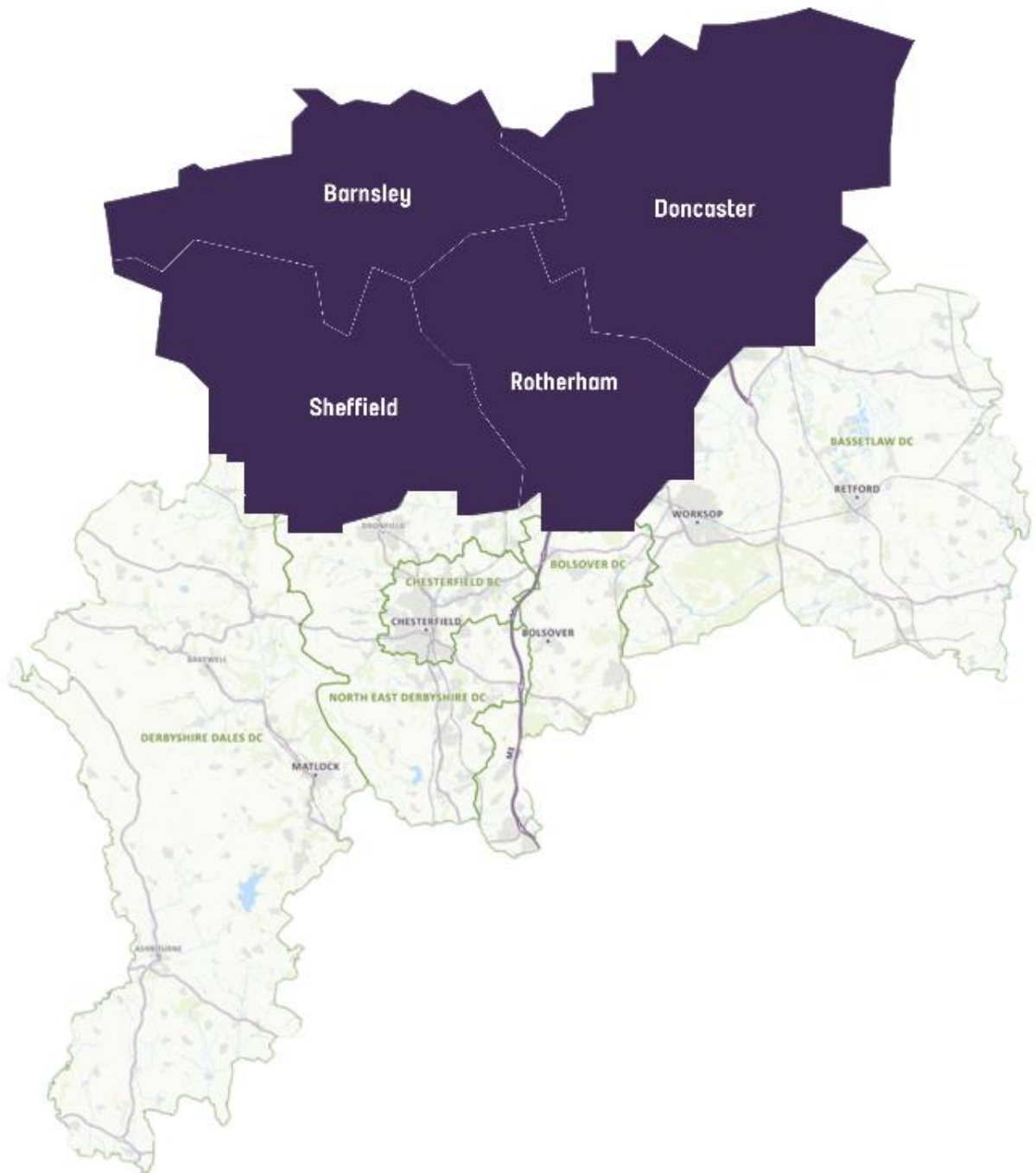
- 2.4 The MCA and LEP's boundaries are coterminous. The geography consists of the four local authority districts in South Yorkshire (Barnsley, Doncaster, Rotherham and Sheffield).
- 2.5 The wider functional economic area for the Sheffield City Region also covers five neighbouring districts in the D2N2 LEP area: Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire (Figure 2). Prior to 1 April 2020, these districts were full members of the Sheffield City Region LEP, when revisions to the LEP's geography were made to comply with the LEP Review recommendation on removing overlaps with other LEPs.
- 2.6 Whilst the five districts in Derbyshire and Nottinghamshire are no longer members of the Sheffield City Region LEP, they continue to be non-constituent members of the MCA in accordance with the 2014 Order²

¹ [The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority \(Functions and Amendment\) Order 2020](#)

² [The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014](#)

that created the MCA. Discussions will take place throughout 2021 to determine the best way of engaging with the non-constituent local authorities on cross-border economic issues.

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

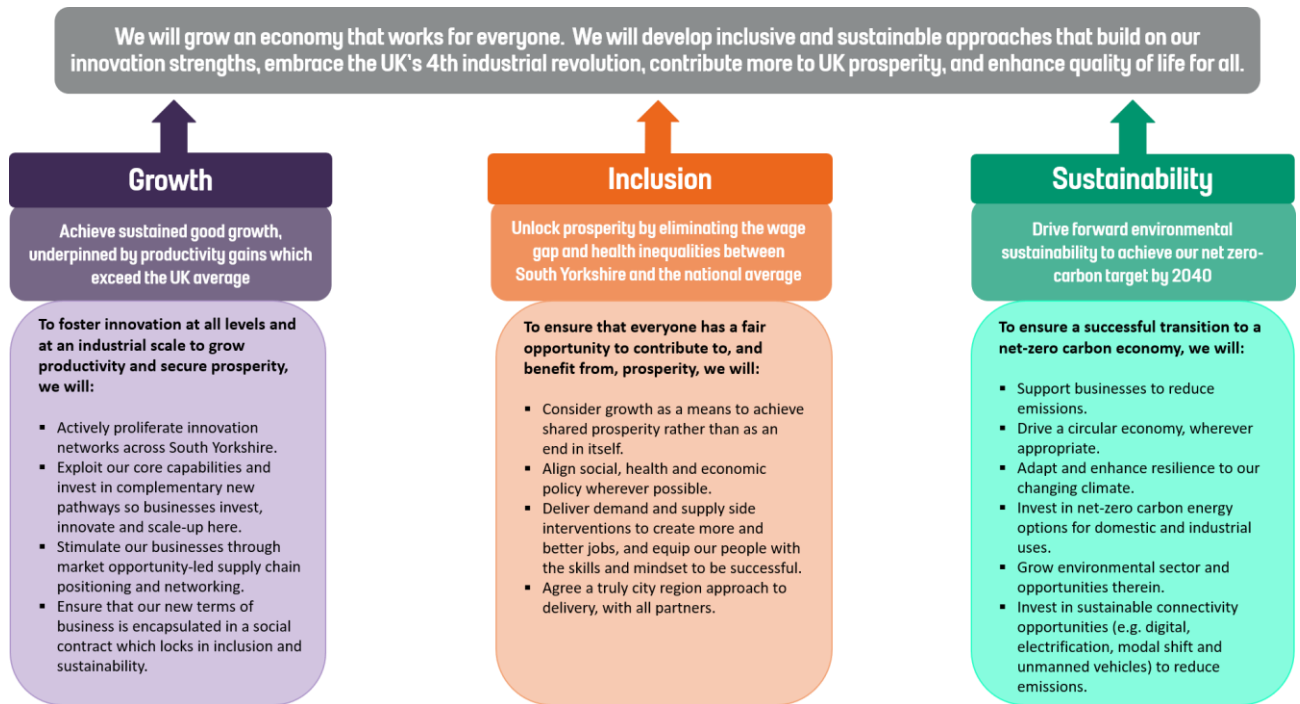


Plan for Economic Growth

- 2.7 In 2020, the MCA and LEP completed work on developing a Renewal Action Plan (RAP) in response to the COVID Pandemic and its attendant socio-economic challenges, to outline the objectives and priorities for economic recovery and growth for the Sheffield City Region. The RAP accompanies a new Strategic Economic Plan (SEP) which was approved by the MCA and LEP Boards in January 2021.

- 2.8 The SEP is a twenty-year economic strategy which sets out the vision and policy objectives for growing the economy at pace; ensuring that all people and places have a fair opportunity to contribute to and benefit from prosperity and protecting and enhancing our environment.
- 2.9 The SEP is built on a broad range of socio-economic data and is the result of extensive consultation with business representatives, local industry leaders, local authorities, residents and stakeholder organisations. The vision and policy objectives for economic growth across the City Region, are set out in Figure 3 below.

Figure 3: Strategic Economic Plan 2021-2041 (January 2021)



- 2.10 The SEP will be reviewed and updated on a regular basis to ensure a sound strategic basis for investment.
- 2.11 The RAP is a jobs-led plan that outlines £1.7bn of priority interventions for supporting our Employers, People and Places focusing particularly on the immediate term. The priorities are set out in Figure 4 below:

Figure 4: Renewal Action Plan

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

2.12 Together, with the Transport Strategy, the Net Zero Work Programme, and the local authority Leaders' priorities for Gainshare, the SEP and the RAP set the blueprint for how devolved and awarded funding from Government will be invested. The SEP and RAP also set the criteria that all programmes, schemes and projects will be measured and assessed against; from application stage through to contracting and delivery.

Devolved Powers and Funding

2.13 The South Yorkshire Devolution Deal provides the ability to establish a single pot of funding to invest in economic development. This includes Gainshare, the Adult Education Budget, a consolidated transport budget and other local growth monies as detailed below.

Gainshare

2.14 The Gainshare (grant-based investment funding) allocation for South Yorkshire through the Devolution Deal is £30m per annum for a period of 30 years. This consists of 60% capital and 40% revenue funding and is to be invested in the delivery of the MCA and LEP's strategic and economic priorities.

Adult Education Budget (AEB)

2.15 From the start of the 2021/22 academic year, the MCA will assume responsibility for the Adult Education Budget (AEB). Devolution of AEB will support high quality adult education across South Yorkshire. This equates to around £35m per annum.

Transport Settlement

2.16 The MCA is responsible for the consolidated devolved capital transport budget. This consists of the Integrated Transport Block, the Highways Maintenance Block (excluding PFI), and Highways Maintenance incentive funding.

Transforming Cities Fund (TCF)

2.17 Following a successful bidding process, in March 2020, the Government awarded £166m from the Transforming Cities Fund (TCF) to the Sheffield City Region for a period of three years.

Getting Building Fund (GBF)

2.18 In June 2020, the MCA was awarded £33.6m for a prioritised programme of Major Capital Infrastructure Schemes under the Government's Getting Building Fund. The fund is to be used to accelerate 'shovel ready' infrastructure schemes.

Brownfield Fund (BF)

2.19 The MCA was allocated £40m in June 2020 to deliver a programme of housing schemes on brownfield sites over the next 5 years through the Government's Brownfield Fund.

Emergency Active Travel Fund

2.20 During 2020, the MCA was awarded £8.7m in two tranches to support investment in active travel infrastructure in order to accelerate modal shift from car journeys, improve decongestion, safety for non-motorised road users and air quality, and promote healthier lifestyles.

UK Shared Prosperity Fund (UKSPF)

2.21 In November 2014, the Chancellor of the Exchequer announced that a UK Shared Prosperity Fund (UKSPF) pilot programme in 2021-22 to help UK regions to prepare for a longer-term UKSPF from 2023. The UKSPF will replace the previous six-year Local Growth Fund (LGF) programme and EU Structural Funds.

2.22 More detailed information on the UKSPF pilot will be published in early 2021 but it is expected to be focussed on supporting infrastructure improvements and regeneration in areas of deprivation, tailored employment and skills development and supporting businesses with innovation and green technology adoption.

Powers

2.23 Under the South Yorkshire Devolution Deal, the MCA and Mayor were granted the following devolved powers from Government:

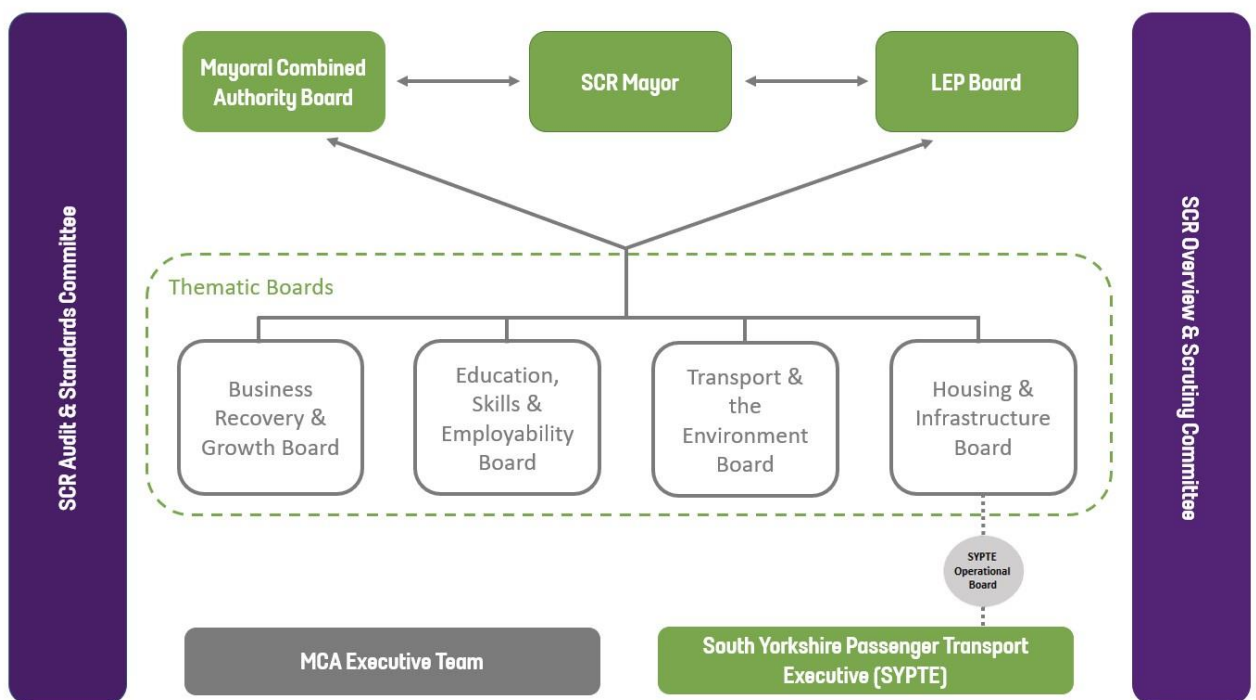
- The full devolution of the 19+ Adult Education Budget for college and training providers;
- To improve the supply and quality of housing and secure the development of land or infrastructure;
- To create a non-statutory Spatial Framework for South Yorkshire;
- The option to establish Mayoral Development Corporations;
- To provide grants and make agreements with other bodies on the management of the strategic highway network; and
- The option to introduce a Mayoral precept.

3. Structures and Roles

Overview

- 3.1 The MCA and LEP governance model combines the best of private sector expertise and public sector capacity, transparency and accountability.
- 3.2 The Mayoral Combined Authority (MCA) and Local Enterprise Partnership (LEP) form the core decision-making Boards. The private sector led LEP, supports and works alongside democratically elected Leaders on the MCA Board. The Mayor, the Leaders of the four local authorities in South Yorkshire and LEP Chair sit on both Boards. This has resulted in strong partnership between the MCA and LEP. It also ensures that a single oversight is in place to deliver efficient, effective, accountable and informed decision-making.
- 3.3 The Mayor, MCA Board and LEP Board are supported by four Thematic Boards and the MCA Executive Team. The Thematic Boards are responsible for driving forward the agenda of their thematic area. The MCA Executive Team advises the Mayor, MCA and LEP on policy, seeks agreement between those bodies and subsequently commissions, manages and monitors the delivery of projects. The MCA Executive Team and local authority Chief Executives also support the decision-making process. Two independent committees, the Audit and Standards Committee and Overview and Scrutiny Committee, ensure that the MCA, LEP and Mayor are fulfilling their legal obligations, and developing and delivering strategies that are in the best interests of local people.
- 3.4 Figure 5 sets out the overall structure and how the Boards and Committees relate to one another.

Figure 5: The Organisational Structure



- 3.5 In 2021, SYLTE will be fully amalgamated into the MCA with SYLTE staff becoming part of the MCA Executive Team.

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

The Mayor

- 3.7 The Mayor is directly elected by the electorate in South Yorkshire (Barnsley, Doncaster, Rotherham and Sheffield) and serves a four-year term of office. The Mayor was elected in May 2018 and the next Mayoral Election is scheduled to take place in May 2022.

Role of the Mayor

- 3.8 The Mayor has a manifesto of commitments on which he was elected, and he exercises powers and functions that are devolved to the MCA by central Government.
- 3.9 The Mayor is the Chair of the MCA and leads the MCA in terms of proposing and agreeing the revenue and capital budgets of the MCA, including allocation of the consolidated transport budget, appropriate use of the Adult Education Budget and how Gainshare is utilised to support the MCA's policies.
- 3.10 The Mayor is a member of the LEP Board and also promotes South Yorkshire as a place to live, work, visit and invest in.

Responsibilities of the Mayor

- 3.11 The decision-making powers and functions of the Mayor are:
- Development of a strategy and spending plan for the delivery of mayoral functions;
 - Responsibility for a consolidated, devolved transport budget, with a multi-year settlement to be agreed at the Spending Review;
 - Responsibility and the power to approve franchised bus services, to support the MCA's delivery of smart and integrated ticketing across South Yorkshire;
 - Responsibility for an identified Key Route Network of local authority roads that will be collaboratively managed and maintained by the MCA on behalf of the Mayor;
 - Powers over strategic planning, including the responsibility to create a spatial framework for the Sheffield City Region;
 - Ability to create Mayoral Development Areas or Corporations in agreement with the relevant MCA member.

The Mayoral Combined Authority (MCA)

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

Role of the MCA

- 3.13 The MCA is the legal and Accountable Body for funding devolved and awarded to the MCA and LEP. The MCA is also the Local Transport Authority for South Yorkshire. This role and its accompanying responsibilities are defined in the [MCA Constitution](#).

Responsibilities of the MCA

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

Membership of the MCA

- 3.19 Membership of the MCA is set out in Table 1 below. This specifies the type of membership; constituent, non-constituent and observer.

Table 1: Membership of the MCA 2021/22

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

- 3.20 The MCA Constitution stipulates that substitute members will be nominated and agreed by the full members annually.
- 3.21 Each year the MCA appoints two additional, rotational members from amongst the constituent councils. This is a requirement of the Order by which the Combined Authority was established to ensure that the majority of Members are from constituent councils. In 2021/22, the rotational members are from Barnsley and

Sheffield. In 2022/23, they will be from Doncaster and Rotherham. By convention these Members do not attend or vote.

- 3.22 Organisations are invited to attend MCA meetings as an observer. These can include Government agencies (such as Homes England or Network Rail) and other LEPs which have close economic links with the Sheffield City Region (for example but not restricted to the Leeds City Region, Manchester and Humber LEPs).
- 3.23 All MCA Board members are expected to conduct themselves in accordance with the Nolan Principles of Public Life. These principles are embedded in the [MCA Members' Code of Conduct](#) as detailed in the MCA Constitution.

MCA Board Meetings

- 3.24 The MCA Board meets on an eight-weekly cycle and the meetings are held in public.
- 3.25 All constituent members of the MCA Board and the Mayor have one equally weighted vote. Non-constituent members have no automatic right to vote. The MCA Constitution allows for voting rights to be extended to non-constituent members at the discretion of the constituent members.
- 3.26 Decisions are made by a majority of the members present at MCA meetings and voting when using the powers held by the Authority when it was established in 2014. For the new powers devolved to the MCA through the devolution deal, the Mayor must be part of the majority of members present and voting on the exercise of such functions. These functions are:
- Adult Education Budget;
 - Skills powers/duties; and
 - Housing functions.

The Constitution sets the majority as the Mayor plus 75% of the Members from the constituent councils present at the meeting. By convention, if 100% of the Members from the constituent councils are in favour of a resolution, then the Mayor will also vote in favour (as that is the will of the MCA), unless the Mayor gives minuted reason for not doing so.

- 3.27 The approval of the non-statutory Spatial Framework will require a unanimous decision from all constituent members. The establishment of any Mayoral Development Corporation will require the agreement of the Mayor and the MCA member that represents that place.
- 3.28 The Mayor's budget proposals will be approved by the MCA in accordance with the Combined Authorities (Finance) Order 2017 and the Constitution.

Quoracy for MCA Board Meetings

- 3.29 At least three voting members of the MCA must be present for a meeting to be valid. If a decision is required to meet agreed timescales and a meeting of the MCA is either not possible or scheduled, written procedures for decision making apply, in line with the MCA Constitution and the relevant Overview and Scrutiny regulations.

The Local Enterprise Partnership Board (LEP)

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

Role of the LEP

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

Responsibilities of the LEP

3.32 The LEP is responsible for setting strategy and acts as the custodian of the SEP. The LEP bids for funding and programmes from Government and is responsible for delivering these programmes. This included delivering the Growth Deal programme of activity which concluded on 31 March 2021.

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

3.34 The focus of the LEP Board is to discuss and make decisions on the following:

- **South Yorkshire Economy** – such as research on how well the economy is performing and the issues and needs of different sectors and markets;
- **Performance** - of LEP funded programmes;
- **Providing a Forum for Debate** - between the public and private sectors; and
- **Economic Strategy and Policy Development** – on new initiatives being brought forward.

Membership of the LEP

3.35 The LEP currently comprises 13 permanent private sector representatives, the four Leaders of the Local Authorities and the Mayor, a Trades Union Representative and up to five co-opted private sector members who act as specialist advisers on thematic issues. Membership of the LEP is set out in Table 2 below:

Table 2: Membership of the Sheffield City Region Local Enterprise Partnership (LEP) 2021/22

Member	Post	Membership Type
James Muir	LEP Chair – Permanent Member	Private Sector
Nigel Brewster	LEP Vice Chair – Permanent Member	Private Sector
Lucy Nickson	LEP Vice Chair – Permanent Member	Private Sector
Alexa Greaves	Permanent Member	Private Sector
Gemma Smith	Permanent Member	Private Sector
Professor Chris Husbands	Permanent Member	Private Sector
Peter Kennan	Permanent Member	Private Sector
Tan Khan	Permanent Member	Private Sector
Neil MacDonald	Permanent Member	Private Sector

Richard Stubbs	Permanent Member	Private Sector
Joe Chetcuti	Permanent Member	Private Sector
Karen Beardsley	Permanent Member	Private Sector
Cathy Travers	Permanent Member	Private Sector
Angela Foulkes	FE College Representative	Private Sector
Professor Dave Petley	HE Representative	Private Sector
Dan Fell	Chambers of Commerce Representative	Private Sector
Bill Adams	Trades Union Representative	Membership Body
Paul Leedham	Co-opted Member	Private Sector
Michael Faulks	Co-opted Member	Private Sector
MCA	Mayor	Public Sector
Barnsley Metropolitan Borough Council	Leader	Public Sector
Doncaster Metropolitan Borough Council	Mayor	Public Sector
Rotherham Metropolitan Borough Council	Leader	Public Sector
Sheffield City Council	Leader	Public Sector

- 3.36 Private sector LEP Board members are assigned a portfolio of work based on their expertise and knowledge. The portfolios are thematic based, and each LEP Board member leads on the LEP's activity on that theme.
- 3.37 The LEP Board also designates a private sector LEP Board member to be Small Business Champion and Equality and Diversity Champion. The Small Business Champion is tasked with leading engagement with small businesses, and ensuring that the views of micro, small and medium sized businesses are adequately represented by the LEP. The Equality and Diversity Champion ensures that the LEP Board understands its role in promoting diversity and eliminating discrimination.
- 3.38 The current composition of the LEP Board is 75% Private Sector members compared to 21% Public Sector members and 4% Membership Body members. This equates to a ratio that is substantially higher than the Government requirement of a two-third, one-third split.
- 3.39 Co-opted members were first introduced onto the LEP Board in Autumn 2017 to provide additional specialist advice and expertise on the SEP's thematic priorities, such as infrastructure, skills and employment. The knowledge and advice provided by the co-opted members has led to significant progress being made on key projects and initiatives including the development and delivery of the Housing Investment Fund pilot.
- 3.40 All LEP Board members are expected to conduct themselves in accordance with the Nolan Principles of Public Life. These principles are embedded in the [LEP Code of Conduct](#). LEP Board members are required to sign a document confirming that they will subscribe to Nolan principles as a condition of their appointment.

LEP Board Meetings

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

Quoracy for LEP Board Meetings

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

LEP Chair

- 3.48 The LEP Chair must have a private sector background.
- 3.49 The LEP Chair leads on building the reputation and influence of South Yorkshire at a national and international level. The LEP Chair is also a non-voting member of the MCA.

LEP Vice Chair

- 3.50 The LEP has two Vice Chairs.
- 3.51 The LEP Vice Chairs must have a private sector background.
- 3.52 The LEP Vice Chairs provide day to day leadership and support to the LEP Board Members, lead on business relations within the City Region, engage with the wider business community and deputise for the LEP Chair when necessary.

Defined Term Limits

- 3.53 The LEP Chair and LEP Vice Chairs have defined term limits of three years. They can re-apply for a further term.
- 3.54 All other permanent private sector LEP Board member, and the named HE representative, are appointed for an initial term of three years. As set-out in the LEP Terms of Reference, the Chair may extend the appointment of an individual for a further term of up to three years. With a clear rationale, and only in exceptional circumstances, a further extension not exceeding two years may be granted.
- 3.55 Co-opted LEP Board members have a defined term limit of one year. However, following a recommendation from the LEP Appointments Panel, the LEP Chair can at their discretion, extend the term of co-opted members for a further period.
- 3.56 The Trades Union Congress (TUC), Chambers of Commerce and FE Colleges (via the Association of Colleges) nominate their named representatives on an annual basis.

LEP Board Recruitment and Appointment

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

Equality and Diversity

- 3.64 The [LEP Diversity Policy](#) seeks to ensure that the composition of the LEP Board is diverse and reflective of the City Region in the broadest sense. Consideration is given to gender, race, protected characteristics and areas of expertise including industry knowledge, geography, sectors and business size. This is done with a view to obtaining an appropriate balance of membership. Applications from under-represented groups are encouraged.
- 3.65 The current gender composition of the LEP Board is detailed in Table 3 below. It illustrates that 38.5% of the LEP's permanent private sector members are women.

Table 3: Gender Composition of LEP Board (February 2021)

Type of Membership	Gender		Vacant Posts	Total	Gender Ratio	
	Female	Male			Female	Male
Private Sector (Permanent)	5	8	0	13	38.5%	61.5%
Public Sector (Permanent)	1	4	0	5	20.0%	80.0%
Membership Body (Permanent)	0	1	0	1	0%	100%
Permanent Members	6	13	0	19	31.6%	68.4%
Private Sector (Co-opted & Named Representatives)	1	4	0	5	20.0%	80.0%
Co-opted/Representative Members	1	4	0	5	20.0%	80.0%
All Private Sector (TOTAL)	6	12	0	18	33.3%	66.7%
All Members (TOTAL)	7	17	0	24	29.2%	70.8%

3.66 The LEP will obtain an equal split of male and female LEP Board members by March 2023.

How the MCA and LEP Work Together

3.67 A key facet of the governance arrangements in the City Region is the strong inter-relationship between the LEP and MCA and overlap of membership. Building on the best of the public and private sectors, this brings accountability, transparency and business insight together. The configuration and membership of the LEP and MCA are designed to be mutually supportive.

3.68 The MCA is the legally Accountable Body for all funds awarded to the LEP and approves the LEP annual capital and revenue budgets prior to the start of the financial year. However, the LEP advises on how these funds are prioritised.

3.69 The MCA tests the value for money of proposed projects, and makes decisions in a legally compliant, responsible and transparent manner.

3.70 To maintain good communication and cooperation, the LEP and MCA are both served by the same team of staff (the MCA Executive Team). Financial information and updates on programme delivery are reported to both the LEP and MCA Boards. This includes details of applications received for LEP funded programmes and contracts awarded.

3.71 Given the clarity in remit and strong controls being in place, there are minimal circumstances where the MCA would not comply with the LEP's advice. However potentially this could occur if:

- The LEP was seeking to influence a decision of the MCA, which is within the remit of the Accountable Body, specifically an operational decision as opposed to a strategic decision regarding the economic strategy;
- The LEP was seeking to influence a decision which is non-compliant with public accountability requirements and procedures, or does not offer value for money;
- The MCA was seeking to influence a decision which is within the remit of the LEP (for example, supporting a project that is not aligned with the objectives of the SEP); or
- The MCA was refusing to operationalise a policy directive of the LEP in accordance with the SEP.

3.72 A procedure is in place for managing conflicts in decision-making should they occur. The three Statutory Officers (Head of Paid Service, Section 73 Officer and Monitoring Officer) would first attempt to resolve the

conflict with the Chairs of the LEP and MCA Boards. If the conflict cannot be resolved, and depending on the nature of the conflict, this would be formally escalated to either the LEP Board or MCA Board to discuss and agree a resolution.

- 3.73 A Memorandum of Understanding concisely and simply explains the respective roles and responsibilities of the LEP and MCA, and how they work together. This is published and ensures that members of the public are clear on who is responsible for decision-making in the City Region. This document is contained in Appendix B.

Thematic Boards

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

Role of the Thematic Boards

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

Responsibilities of the Thematic Boards

- 3.78 Each of the four Thematic Boards (Business Recovery & Growth; Housing &, Infrastructure; Education, Skills & Employability; and Transport & the Environment) has delegated authority to approve projects with a value of less than £2 million. Decisions made by the Thematic Boards are presented to the MCA Board in a written Delegated Decisions Report. As the delegating body, the MCA has the right to review decisions made by the Thematic Boards.
- 3.79 The responsibilities of the four Thematic Boards are to:
- Shape future policy, priorities and programmes for the LEP and MCA Boards to approve;
 - Review programme and funding applications of less than £2 million that have been through the appraisal process and decide whether to approve, defer or reject the application;
 - Review programme and funding applications of £2 million or more that have been through the appraisal process and make a recommendation to the MCA Board for approval, deferment or rejection of the application;
 - Accept grants with a value of less than £2 million; and
 - Monitor programme delivery and performance on their thematic area.
- 3.80 The Transport & the Environment Board has the following additional responsibilities:

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

Membership of the Thematic Boards

3.81 The members of the four Thematic Boards are set out in Table 4 below:

Table 4: Membership of the Thematic Boards 2021/22

Business Recovery & Growth	Education, Skills & Employability	Housing & Infrastructure	Transport & the Environment
One Leader from the MCA of a South Yorkshire local authority	One Leader from the MCA of a South Yorkshire local authority Leader of Chesterfield Borough Council (non-constituent local authority from the MCA)	One Leader from the MCA of a South Yorkshire local authority	One Leader from the MCA of a South Yorkshire local authority The Director General of the SYPTTE
A nominated representative for each of the South Yorkshire local authorities	A nominated representative for each of the South Yorkshire local authorities	A nominated representative for each of the South Yorkshire local authorities	A nominated representative for each of the South Yorkshire local authorities
A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority
Two private sector LEP Board members	Two private sector LEP Board members	Two private sector LEP Board members	Two private sector LEP Board members
Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)
A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA

3.82 Board decisions are made on the basis of consensus. Where consensus cannot be reached the issue is escalated to the MCA.

3.83 The Thematic Boards can form operational Hubs or Task and Finish groups of key stakeholders and advisors to assist in the management and monitoring of individual programmes or projects. Any such groups are purely advisory and cannot assume any of the Thematic Board's responsibilities for decision-making. They are also required to submit reports to the Thematic Board.

Thematic Board Meetings

- 3.84 Thematic Boards meet on an eight-weekly cycle and the MCA Executive Team provides the secretariat function.

Quoracy for Thematic Board Meetings

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

Audit and Standards Committee

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

Overview and Scrutiny Committee

- 3.94 The [Overview and Scrutiny Committee](#) holds the MCA, Mayor, LEP and Thematic Boards to account for all decisions taken, including devolved powers and funding. The Overview and Scrutiny Committee has the authority to review and scrutinise any decision made, or action taken by the LEP, MCA, Mayor, Thematic Boards or [MCA Executive Team](#). The Committee can, at their discretion, produce reports and make recommendations for change or improvements.
- 3.95 The Overview and Scrutiny Committee is responsible for checking that the MCA and LEP are delivering their objectives, and that policies, strategies and plans are made in the best interests of residents and workers in

the Sheffield City Region. They provide independent scrutiny of initiatives and LEP activities and public consultation on draft strategies.

- 3.96 Membership of the Overview and Scrutiny Committee is politically balanced and consists of 10 elected Councillors from the four South Yorkshire local authorities (or their nominated substitute); typically, the Chair of each local authority's overarching Scrutiny Committee.
- 3.97 The Overview and Scrutiny Committee meets on a quarterly basis. The MCA is required to consider the conclusions of any review by the Overview and Scrutiny Committee at the next available meeting.

Statutory Officers

- 3.98 The MCA appoints three [Statutory Officers](#) to discharge duties and obligations on their behalf. The Statutory Officers ensure that the MCA is acting in accordance with its legal duties and responsibilities, operating within the financial regulations and receiving appropriate advice on policy and governance.
- 3.99 The Statutory Officer roles are defined in the MCA Constitution and comprise:
- **Head of Paid Service** – The Chief Executive of the MCA fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the MCA as set out in section 4 of the Local Government and Housing Act 1989 and acts as the principal advisor to the LEP.
 - **Section 73 Officer** – The Group Finance Director fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985. The Section 73 Officer administers the financial affairs of the MCA and LEP.
 - **Monitoring Officer** – The Monitoring Officer discharges the functions in relation to the MCA as set out in section 5 of the Local Government and Housing Act 1989.

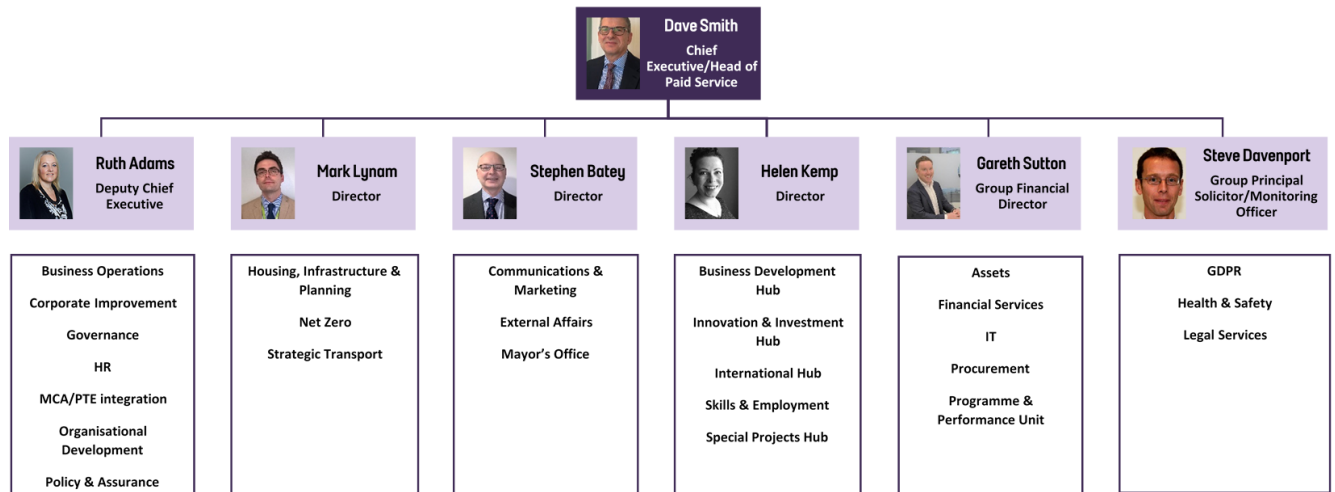
Remuneration Panel

- 3.100 An independent Remuneration Panel convenes to identify the salary and allowances that should be paid to the Mayor and Deputy Mayor for their term of office. The MCA does not currently have a Deputy Mayor.
- 3.101 The Remuneration Panel reports their recommendations in a report to the MCA Board who decide the salary and allowances that will be paid.

The MCA Executive Team

- 3.102 The MCA Board, LEP Board and Thematic Boards are supported by the MCA Executive Team. The MCA Executive Team is a dedicated resource that provides impartial advice and works in collaboration with partners and stakeholders.
- 3.103 The role of the MCA Executive Team is to advise and support the MCA, Mayor and LEP.
- 3.104 The MCA Executive Team of staff are employed by the MCA and the current functions are shown in Figure 6 below.

Figure 6: The MCA Executive Team Structure



3.105 The MCA Executive Team supports the following activities:

- **Developing Policy** - supporting the MCA, Mayor and LEP to draft key policy, including the SEP;
- **Initiating and Encouraging Project Ideas** - the team works with officers from local authorities, the private sector and project applicants to identify and bring forward viable project ideas that support the strategic objectives of the City Region;
- **Advising Funding Applicants on Business Cases and the Appraisal Process** – advising project applicants on how to develop a robust and comprehensive Business Case;
- **Appraising Business Cases** – independently reviewing and appraising business cases and funding applications through the Assurance Panel and contracting specialists and subject experts to undertake technical reviews as required, prior to making recommendations to the Thematic Boards;
- **Programme and Project Design and Development** – designing and developing investment programmes and projects to deliver the agreed policy objectives of the Mayor, MCA and LEP, in line with the agreed Investment Plan. This sometimes includes preparing and submitting funding bids to Central Government proactively or in response to specific calls and opportunities that may arise;
- **Programme Monitoring** - collating and communicating performance on different funding streams to the MCA and LEP Boards and MHCLG as per the Government's requirements;
- **Project Monitoring and Evaluation** - managing the monitoring and evaluation framework, and providing reports and updates to the Thematic Boards, MCA and LEP;
- **Administration and secretariat function for the Boards** – ensuring MCA, LEP and Thematic Board meetings are planned and arranged in a timely fashion and communicated;
- **Compiling Papers and Reports** - for the Mayor and Board members;
- **Enquiries** – dealing with the media and handling general enquiries from the public;
- **Publishing Information** – ensuring that minutes, agendas and papers of the meetings of the LEP, MCA Board, Audit and Standards Committee and Overview and Scrutiny Committee are published promptly on the MCA website and publishing information on MCA and LEP policies and procedures; and
- **Promoting the City Region** – to potential investors and the public as a place to invest, work and live.

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

4. Accountability for Public Funds

- 4.1 Several measures are in place to ensure that the Mayor, MCA and LEP are managing and administering public funds in a responsible, efficient, transparent and accountable manner.

The Accountable Body

- 4.2 The MCA is the legal and Accountable Body for powers and funding devolved by Government. The MCA is also the legal and accountable body for the LEP and is therefore responsible for all decisions and expenditure.
- 4.3 The MCA holds all funding, enters into contractual arrangements and processes payments. The MCA also provides programme management to account for the funding and ensures that the impact of investment is assessed.
- 4.4 The MCA is accountable for:
- Ensuring that its decisions and activities conform with legal requirements regarding equalities, environmental and European legislation (such as State Aid), and that records are maintained so that this is evidenced;
 - Retaining overall responsibility for the appropriate use of public funds by the MCA, LEP and Thematic Boards;
 - Ensuring that the approved Assurance Framework is being adhered to;
 - Ensuring that all contracts entered discharge their duties; and
 - Maintaining and publishing annual accounts (including devolved and other funding sources received from Government), in accordance with the relevant regulations, each year in draft form by 31 May and finalised in July.
- 4.5 In accordance with section 101 of the Local Government Act 1972, the MCA delegates certain decisions to the Statutory Officers. The [Scheme of Delegation](#) in Part 4. E of the Constitution specifies the delegations for funding and decision-making that are available to the Head of Paid Service (the Chief Executive of the MCA), the Section 73 Officer (Group Finance Director), and the Monitoring Officer.

Section 73 Officer

- 4.6 The Section 73 Officer is fully engaged in the operation of the organisation, ensuring that devolved funds are managed responsibly and allocated through a robust application process.
- 4.7 The Section 73 Officer is accountable for:
- Ensuring that devolved funds, including the AEB, are used legally, appropriately and are subject to the usual local authority checks and balances, including discharging financial duties under the [Financial Regulations 2019](#);
 - Ensuring that the MCA acts in a manner that is lawful, transparent, evidence based, consistent and proportionate, including the publication of annual audited accounts;
 - Signing-off Value for Money Statements for all funding applications during the appraisal process as true and accurate;
 - Certifying that funding can be released under the appropriate conditions (in line with statutory duties);

- Signing-off quarterly reports to the Ministry of Housing, Communities and Local Government (MHCLG) on programme performance and expenditure;
- Ensuring that the established professional codes of practice are applied; and
- Ensuring that strong governance arrangements and LEP policies are in place to ensure that the LEP is operating robustly and transparently (by providing an Annual Assurance Statement and letter to the MHCLG Accounting Officer).

Internal and External Audit

- 4.8 The MCA has an established process for internal and external audit. Internal audit is a contracted service provided by Grant Thornton. Ernst and Young are the appointed external auditors. As the MCA is the Accountable Body, the audit arrangements cover both the LEP and the MCA's funding and activities, including devolved monies.
- 4.9 In conjunction with the internal audit team, the MCA Head of Paid Service, Section 73 Officer and Monitoring officer prepare an annual Internal Audit Plan at the start of each financial year, which is reviewed towards the end of the financial year. The Internal Audit Plan includes all aspects of the appraisal, assurance, monitoring and evaluation processes. This provides independent and objective assurance to the MCA. The Plan is approved by the MCA and is considered by the Audit and Standards Committee. The current plan was approved by the Audit and Standards Committee in July 2020.

Overview and Scrutiny

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

Assurance Panel

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

Ensuring Value for Money

- 4.16 All projects and programmes that apply for funding are appraised and assessed for Value for Money (VfM) using the HM Treasury Green Book and appraisal guidance published by individual Government departments such as the Department for Education and Department for Transport and the Ministry for Housing, Community and Local Government.
- 4.17 The VfM assessment considers the potential costs, benefits, risks, uncertainties and impacts of the project. A Benefit Cost Ratio (BCR) is calculated for the project wherever possible but this is just one of the basket of metrics considered in the VfM assessment. All of the wider monetised and non-monetised impacts and benefits of a project are quantified wherever possible and non-quantifiable benefits are also assessed qualitatively. Non-monetised costs and disbenefits are also qualitatively assessed.
- 4.18 A VfM Statement is completed by the Assurance Panel at every stage of the appraisal process (Strategic Outline Case, Business Justification Case, Outline Business Case and Full Business Case) and published on the MCA website with the business case to enable partners and members of the public to comment. The initial, adjusted and final BCR for transport projects is calculated in accordance with the DfT's Value for Money Advice Note for Local Transport Decision Makers.
- 4.19 The VfM statements are on a proportionate basis relative to the level of risk, complexity and funding sought.
- 4.20 The Section 73 Officer is responsible for signing-off VfM Statements and this must be done before a project can progress to the next stage of the appraisal process. The VfM Statement is also signed-off by the MCA at each stage of the appraisal process.
- 4.21 The VfM Statement for each project, is presented to the appropriate Board or Thematic Board. The Statement includes the Assurance Panel's justification and recommendation on whether the project should be approved, deferred or rejected and any conditions that should be put in place.
- 4.22 The ambition is always to support projects that demonstrate High VfM. However, projects that are appraised as offering lower VfM, may still be funded if there is a strong strategic business case and the project will deliver the strategic and economic objectives in the SEP (for economic growth, inclusion and sustainability), or where the project is essential to unlock or enable other development to take place. However, the MCA and/or LEP can decide to remove a project from the programme if the appraisal identifies Poor or Low VfM.

Managing Risk

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

milestones). Any risks to the delivery of the SEP Programme are reported to, and considered by, the Chairs and Vice Chairs of the MCA and LEP respectively.

Annual Reviews by Government

- 4.27 The MCA holds a review meeting with Government each year to discuss delivery of the Devolution Deal and investment of devolved funding. The meeting is an opportunity to identify achievements and successes and any areas for improvement.
- 4.28 The LEP is reviewed twice a year by Government; a Mid-Year Review and an Annual Performance Review. The review considers the governance arrangements that are in place, strategic approach and performance against profiled expenditure and outputs on funding awarded to the LEP. A representative of the MCA attends the Annual Performance Review meeting, along with the LEP Chair and/or LEP Deputy Chair.

5. Robust and Transparent Decision-Making

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

Budget Setting and Allocation

- 5.3 The annual Mayoral Budget is developed by the Mayor, alongside the MCA revenue and capital budget. The budgets are presented to the MCA Board in draft form in November and again for final approval each January. The budgets must be agreed in accordance with the Combined Authorities (Finance) Order 2017 and the Constitution.
- 5.4 The budget for the allocation and investment of Gainshare funding for the 2021/22 and 2022/23 financial years was agreed by the MCA Board in advance. The budget was set in accordance with the agreed investment priorities identified and agreed by members in the Renewal Action Plan (RAP) that was submitted to Government in Summer 2020. Activities funded with Gainshare are managed and accounted for alongside all funding devolved and awarded to the MCA and LEP.
- 5.5 The MCA, in consultation with the LEP where appropriate, is responsible for setting the annual capital and revenue budgets for any funding allocated to the LEP prior to the start of the financial year.
- 5.6 All approved capital and revenue budgets are published on the MCA website. Budgets are monitored on a quarterly basis with reports submitted to the Boards. Quarterly financial monitoring reports on individual programmes and projects are also submitted.
- 5.7 The Investment Plan identifies how all devolved funding will be invested to deliver the South Yorkshire Devolution Deal and the strategic objectives and investment priorities outlined in the SEP and RAP. Individual Delivery Plans identify how budgets will be spent in each of the thematic areas (for example, skills, business growth and housing). The Investment and Delivery Plans are informed by quantitative data and qualitative information on the performance and health of the Sheffield City Region economy, and analysis of economic, social and environmental needs. This ensures that the development of new schemes and interventions will address weaknesses and opportunities in the economy.
- 5.8 Investment decisions on the allocation and use of the Adult Education Budget (AEB) in South Yorkshire are made with full consideration to the statutory entitlements. Approximately half of the AEB is allocated to the delivery of the following statutory entitlements:
- English and Maths, up to and including Level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4, or higher, and/or;
 - First full qualification at Level 2 for individuals aged 19 to 23, and/or;
 - First full qualification at Level 3 for individuals aged 19-23.
- 5.9 The remainder of the AEB is allocated to non-statutory training and is procured through an open, commissioning process.

5.10 The MCA Board is the final decision-making body for AEB funding awards.

Commissioning and Open Calls

5.11 In accordance with the agreed policy, programme and project applications for funding usually originate from three sources:

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

5.12 Commissioning for non-statutory AEB delivery began at the end of 2020. Training providers are required to submit a Delivery Plan which will be appraised. Following a moderation process, the MCA will consider and then approve all funding allocations.

5.13 The procurement process for non-statutory AEB delivery follows established rules and best practice for procurement including the latest HM Treasury Green Book and AEB funding and appraisal guidance and will seek best value for money.

The Appraisal Process

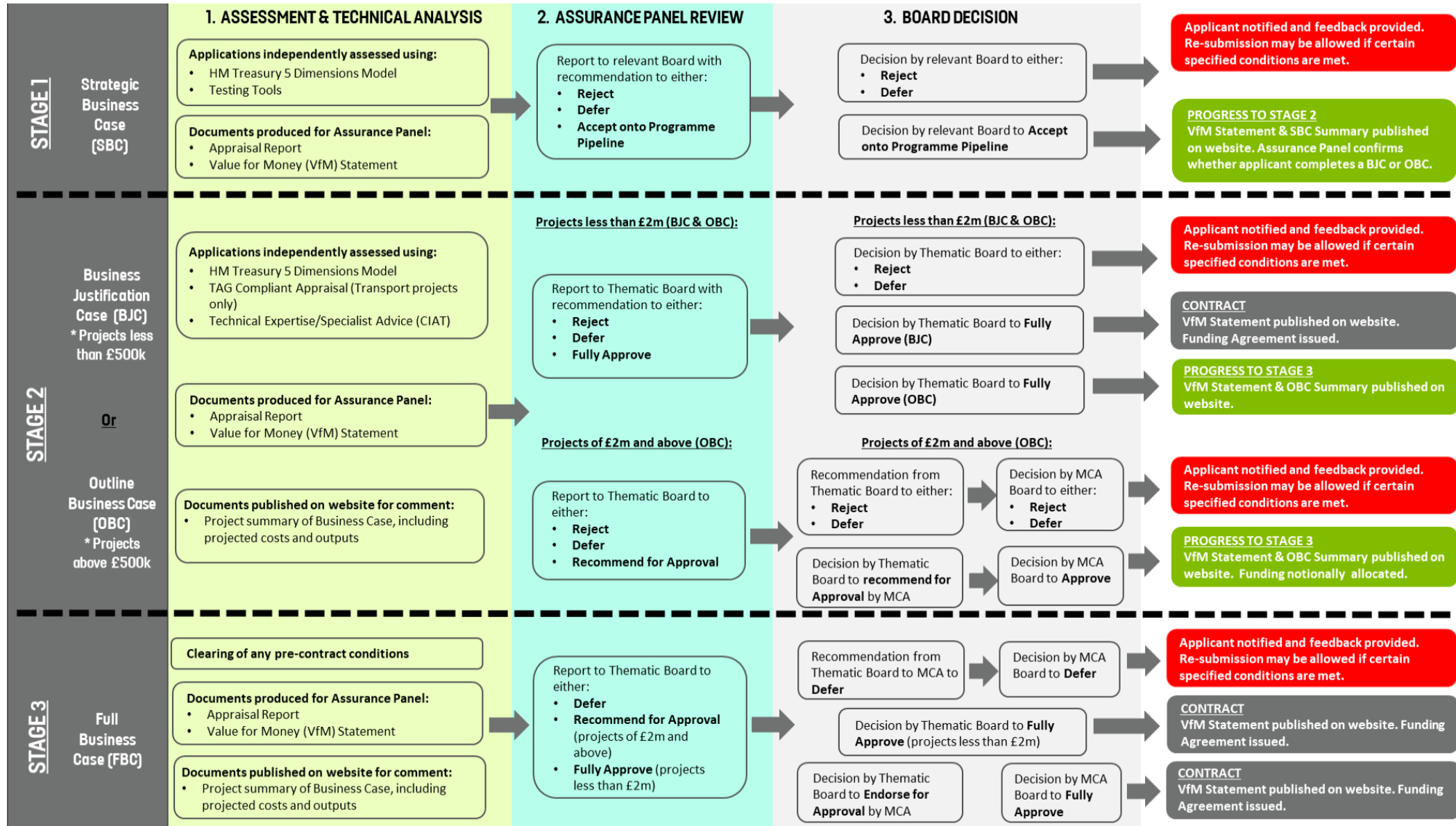
5.14 All schemes seeking investment (including projects commissioned by the Thematic Boards, responses to Open Calls and projects identified by the MCA Executive Team but excluding AEB), undergo a proportionate process and appraisal to assess the merits of the application, its strategic fit and value for money.

5.15 Each project and application for funding is assessed on its own merit, including where there are potentially competing applications for funding.

5.16 For transport schemes, central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). This requirement doesn't stop MCAs and LEPs considering alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme.

5.17 The steps involved in the appraisal process are detailed and illustrated in Figure 7. The MCA can decide to agree a bespoke process for project development and assurance which may omit stages to what is shown below, if the circumstances demand this. This will be in situations where for example, a national funding allocation demands such changes in order to meet the eligibility criteria. In any cases where there is a departure from the full process, the MCA will agree a revised process based on the existing stages laid out in this document.

Figure 7: Business Case Development, Appraisal and Approval Process



Pre-Submission: Programme and Project Ideas Entry

- 5.18 For an investment idea or concept to be considered by the LEP and MCA, a process is required so that the basic details can be discussed and assessed. This acts as a filter and an early check on the expectations of all parties, ensuring that scheme promoters do not deploy resources into further project development and the production of a more detailed business case until exploratory discussions have taken place with the MCA and LEP. The discussion will be used to confirm that the intended outcomes are likely to contribute to the agreed policy objectives and strategic outcomes. A form is the usual means by which initial ideas, concepts and proposals are captured and assessed. The MCA Executive Team works with the relevant Thematic Board to consider this and may then make a proposal to the LEP or MCA Board to accept a proposal onto the programme pipeline, or to defer or reject it.

Stage 1 Submission: Strategic Business Case

- 5.19 The purpose of the Strategic Business Case (SBC) is to establish the case for change and should provide a first detailed (albeit high level) view of the 'how, what and when' the project will deliver. It is important that an SBC can demonstrate its alignment with the SEP and RAP which set the blueprint for how funds will be invested. The SBC is a standard template and requests the following information from the applicant:
- Project objectives and the rationale for investment;
 - Project outputs and outcomes against the SEP and RAP;
 - High level timescales;
 - High level cost estimate of project (a range will suffice at this stage);
 - Initial estimate of funding required;
 - Project sponsor; and
 - Identifying risks, initial options analysis and the preferred way forward.

Stage 1 Appraisal: Strategic Business Case

- 5.20 The SBC is assessed in line with the five-dimension model in the HM Treasury Green Book and appraisal guidance published by individual Government departments. The SBC is therefore appraised against the following criteria:
- **Strategic Dimension** – contribution to strategic objectives and national policy objectives;
 - **Economic Dimension** – impact on local and national growth, likely BCR category, the social, distributional and environmental impacts, and an assessment of the value the project adds;
 - **Financial Dimension** – cost estimate and sources of funding e.g. identified scheme promoter, private sector and other contributions;
 - **Commercial Dimension** – proven marketplace for the project, certainty in outcomes, procurement processes and commercial viability, consideration of social value; and
 - **Management Dimension** – demonstration that the project is capable of being delivered successfully, including Delivery Plans, statutory processes, programme, risk management (with appropriate mitigation plans), State Aid and benefit realisation.
- 5.21 The biggest emphasis at this stage is on the Strategic Dimension and to an extent the Economic Dimension. It is at this stage that a decision is made regarding the strategic fit of the proposed intervention's objectives, outcomes, impact and benefits relative to the SEP and RAP. This needs to be proven and agreed at this stage. An early assessment of the potential value for money offered by the preferred way forward, relative to the current situation and the do minimum option, informs the programme entry decision.

- 5.22 To assess complex or transport related schemes, a series of approved and bespoke testing tools and models may be used (such as FLUTE 18, SCRTM1) to better understand the potential outcomes and value for money of an application. A proportionate TAG assessment is undertaken, relative to the size of the project, to consider aspects such as the quality of the built environment. The VfM Statement confirms what tools have been used in conducting the appraisal at this stage.
- 5.23 The MCA Executive Team completes a VfM Statement and submits the appraisal report and VfM Statement to the Assurance Panel for their assessment.

Stage 1 Assurance Panel Recommendation: Strategic Outline Case

- 5.24 The Assurance Panel reviews the technical analysis undertaken by the MCA Executive Team and then agrees what recommendation will be made to the appropriate Board; either to accept a project to the programme pipeline, defer the project for further work or to reject the project.
- 5.25 Dependent on the source and level of funding, the MCA, LEP Board or a Thematic Board will have ultimate oversight of which projects are invited to develop their business cases further. The MCA is ultimately responsible for the TCF programme but individual TCF project applications can be approved by the Transport and Environment Board if they fall within their delegated limit. A VfM statement is submitted to the relevant board alongside other assessment information so that they can make a decision on which projects should be selected to further develop their business cases. In cases where the LEP or MCA have funding oversight, Thematic Boards may be consulted during the Strategic Business Case assessment and selection process.
- 5.26 Once a project has been accepted onto the programme pipeline, the VfM Statement is published on the MCA website alongside a summary of the SBC. This is updated periodically to include links to the key documents for each project and a record of progress. The MCA Executive Team collects any external comments on these schemes, and these are considered as part of the appraisal process. Project sponsors are also required to publish their SBC's on their own websites (or an appropriate summary of the submission) and must consider all comments received and reflect this in the next stages of the application process (Outline Business Case and Full Business Case).

Stage 2 Submission: Outline Business Case

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

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

- 5.28 The requirements at this stage are dependent on the nature, scale, risk and complexity of the project. For most small value cases (less than £500,000 total project value and offering a low level of risk), a project will go through a Business Justification Case (BJC) rather than require an OBC and Full Business Case (FBC). Small value projects which are complex, or which present significant risk will still require an OBC and FBC.

- 5.29 The OBC and FBC build on the foundations of the Strategic Outline Case in that they provide considerably more detail on each of the five dimensions outlined in the latest HM Treasury Green Book guidance. The MCA Executive Team will provide guidance to project applicants and scheme promoters to assist them in developing an OBC and FBC, including DfT business case guidance for transport projects.
- 5.30 A series of gateway checks are in place to ensure that projects are developed to the appropriate standard at the right time, to enable informed decisions to be made by the appropriate Boards.
- 5.31 If agreed at programme level by the MCA, individual projects may be supported with their capital development costs to assist with timely progression of business cases. A proportion of total project costs may be released early at OBC stage (typically 2% of the total project cost) for capital scheme development, and/or at FBC stage (typically around 10% of the total project cost) to support detailed design and other procurement costs and fees to progress the scheme. For TCF and other transport projects, the amount of funding that would be available for early release is around 12% of the scheme value (based on a costed fee plan) to mitigate risks associated with developing and delivering large schemes. For all other projects, the amount of funding that will potentially be released early is around 10% (based on a costed fee plan). The full development funding awarded is entirely subject to clawback if the application does not result in successful capital delivery over an agreed timeframe.
- 5.32 The five dimensions help to ensure that all impacts of a project (monetised and non-monetised) are presented in the OBC and FBC for consideration. The OBC and FBC templates and guidance set out the basis for capturing impacts, including Optimism Bias. The Optimism Bias for transport projects is calculated in accordance with the DfT's Value for Money Advice Note for Local Transport Decision Makers.
- 5.33 It is essential that project applicants and scheme promoters agree the scope of costs and benefits before any substantive business case development is undertaken.
- 5.34 Project applicants and scheme promoters must also ensure that the commercial, financial and management arrangements are appropriate for effective delivery.
- 5.35 Once a final version of the OBC is received from an applicant, it is published on the MCA website to enable partners, stakeholders and members of the public to comment on the proposed project, and its projected costs and outputs. Any comments received are considered as part of the appraisal.
- 5.36 A fully developed OBC will have determined the preferred option, potential value for money, ascertained affordability and funding requirements and be preparing the potential deal which enables successful delivery. Once an OBC is fully developed it is submitted for appraisal.

Stage 2 Appraisal: Outline Business Case

- 5.37 An independent assessment is undertaken of all OBCs to quality assure and scrutinise the project as well as undertaking all necessary due diligence checks. Any comments received via the MCA website on the published business case are considered.
- 5.38 When technical expertise or specialist advice is required to appraise the project, the MCA Executive Team uses experts – the Central Independent Appraisal Team (CIAT) - to assist in appraising the Business Case. The MCA Executive Team ensures there is always a clear distinction and adequate separation between the scheme promoters and the decision makers.
- 5.39 Transport projects undergo a proportionate TAG compliant appraisal. An Appraisal Scoping Report template is used to assess such schemes, comprising the:
- Level of analytical detail to be applied to approve a scheme against overarching Government transport objectives and the rationale for this;

- Modelling tools to be applied;
- Alternative interventions to be considered; and
- Timescales for business case development.

5.40 The MCA Executive Team completes a Value for Money (VfM) Statement and submits the appraisal report and VfM Statement to the Assurance Panel for their assessment.

Stage 2 Assurance Panel Recommendation: Outline Business Case

5.41 The Assurance Panel reviews the technical analysis undertaken by the MCA Executive Team and CIAT (where applicable), including the VfM Statement. The Assurance Panel then agrees what recommendation they will make to the Thematic Board; either to approve the project or defer the project for further work. At this stage it is still possible that an application could be recommended for rejection on the grounds of Poor VfM (determined as having a BCR rating of below 1, along with other indicators also showing poor levels accounting for significant non-monetised impacts and key uncertainties) or presenting significant uncertainty or risk.

5.42 The Thematic Board can approve the Outline Business Case if it is within their delegated limit. Projects which exceed the delegation are endorsed by the relevant Thematic Board and then submitted to the MCA Board for approval.

5.43 Meeting papers for the MCA or relevant Thematic Board are published on the MCA website a week before the meeting, including the project summaries and VfM assessments of applications seeking OBC approval.

5.44 At OBC stage, the funding decision of the MCA (or Thematic Board with delegated authority) will be notionally allocated, subject to appropriate conditions being met within an agreed timeframe. All funding decisions are communicated in writing to project applicants.

5.45 Following approval of an OBC, it may be necessary to complete a range of statutory processes to ensure the project is actually ready to start. This could include for example, obtaining planning permission, initiating a Compulsory Purchase Order, or satisfying a number of conditions agreed as part of the OBC. Compliance checks on any conditions of funding specified by the MCA, LEP or Thematic Board are then carried out by the MCA Executive Team, and updated documents on the project including the VfM Statement is published on the MCA website.

Stage 3 Submission and Appraisal: Full Business Case

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

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

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

5.47 Once a final version of the FBC is received from an applicant, it is published on the MCA website to enable partners, stakeholders and members of the public to comment. Any comments received are considered before the project receives full approval.

- 5.48 The Assurance Panel reviews the technical analysis undertaken by the MCA Executive Team and CIAT (where applicable), including the VfM Statement. The Assurance Panel then agrees what recommendation they will make to the Thematic Board; either to approve the project or defer the project for further work.

Stage 3 Agreement: Full Business Case

- 5.49 Meeting papers for the MCA or relevant Thematic Board are published on the MCA website a week before the meeting, including the project summaries and VfM assessments of applications seeking FBC approval.
- 5.50 The Thematic Board can approve the Full Business Case if it is within their delegated limit. Projects which exceed the delegation are endorsed by the relevant Thematic Board and then submitted to the MCA Board for approval.
- 5.51 At this point, the MCA, or Thematic Board if it is within their delegation limits, will be asked to grant authority to enter into a Funding Agreement once funding approval is given. Updated documents on the project including the VfM Statement are published on the MCA website.

Complaints and Appeals

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

Conflicts of Interest and Decision-Making

- 5.58 At all stages of decision-making, the national guidance on registering conflicts of interest is adhered to. This includes any interests declared by members of the MCA, LEP and Thematic Boards, the Assurance Panel, and Statutory Officers. This is detailed in the [LEP Declarations of Interest Policy](#).
- 5.59 Each member of the MCA, LEP and Thematic Boards is required to declare their pecuniary and non-pecuniary interests (whether they are a member in their individual capacity or representing an organisation). Members are also responsible for reviewing and updating their register. This includes declaring any gifts or hospitality received. Declarations of interest are also sought and recorded in the minutes of each MCA, LEP

and Thematic Board meeting. The [Individual Register of Interest](#) forms and the [Register of Declarations Made at Meetings](#) are regularly updated and published on the MCA website.

- 5.60 Senior members of staff within the MCA Executive Team and Statutory Officers also complete and maintain an Individual Register of Interest and update it when circumstances change. These are also published on the MCA website.

6. Contract Management

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

Contracting

- 6.2 A Funding Agreement between the MCA and project applicant/scheme promoter sets out the conditions relating to the MCA's agreement to fund the project and the responsibilities of the MCA and applicant/scheme promoter in managing, delivering and monitoring the project.
- 6.3 The Funding Agreement specifies that grants and loans are capped, and applicants/scheme promoters bear the risk for all overspend on the project beyond the approved amount.
- 6.4 The Funding Agreement also stipulates the expected outputs and outcomes that the project will deliver.

Payment Against Claims

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

Managing Contract Performance

- 6.7 The MCA Executive Team manages the delivery of the contract and works with the applicant/scheme promoter to monitor the project's progress and risks. Monitoring conditions are set out initially in a grant determination letter from Government for each funding source, so the MCA Executive Team is required to adopt a flexible approach to managing contract performance. This may be dependent on the funding source, value or risk of a particular programme or project.
- 6.8 The MCA Executive Team monitors the delivery of the project, and the progress made in achieving the outputs and outcomes, in line with the Monitoring and Evaluation Framework.
- 6.9 The MCA Executive Team is responsible for immediately addressing any slippages or concerns regarding project delivery and taking corrective action, including updating the Risk Register as necessary.
- 6.10 A change control process is in place to ensure that variations to an approved project are discussed with the project applicant and agreed with the MCA Executive Team. Variations to a project are logged on the project's file and reported to the LEP, MCA and Thematic Boards when appropriate. Minor changes which do not alter the terms of the Funding Agreement can be agreed between the project applicant and MCA Executive Team. The relevant Board is however, notified of any changes that are contrary to the terms of the Funding Agreement, such as changes to a project's income, expenditure or output profile.
- 6.11 Where there is significant underperformance or cause for concern, a project will be referred to the MCA, LEP or Thematic Boards for a decision.

Clawback

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

7. Measuring Performance and Success

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

Monitoring and Evaluation Framework

- 7.2 A comprehensive monitoring and evaluation framework is in place which has been designed in accordance with the most recent HM Treasury's Magenta and Green Book principles and other monitoring and evaluation guidance, such as that published by the What Works Centre.
- 7.3 The Monitoring and Evaluation Framework sets out how projects and programmes including devolved funds such as AEB and TCF will be assessed both during their delivery and post-delivery phases, to understand the inputs, outputs and impacts of investment made in the Sheffield City Region. The framework outlines in detail the processes in place to enable the MCA Executive Team to gather robust feedback on delivery performance and identify the lessons learnt from projects and programmes and any best practice that can be applied to future activity, programmes and policy. The Framework supports the Government's five-yearly Gateway Review process for evaluating investment funds.
- 7.4 The framework sets out several logic models, and identifies the performance metrics and indicators that are used to assess the impact of a project or programme and its contribution to delivering the Devolution Deal, and SEP and RAP objectives and output and outcome targets for economic growth. This includes the specific objectives and targets for devolved funding such as AEB and TCF.
- 7.5 The SEP includes a broad range of economic, social and environmental indicators that new MCA and LEP funded schemes and projects will be measured against. The SEP indicators are also used to regularly track the overall performance and health of the Sheffield City Region economy. This quantitative data helps to inform the development of new schemes and interventions to address weaknesses and challenges in the local economy.
- 7.6 The process for monitoring and evaluating project and programme performance is summarised in the sections below.

Monitoring

- 7.7 All project applicants/scheme promoters and AEB delivery partners are required to provide regular financial and delivery information, including progress made in achieving the expected outputs and outcomes, to the MCA Executive Team. The Programme and Performance Unit maintain oversight of contract delivery, through regular contact with applicants, scheme promoters and delivery partners including site visits where appropriate. The Unit gathers information and data to ensure that a robust audit trail is in place.
- 7.8 The applicant/scheme promoter and AEB delivery partner submits quarterly reports to MCA Executive Team. All quarterly reports are signed-off by the Section 73 Officer and LEP Board. This enables the MCA and LEP to fulfil their duties on reporting and accounting for public monies.
- 7.9 Site visits to project applicant/scheme promoters and AEB and TCF delivery partners are conducted once per year as a minimum.
- 7.10 Project Applicants/scheme promoters and AEB delivery partners are responsible for informing the MCA Executive Team of any changes to the scope, costs and implementation timescales for their project. The

MCA Executive Team assesses the impact of any changes on the overall programme, budget and expenditure. Cost increases, financial slippage and significant changes to outputs and outcomes are reported to the appropriate Board where necessary. The MCA does not guarantee that it will meet any cost increases either in full or in part.

- 7.11 The MCA Executive Team presents Quarterly Monitoring Reports on project and programme delivery, including AEB, to the MCA, LEP and relevant Thematic Board. This ensures that LEP members are informed of progress on projects and are sighted on any issues that will result in financial slippage or underperformance.
- 7.12 Quarterly reports on project and programme performance are also submitted to the relevant Government department, specifically MHCLG, the Department for Education and Department for Transport.
- 7.13 Following devolution of the AEB in 2021/22 academic year, the MCA will submit an annual report to Government each January on the delivery of AEB functions from the previous academic year to date including:
- South Yorkshire policies for adult education
 - Expenditure against AEB
 - Data analysis of AEB delivery in South Yorkshire

Evaluation

- 7.14 The frequency and type of evaluation conducted, depends on the contract value, duration and complexity of the project. The level of evaluation required is determined at Outline Business Case stage so that adequate resource can be allocated to fund the cost of evaluation prior to the project's approval. This enables evaluation to be factored into a project and programme's design from the outset.
- 7.15 Pilot projects and major schemes such as AEB and TCF, are subject to more extensive and frequent evaluation; typically, annual interim evaluation and a final evaluation after the project has ended.
- 7.16 As a minimum, all projects are evaluated post-delivery on the project's impact, to ascertain whether the project's objectives, outputs and outcomes were achieved, the reasons and results of any under or over performance, and to identify any lessons or recommendations that should be applied to future projects.
- 7.17 The MCA Executive Team procures external and independent evaluation of all MCA and LEP funded programmes and projects, including AEB and TCF through an open and competitive process to evaluate the impact of specific funding streams, significant investments and pilot projects.
- 7.18 Research and evaluation consultants are invited to apply to be part of an Evaluation Panel and deliver independent evaluation of projects, schemes and programmes. Experts are contracted based on their subject and thematic expertise and evaluation experience.
- 7.19 The use of external evaluation experts to provide technical expertise and specialist advice on conducting project and programme evaluation, ensures that all evaluation conducted on projects and programmes funded by the MCA and LEP is as objective and impartial as possible.
- 7.20 Project evaluation provides accountability for the investment made. It also provides local evidence on which to base future projects and programmes. The MCA Executive Team reviews the results of the evaluation against the objectives of the project as set out in the business case and Funding Agreement and the most appropriate counterfactual. Evaluation results for all projects are published on the MCA website.

- 7.21 Where there is a variation between a project's objectives and its outcomes, the MCA Executive Team works with the promoter to agree corrective action. If the corrective action is unsuccessful, clawback clauses in the Funding Agreement can be invoked as a final resort and to secure the desired outcomes via alternative measures.
- 7.22 The MCA Executive Team compiles a summary report for the MCA of all projects that have completed during the previous quarter. This report confirms whether the project has delivered against its spending profile and achieved the outputs and objectives in the Funding Agreement. The report also recommends whether each project can be closed.
- 7.23 As part of the annual report to Government on the delivery of AEB functions from the previous academic year to date, the MCA will also provide an update on interim evaluation findings on the impact that AEB has had in South Yorkshire. These findings will be derived from qualitative data such as employer and learner survey responses and quantitative data on the take-up of AEB funded provision in South Yorkshire and improvements in participation, progression and attainment in statutory and non-statutory training.
- 7.24 In addition, other devolved investment funds to Mayoral Combined Authorities are subject to the Government's Gateway Review process. An independent panel assesses and evaluates the impact of investments on the economy and economic growth every five years. The first Gateway Review for the MCA is expected to take place in 2025.

8. Inclusive and Collaborative Working

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

The LEP Network

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

Collaboration with Other LEPs, Metro Mayors and the Northern Powerhouse

- 8.3 The Mayor, MCA and LEP are committed to working in collaboration with other LEPs, Mayoral Combined Authorities and the Northern Powerhouse to pool knowledge and resource and enhance the effectiveness, transparency, decision-making and leadership in local economic development.
- 8.4 The Mayor, MCA and LEP have achieved the following by working across geographical borders:
- Led a trade delegation to India in conjunction with NP11 members (the 11 LEP areas in the Northern Powerhouse) and led the NP11's presence and programme at MIPIM 2020;
 - Collaborated with Transport for the North (TfN) and LEPs across the North of England to inform the development of TfN's Strategic Transport Plan. TfN also contributed to the development of the Sheffield City Region Transport Strategy and Integrated Rail Action Plan;
 - Worked in partnership with the Metro Mayors (M9) on an Air Quality Summit and joint lobbying to Government for increased powers and funding;
 - Collaborated on Working Win, the health-led employment trial;
 - Agreed a Collaboration Framework with D2N2 LEP to share data and manage activities, projects and communications in the former geographical overlap area;
 - Invested £5m of the Sheffield City Region Growth Deal allocation in upgrading the Midland Main Line at Market Harborough, in conjunction with the D2N2 and the Leicester and Leicestershire LEPs;
 - Completed a wave 1 Science and Innovation Audit with the Lancashire Partnership around shared sectoral strengths; and
 - Shared intelligence on AEB procurement.

Engaging with Other Partners

- 8.5 Regular meetings are held with partners to ensure an open and two-way dialogue on activity being undertaken across the City Region, and to discuss the development of strategies and progress in delivering the SEP priorities and objectives. These meetings take place with business representative organisations, including the Chambers of Commerce, Federation of Small Business, CBI, Institute of Directors and Make UK, as well as local authority partners and the universities.
- 8.6 A programme of engagement events is also held with partners across the City Region. Typically, these events are thematic based, and are used to obtain input and feedback from partners to inform the City Region's policies, strategies and project formulation. These engagement events are advertised on the MCA website and social media channels and through partners such as the business representative organisations.

8.7 Examples of collaboration with partners and agencies have included:

- Establishing a Sheffield City Region Policy Advisory Group to share and pool economic evidence and data to inform the development of the new SEP;
- Establishing a Local Resilience Forum to collaborate on the response to the COVID-19 pandemic;
- Development of a Renewal Action Plan to direct investment towards economic recovery and growth;
- Having representation on the Northern Powerhouse Investment Fund Board;
- Playing an active role in the north of England Growth Hub network, which is designed to share best practice;
- Playing an active part of the national network established for the devolution of the Adult Education Budget (AEB). The LEP has led the work around data analysis/labour market intelligence and the contractual arrangements for the operation of the AEB in a devolved model; and
- Developing a strong working relationship with Department for International Trade (DIT) on the Northern Powerhouse agenda, including trade missions and having three exciting investment propositions showcased through the Northern Powerhouse Investment portfolio/pitchbook.

8.8 Local and national partners have been, and will continue to be, fully engaged throughout the development phase of AEB devolution. A Skills Advisory Network brings together employers and further and higher education institutions from the Sheffield City Region with representatives from the Department for Education and the Department for Work and Pensions. The Network will assist in the identification and setting of the processes and priorities for AEB funding awards and monitoring and evaluation of AEB delivery.

Engaging with the Public

8.9 The MCA publishes a plan on key decisions that will be taken at least 28 days before the decision is due to be made. The [Forward Plan of Key Decisions](#) includes decisions that have a financial implication (such as projects that are seeking investment from the MCA and LEP, new programmes or schemes that would be delivered across the city region, or new strategies) and non-financial decisions which impact on two or more local authority areas. The plan is refreshed and published on the MCA website every month and it enables members of the public to view information on decisions before they are made so that they can comment on them.

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

8.11 In addition to publishing information on potential investment decisions in the Forward Plan of Key Decisions, the VfM Statement and business case for each project is published and publicised on the MCA website at every stage of the appraisal process. This enables members of the public and stakeholders to comment on proposed projects before funding decisions are made. All comments received are considered by the Assurance Panel in deciding whether to recommend a project for approval, deferment or rejection, and are made available to the MCA, LEP and Thematic Boards.

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

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

8.14 The MCA holds its AGM in June each year.

Formal and Public Consultation

- 8.15 In accordance with the MCA's statutory obligations, the MCA Executive Team undertakes a public consultation exercise when revising or developing a new strategic document. The consultation period runs for between 6 and 12 weeks. Information on the consultation is posted on the homepage of the MCA website with a draft document and details of how to submit views, comments and supporting evidence electronically and by post. Information on any scheduled consultation events are also displayed.
- 8.16 Comments and evidence submitted by partners and individuals during the public consultation period are logged, analysed and categorised, with records kept on how the final draft of the strategy has been amended to reflect the comments and evidence received.
- 8.17 In 2018, the public were consulted on the draft South Yorkshire Transport Strategy and in 2020, the public were consulted on the draft Strategic Economic Plan.

9. Publishing Information

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

Access to Information

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

MCA Website

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

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

Meeting Papers

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

Notice of Decisions

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

Information on Board Members

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

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

Financial Information

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

Procurement and Funding Opportunities

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

Branding

- 9.28 In accordance with branding guidance on awarded and devolved funding, the MCA Executive Team ensures that the correct logos and wording are displayed in all promotional materials for MCA and LEP funded projects and programmes. Promotional materials include the MCA website, websites of project applicants/scheme promoters, signage, social media posts, press notices and marketing literature.

LEP Delivery Plan

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

Glossary of Terms

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

Appendix A: Summary of LEP Policies

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

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

LEP Terms of Reference

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

LEP Board Recruitment

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

Equality and Diversity

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

Code of Conduct

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

Remuneration and Expenses

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

Gifts and Hospitality

LEP Board members are required to notify the Head of Paid Service in writing of all offers of hospitality and gifts received with a value of more than £50. The [LEP Gifts and Hospitality Policy](#) aligns with Local Authority systems

and standards on accepting and declaring gifts. The policy also applies to the MCA Executive Team and any Sub-groups involved in advising on or making decisions.

Conflicts of Interest

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

Whistleblowing

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

Complaints

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

Data Management

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

Appendix B: Joint Statement from LEP and MCA

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

Roles

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

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

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

Responsibilities

The Mayoral Combined Authority is required to:

- Approve all annual capital and revenue budgets prior to the start of the financial year;
- Accept proposed projects onto the programme pipeline;
- Ensure that decisions on proposed projects are aligned with the objectives of the SEP and RAP;
- Test the value for money of proposed projects;
- Ensure that the legal duties of the MCA as the LEP's Accountable Body, operate in a responsible and transparent manner; and
- Inform the LEP of any operational decisions made.

The Local Enterprise Partnership is required to:

- Produce and publish the Strategic Economic Plan (SEP);
- Support the Mayor in producing the Local Industrial Strategy;
- Advise the MCA on decisions of how any capital and revenue budgets allocated to the LEP are prioritised and spent; and
- Oversee the delivery of any LEP funded programmes and projects.

Operating Practices and Policies

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

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

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

Amendments

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

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

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

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

Signature: _____

Signature: _____

Name: Mayor Dan Jarvis MP MBE
Position: Sheffield City Region Mayor and Chair
of the Mayoral Combined Authority

Name: James Muir
Position: LEP Chair

Date: _____

Date: _____

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Sheffield City Region

Monitoring & Evaluation Framework

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Version Control

V1	First draft based on the framework commissioned in 2017	L Whitaker
V2	Second draft	R Adams
V3	Inclusion of RAP, Getting Building Fund and Brownfield Fund	L Whitaker
V4	Minor amends to third draft	R Adams
V5	Inclusion of logic models	L Whitaker

1. Introduction

Purpose of the Monitoring and Evaluation Framework

- 1.1 The Monitoring and Evaluation Framework is a requirement of national government and requires agreement by both the MCA and HMG. The framework is the primary mechanism for how the Mayoral Combined Authority (MCA) will assess progress towards the delivery of the South Yorkshire Devolution Deal and delivery of the strategic vision, objectives and output and outcome targets of the Strategic Economic Plan (SEP) and the Renewal Action Plan (RAP).
- 1.2 The Framework outlines the level of monitoring and evaluation activity that is considered appropriate and proportional for each programme and project funded by the MCA and Local Enterprise Partnership (LEP). The requirement set by HMG is that the framework includes programmes and projects funded through devolved monies such as Gainshare and the Adult Education Budget (AEB), as well as funding awarded to the MCA and LEP; specifically Transforming Cities Fund (TCF) and funds for local growth such as the UK Shared Prosperity Fund, Get Britain Building and Brownfield Housing Funds, for example.
- 1.3 As well as the Strategic Economic Plan (SEP) and the Renewal Action Plan (RAP), the Monitoring and Evaluation Framework sits alongside key governance and policy documents – most notably the Assurance Framework, the MCA Constitution, the Financial Regulations and the LEP Terms of Reference.
- 1.4 The Monitoring and Evaluation Framework has been designed in accordance with HM Treasury's Magenta (Guidance for Evaluation) and Green (Guidance on Appraisal and Evaluation) Books, and with reference to specific evaluation guidance on programme funds including AEB and TCF.
- 1.5 The Monitoring and Evaluation Framework, subject to approval, takes effect from 1 April 2021.

Updating the Monitoring and Evaluation Framework

- 1.6 The MCA is required to reviewed and update its Monitoring and Evaluation Framework at the end of each year as part of the annual review of assurance processes and procedures. The Framework is then submitted to the Ministry of Housing, Communities and Local Government (MHCLG) for review and approval before being finalised and published. The next annual review of this document is scheduled to commence in November 2021.

The Structure of this Document

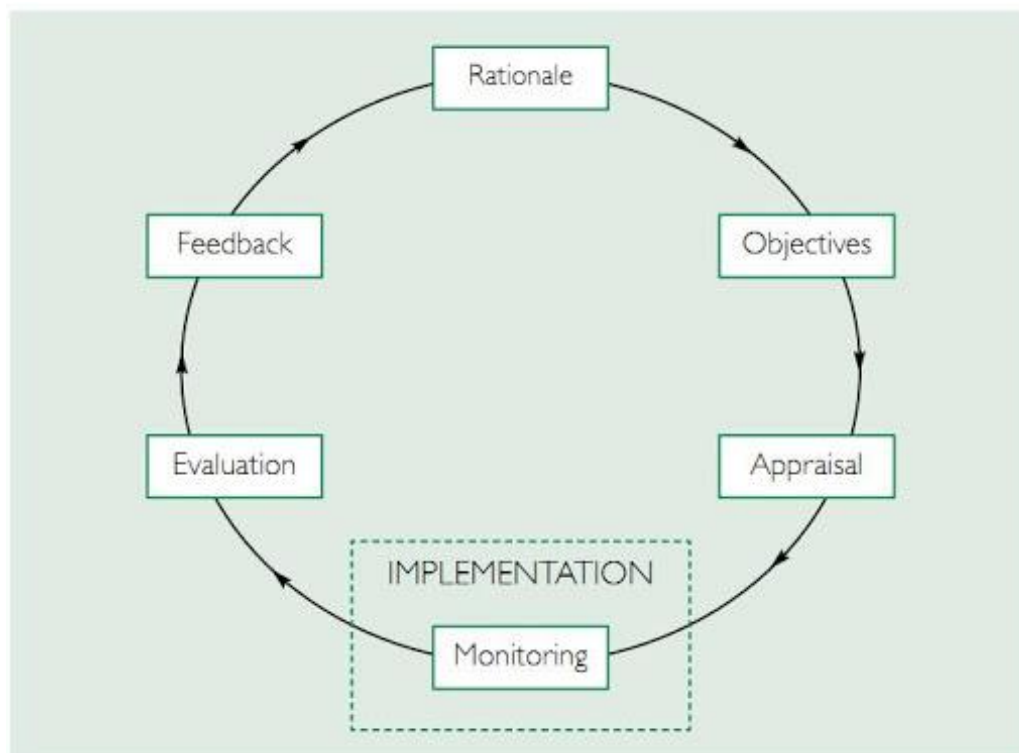
- 1.7 The remainder of this document is structured into the following sections:
 - **Section 2** sets out the importance of monitoring and evaluating project and programme performance, the programmes and activities covered by this framework and how the framework relates to the City Region's plan for economic growth;
 - **Section 3** outlines the monitoring process for all programmes and projects and the roles and responsibilities of the MCA, the MCA Executive, scheme promoters and project applicants in accounting for and reporting performance;
 - **Section 4** explains the processes and options for evaluating the impact and value of programmes and projects and how evaluation informs decision-making by the MCA and LEP; and
 - **Appendix A** lists the nationally and locally defined metrics, measures, outputs and outcomes that programmes and projects funded by the MCA and LEP are assessed against.

2. About the Monitoring & Evaluation Framework

Why Monitor and Evaluate Programmes and Projects

- 2.1 As a recipient and distributor of public funding, the MCA has a duty to ensure that all funding devolved and awarded to the MCA and LEP is accounted for and invested appropriately and effectively. Due to pressures on public funding, the MCA and LEP also need to ensure that investment is directed in the areas where it will have the greatest impact.
- 2.2 Regular and consistent monitoring of programmes, schemes and projects during their delivery phase, enables the MCA as the legally Accountable Body to fulfil its obligations for accountability and transparency over the use and application of public funding. Monitoring also ensures that any risks associated with a programme, scheme or project are appropriately controlled and managed, and enables the MCA and LEP to mitigate any risks by taking corrective action in a prompt and timely manner.
- 2.3 Evaluation enables the MCA to determine how effective the investment of public funding has been, and the impact that programmes, schemes and projects are having, or have had, on the economy. Evaluation also provides the MCA and LEP with an assessment of how well programmes, schemes and projects are delivering against their plan for economic growth and the economic, social and environmental output and outcome targets.
- 2.4 Regular monitoring and evaluation provides an indication of how the investment of devolved and awarded funding can be continually improved and it therefore supports better policy making, investment planning and project development and delivery. It also provides quantitative and qualitative information and evidence on what happens once a policy or intervention is implemented, and the impact that it has had on the local economy which can then inform future policy and strategy direction and programme and project development. This is illustrated in Figure 1 below:

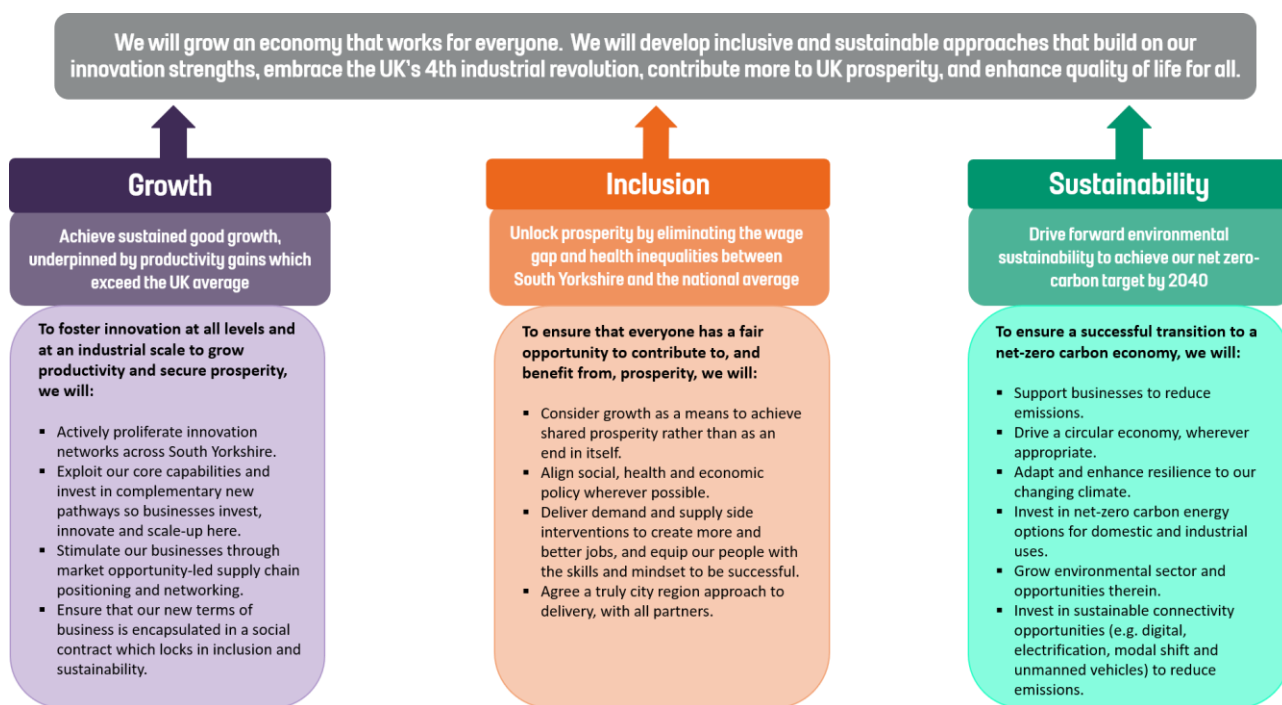
Figure 1: The ROAMEF Cycle - The Magenta Book: Guidance for Evaluation, UK Government



Plan for Economic Growth

- 2.5 The Strategic Economic Plan (SEP) is a twenty-year economic strategy which sets out the vision and policy objectives for growing the economy at pace; ensuring that all people and places have a fair opportunity to benefit from prosperity whilst protecting and enhancing our environment.
- 2.6 The SEP is built on a broad range of socio-economic data and is the result of extensive consultation with business representatives, local industry leaders, local authorities, residents and stakeholder organisations. The vision and policy objectives for future economic growth across the City Region, are set out in Figure 2 below.

Figure 2: SCR Strategic Economic Plan 2021-2041



- 2.7 The SEP will be reviewed and updated on a regular basis to ensure a sound strategic basis for investment and action.
- 2.8 The Renewal Action Plan (RAP) is a jobs-led plan that was developed in response to the significant impact of Covid-19 on South Yorkshire's economy and residents. It outlines £1.7bn of priority interventions for supporting our Employers, People and Places over the immediate, medium and longer-term. The priorities are set out in Figure 3 below:

Figure 3: SCR Renewal Action Plan

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

2.9 Together, with the Transport Strategy, the Net Zero Work Programme, and the local authority Leaders' priorities for Gainshare, the SEP and the RAP set the blueprint for how devolved and awarded funding from Government will be invested. The SEP and RAP also set the criteria that all programmes, schemes and projects will be measured and assessed against; from application stage through to contracting and delivery.

Programmes and Activities Covered by the Monitoring and Evaluation Framework

2.10 This Monitoring and Evaluation Framework applies to all funding awarded to the MCA and LEP. This includes Transforming Cities Fund, Get Britain Building Funding, Brownfield Housing Funding and local growth monies (for example, UK Shared Prosperity Fund) where award of the funds carries obligations for the MCA or LEP to deliver pre-determined outputs and outcomes. The framework also needs to cover devolved funds, where the strategic intent and outputs and outcomes are determined and agreed locally by the MCA. This includes Gainshare, Adult Education Budget, and the future devolved consolidated transport budgets.

Gainshare

2.11 The Gainshare (grant-based investment funding) allocation for South Yorkshire through the Devolution Deal is £30m per annum for a period of 30 years. This consists of 60% capital and 40% revenue funding and is to be invested in the delivery of the MCAs strategic and economic priorities.

Adult Education Budget (AEB)

2.12 From the start of the 2021/22 academic year, the MCA will assume responsibility for adult education budget (AEB). Devolution of AEB will support high quality adult education across South Yorkshire. This equates to around £35m per annum.

Transport Settlement

- 2.13 The MCA is responsible for the consolidated devolved capital transport budget. This consists of the Integrated Transport Block, the Highways Maintenance Block (excluding PFI), and Highways Maintenance incentive funding.

Transforming Cities Fund (TCF)

- 2.14 Following a successful bidding process, in March 2020, the Government awarded £166m from the Transforming Cities Fund (TCF) to the Sheffield City Region for a period of three years.

Getting Building Fund (GBF)

- 2.15 In June 2020 the MCA was awarded £33.6m for a prioritised programme of Major Capital Infrastructure Schemes under the Government's Getting Building Fund. The fund is to be used to accelerate 'shovel ready' infrastructure schemes.

Brownfield Fund (BF)

- 2.16 The MCA was awarded £40m in June 2020 to deliver a programme of housing schemes on brownfield sites over the next 5 years through the Government's Brownfield Fund.

Emergency Active Travel Fund

- 2.17 During 2020, the MCA was awarded £8.7m in two tranches to support investment in active travel infrastructure in order to accelerate modal shift from car journeys, improve decongestion, safety for non-motorised road users and air quality, and promote healthier lifestyles.

UK Shared Prosperity Fund (UKSPF)

- 2.18 In November 2014, the Chancellor of the Exchequer announced that a UK Shared Prosperity Fund (UKSPF) pilot programme in 2021-22 to help UK regions to prepare for a longer-term UKSPF from 2023. The UKSPF will replace the previous six-year Local Growth Fund (LGF) programme and EU Structural Funds.
- 2.19 More detailed information on the UKSPF pilot will be published in early 2021 but it is expected to be focussed on supporting infrastructure improvements and regeneration in areas of deprivation, tailored employment and skills development and supporting businesses with innovation and green technology adoption.

Approach to Monitoring and Evaluation

- 2.20 This Monitoring and Evaluation Framework will provide transparency to partners, Government and the general public, on the MCA and LEP's activities, intended outputs, outcomes and impacts on the local economy, people and the environment.
- 2.21 The MCA's approach to monitoring and evaluation is based on:
- **Incorporating Good Practice** - this Monitoring and Evaluation Framework is based on recognised good practice and guidance including HM Government's Magenta Book and research conducted by the What Works Centre for Local Economic Growth. Additional evaluation guidance from Government

departments has also been used; specifically, guidance on AEB from the Department for Education and TCF from the Department for Transport.

- **Ensuring that it is Proportional and Supports Transparency** - ensuring that monitoring and evaluation activity is proportional to the level of investment, complexity and risk of each programme and project. Pilot programmes and projects are subjected to more intensive and in-depth evaluation, with evaluation results published on the MCA/LEP website.

Principles of Monitoring and Evaluation

2.22 This Monitoring and Evaluation Framework:

- **Focuses on Understanding Results, Outcomes and Impacts** – the Framework has a strong focus on understanding and demonstrating the impacts of the MCA and LEP investments on the economy, and the extent to which programmes and projects are addressing the challenges and opportunities outlined in the SEP and the RAP.
- **Represents a Single Approach to Monitoring and Evaluation for the MCA and LEP** - the Framework provides a strategic tool for monitoring and evaluating the delivery of the outcomes and impacts desired through the Devolution Deal, SEP, and the RAP in addition to the impact of all funding devolved and awarded to the MCA and LEP.
- **Adopts a Thematic Approach to Monitoring and Evaluation** - the Framework reflects the strategic objectives and overarching ambitions of the SEP and the RAP, which have been agreed by partners, and to which all MCA and LEP funded activity must contribute. It will capture the contribution and impacts of the portfolio of programme and project investments across the thematic areas of Business Growth, Employment and Skills, Housing and Infrastructure and Transport and the Environment, using a series of logic chains, which disaggregate strategic objectives into the outputs, outcomes and impacts sought from investment.
- **Incorporates all Contractual Commitments** – the Framework supports the MCA in complying with the legal and contractual requirements agreed with the Government on monitoring and evaluating the delivery of awarded funds and associated outputs and locally agreed outcomes aligned to the Devolution Deal, and programme funding, including but not limited to, AEB and TCF.
- **Supports the Gateway Review Process** - the Framework will support the national evaluation panel to conduct the five-yearly Gateway Reviews on the impact of projects and schemes that are funded with Gainshare.

3. The Monitoring Process

Introduction to Monitoring

- 3.1 Once a project or programme is approved, a contract is issued to the project applicant/scheme promoter or AEB and TCF delivery partner. The contract forms the basis of the monitoring that will take place during the project's or programme's lifetime.
- 3.2 The contract specifies the milestones for the project or programme (these are dependent on complexity, cost, timescales and risks) and confirms the financial profile for income and expenditure, and the payment schedule for the grant and/or loan that the MCA will issue.
- 3.3 The contract also stipulates the outputs and outcomes that are expected to be delivered, including, but not limited to, jobs created or safeguarded, the level of qualification that will be achieved by any learner or other transport or infrastructure-based outputs. This enables decision makers to receive reports on progress of delivering against the SEP, RAP or a programme specific set of target performance indicators and outputs and outcomes.

Roles and Responsibilities of Scheme Promoters, Project Applicants and Delivery Partners

- 3.4 All project applicants/scheme promoters and AEB and TCF delivery partners, are required to submit a report outlining timely financial and delivery information. This information will be collated by the MCA Executive for onward reporting to the MCA, LEP and Thematic Boards, as relevant.
- 3.5 The project applicants/scheme promoters and AEB and TCF delivery partners are responsible for informing the MCA Executive of any changes to the scope, costs and implementation timescales for their project.

Role and Responsibilities of the MCA

- 3.6 The MCA, and its Thematic Boards, is responsible for all investment decisions and is ultimately responsible for overseeing the monitoring of financial, output and outcome performance against all devolved and awarded funding to the MCA and LEP.
- 3.7 On behalf of the MCA and LEP, the Section 73 Officer, in conjunction with the other Statutory Officers, will sign-off returns on delivery and financial spend before being submitted to the appropriate Government department. This enables the MCA and LEP to fulfil their duties on reporting and accounting for public monies.
- 3.8 Information, as a result of Monitoring activity, is collated and reported to Decision Making Boards by the MCA Executive. Reporting of monitoring information will be derived from a number of sources; the submitted reports received from Scheme Promoters and deliverers of AEB and TCF schemes, maintaining regular contact with applicants, scheme promoters and delivery partners including conducting site visits where appropriate and, if required internal and/or external audit reporting. The Executive will support the MCA to discharge its duties on reporting and accounting for public monies by gathers information and data to ensure that a robust audit trail is in place and escalating any issues or risks to performance.

Level, Frequency and Format of Monitoring

- 3.9 All projects and programmes are subject to quarterly monitoring. This is supplemented by regular contact between the MCA Executive and project applicants/scheme promoters and AEB and TCF delivery partners.
- 3.10 Site visits to project applicant/scheme promoters and AEB and TCF delivery partners are conducted once per year as a minimum.
- 3.11 The delivery information required in the quarterly monitoring report from project applicants/scheme promoters and AEB and TCF delivery partners, combines qualitative narrative on progress made in delivering the project or programme, as well as quantitative data on outputs and outcomes delivered during the monitoring period:
- Information on whether the project has encountered issues or problems affecting delivery
 - Confirmation of project milestones that have been met
 - Information on project achievements and successes
 - An indication of any risks or issues that will affect the timescale, cost or scope of the project
 - Confirmation of project income and expenditure
 - Confirmation of outputs and outcomes delivered
- 3.12 Quarterly reports on project and programme performance for Gainshare and local growth funds (UKSPF) are submitted by the MCA Executive to Ministry of Housing, Communities and Local Government (MHCLG).
- 3.13 Quarterly reports on AEB project and programme performance are submitted by the MCA Executive to the Department for Education.
- 3.14 Quarterly reports on TCF project and programme performance are submitted by the MCA Executive to the Department for Transport.
- 3.15 In addition, the MCA will submit an annual report to Government each January on the delivery of AEB functions from the previous academic year to date including:
- South Yorkshire policies for adult education
 - Expenditure against AEB
 - Data analysis of AEB delivery in South Yorkshire

4. The Evaluation Process

Introduction to Evaluation

- 4.1 The level of evaluation required on a project or programme is an integral part of the decision-making process of the MCA and Thematic Boards. Strategies for evaluation will be identified and fully worked-up at the Outline Business Case stage of a project application. This enables evaluation to be factored into a project and programme's design from the outset.
- 4.2 The frequency and type of evaluation conducted, depends on the contract value, duration and complexity of each project and programme.
- 4.3 Pilot projects and major schemes are subject to more extensive evaluation. As a minimum, all projects are expected to be evaluated on impact to ascertain whether the project's objectives, outputs and outcomes were achieved and the reasons and results of any under or over performance

Objectives for Evaluation

- 4.4 Evaluation will determine the effectiveness of the MCA and LEP's investments. It enables the MCA and its Boards, to understand what works, why and who benefits from the investment, and provides evidence to inform future investment planning and improve the delivery and management of projects and programmes. It also adds depth and understanding to quantitative monitoring data and provides insight into:
 - The effectiveness of new, innovative approaches and the factors which have supported or hindered their success
 - Levels of satisfaction with products and services and the value of the project or programme to the target market/audience
 - Non-quantifiable benefits, the development of intangible assets, and longer-term impacts
 - Attribution and the refinement of additionality calculations
 - Opportunities for product/process improvements
 - Cost effectiveness and value for money of the project or programme

Roles and Responsibilities for Evaluation

- 4.5 The MCA Board is ultimately responsible for overseeing the evaluation of projects and programmes funding with devolved and awarded monies, to ensure that there is a process for assurance to be gained on the impact of activity and spend.
- 4.6 The MCA Executive will support the Board decision making process through the development and commissioning of evaluation and the dissemination of results and lessons learned, collating findings and presenting them to the relevant Thematic Board. To ensure transparency and impartiality, evaluation management will be independent of programme delivery.
- 4.7 Evaluation reports on programmes and major projects will be presented to the MCA and LEP Boards, and reports published on the website to fulfil the MCA's and LEP's responsibilities on accounting for public monies. All evaluation reports are published on the SCR website.

Level and Frequency of Evaluation

- 4.8 The level and frequency of evaluation will depend on the project value, level of risk and complexity. A suggested benchmark for evaluation strategy based upon value, to ensure proportionality, is suggested below:

A Project of Less than One Year and with a Total Project Value of Less than £500,000	Summative final ex-post evaluation
A Project of One Year or More and a Total Project Value of Less than £500,000	One interim evaluation plus a summative final ex-post evaluation
A Project with a Total Project Value of more than £500,000	One interim evaluation plus a summative final ex-post evaluation
A Pilot Project of More than One Year of any Value	One interim evaluation for every year of the pilot plus a summative final ex-post evaluation

- 4.9 Interim evaluation will assess process, and the effectiveness and efficiency of projects and programmes during the delivery phase. These interim evaluation reports will capture early lessons learned to inform any improvements in process or delivery models.
- 4.10 Final evaluations will be conducted ex-post (after delivery has ceased) and will assess overall performance and net impact of the project or programme and the impact that the MCA and LEP's investment has had on the economy. It will particularly identify the following:
- Good practice and policy/delivery lessons
 - The contribution and added value of the intervention, its effectiveness in tackling the problem or market failure it was designed to address
 - The extent to which the project or programme represents good value for money

Approach to Evaluation

- 4.11 Evaluation for projects and programmes will follow the logic chains outlined in Appendix B for each thematic area.
- 4.12 The evaluation will give consideration to the following:
- **Consideration of the Counterfactual and Additionality** - consideration of the counterfactual is acknowledged as a key feature of policy impact evaluation i.e. what would have occurred in the absence of the policy. Determining the counterfactual allows analysis of the changes (impacts) resulting from an intervention, over and above those which would have occurred anyway and is therefore a key feature in understanding additionality.
 - **The Use of Randomised Control Groups** – where possible, this provides one of the most robust methodological solutions to assessing additionality as it enables comparison of impacts in a policy on and policy off situation. There are however several challenges to the use of control groups particularly where the rationale for intervention is to support communities already disadvantaged and/or underperforming against national trends and expectations. Only in some cases will it be possible to identify a similar population or group not receiving support. It is anticipated therefore that the majority of evaluation activity will explore the counterfactual position through primary research with beneficiaries to determine what would have happened in the absence of support; whether the same outcomes would have been achieved; and whether these would have been achieved over the same timescale and to the same intensity/scale/quality. Where relevant to do so, national datasets will be drawn upon to provide a comparison group. The counterfactual position will also be considered at appraisal through the presentation of 'do nothing' and 'do something' scenarios, with transport schemes' options appraisal expected to be TAG compliant.

- **Attribution** - the scope and scale of impacts generated by an intervention will be influenced by a range of factors including the duration/intensity of the intervention and its quality/appropriateness for the challenges being addressed. These variables will also be influenced by variables including the quality of delivery teams and project management processes. Primary research with beneficiaries is therefore important to help understand how/the extent to which interventions contributed to change and the types of interventions that generate the most economic impact.
- **Capturing Soft Impacts** - in contrast to quantitative performance monitoring, evaluation will provide an opportunity to capture the full range of qualitative impacts that interventions support. In addition to assessing contribution to the City Region's strategic overarching objectives and ambitions, evaluation will assess the development of intangible assets such as relationship building; knowledge creation; leadership and communication; culture and values; and effective processes and systems.

Evaluation Methods

4.13 The key evaluation questions and methods used will be bespoke to each project and programme. Evaluations are expected to include consideration of some or all of the following areas of investigation:

- **Contextual** - the contribution of the intervention at a strategic level; complementarity and integration with any associated themes/activities; and whether activity is fit for purpose/required given the prevailing policy/operating context and demand.
- **Design** - the suitability of the intervention and delivery model given the rationale for intervention and theory of change.
- **Progress and Performance** - assessment of the baseline position, progress against contracted targets and whether implementation has progressed as planned. Any areas of under or over-performance and the factors influencing this.
- **Process** - the effectiveness of the delivery model and the factors which have supported/hindered delivery.
- **Management** - an assessment of whether management and governance processes are fit for purpose; their strengths, weaknesses and contribution to effective delivery.
- **Impact** - the type and quality of strategic and beneficiary level outcomes, the net impacts taking account of adjustment factors; evidence of unintended benefits/impacts; additionality and the factors which have supported/hindered the achievement of positive impacts.
- **Financial** - whether value for money has been achieved given unit costs (cost per output) and likely return on investment (GVA per £1 invested); the financial sustainability of the intervention.
- **Sustainability** - an assessment of long-term sustainability given demand, needs and market failures.

Evaluation Panel

4.14 The use of external evaluation experts to provide technical expertise and specialist advice on conducting project and programme evaluation, ensures that all evaluation conducted on projects and programmes funded by the MCA and LEP is as objective and impartial as possible.

4.15 Research and evaluation consultants are invited to apply to be part of the Evaluation Panel and deliver independent evaluation of projects, schemes and programmes. This is an open and competitive process and experts will be contracted based on their subject and thematic expertise and evaluation experience.

4.16 When evaluation is required, a pre-approved member of the Evaluation Panel with specific expertise or experience in the type of project or programme being evaluated, will be contracted to deliver the evaluation.

Compliance with Government Requirements for Evaluation

4.17 There are additional evaluation requirements for specific devolved and awarded funds that the MCA will comply with:

- **Adult Education Budget** - as part of the annual report to Government on the delivery of AEB functions from the previous academic year to date, the MCA will be required to provide an update on interim evaluation findings on the impact that AEB has had in South Yorkshire. These findings will be derived from qualitative data such as employer and learner survey responses and quantitative data on the take-up of AEB funded provision in South Yorkshire and improvements in participation, progression and attainment in statutory and non-statutory training.
- **Gainshare** – evaluation of the devolved investment funds to the MCA will be subject to the Government's Gateway Review process. An independent panel assesses and evaluates the impact of investments on the economy and economic growth every five years. The first Gateway Review for the MCA is expected to take place in 2025.
- **Transforming Cities Fund** – a Monitoring and Evaluation Plan has been produced by AECOM in consultation with the MCA, SYPTA and local authorities. This plan details how the TCF programme and the individual projects and schemes which contribute to the TCF programme will be monitored and evaluated. The plan will ensure that a Theory of Change is established for interventions, a counterfactual is established and that baseline data is collected and analysed to assess the effectiveness of TCF in South Yorkshire and as a contribution to the TCF national programme. A Benefits Realisation Plan was also produced. Extracts of the benefits, outputs, outcomes and impacts are included at Appendix C.

Applying Evaluation Findings to Future Policy, Strategy and Delivery

4.18 A review of the evaluation reports for all projects and programmes funded by the MCA and LEP will be conducted to analyse delivery and impact, as well as capturing the lessons learnt on what has worked well, where there have been issues, constraints or risks to delivery and the extent to which projects and programmes have achieved the expected outputs, outcomes and impact on the economy anticipated in the original project or programme Business Case.

4.19 The lessons learnt will then be applied to future socio-economic policy, the MCA's internal processes for managing the delivery of devolved and awarded funding and project and programme appraisal and monitoring, and the design and management of future MCA and LEP funded projects and programmes.

4.20 This will ensure that the MCA and LEP builds-on successful pilots and continues to fund interventions that yield higher value outputs and outcomes, whilst also tackling any identified blockages or weaknesses in the MCA's application, appraisal or project management processes. It will also deliver against the Government's ROAMEF cycle (Rationale, Objectives, Appraisal, Monitoring, Evaluation, Feedback) by ensuring that feedback from projects and programmes is applied to policy, strategy and project development.

Appendix A: Metrics, Measures, Outputs & Outcomes

There are a suite of outputs, outcomes and metrics that the MCA and LEP will measure programme and project performance against. These include standard outputs and outcomes that are reported to Government in the Quarterly Returns, the statutory entitlements for the Adult Education Budget and the targeted outputs and outcomes outlined in the Strategic Economic Plan (SEP) and Renewal Action Plan (RAP). These are specified in the sections below:

Standard Outputs and Outcomes for MCA and LEP Funded Projects

Businesses	<ul style="list-style-type: none"> ▪ Number of enterprises/businesses receiving grant support ▪ Number of enterprises/businesses receiving financial support other than grants ▪ Number of enterprises/businesses receiving non-financial support (eg. advice, information, guidance, training)
Employment	<ul style="list-style-type: none"> ▪ Number of jobs created ▪ Number of apprenticeships created
Skills	<ul style="list-style-type: none"> ▪ Number of new learners assisted (in courses leading to a full qualification) ▪ Area of new or improved learning and training floorspace (square metres)
Transport	<ul style="list-style-type: none"> ▪ Length of newly-built road (metres) ▪ Length of road resurfaced (metres) ▪ Length of new cycle ways (metres)
Housing	<ul style="list-style-type: none"> ▪ Number of houses/new dwellings completed ▪ Number of homes with new or improved fibre-optic provision
Commercial Infrastructure	<ul style="list-style-type: none"> ▪ Area of commercial floorspace created (square metres) ▪ Area of commercial floorspace refurbished (square metres) ▪ Area of commercial floorspace occupied (square metres) ▪ Number of businesses with access to new or improved broadband services
Flood Risk Prevention	<ul style="list-style-type: none"> ▪ Area of land with reduced likelihood of flooding as a result of the project (square metres) ▪ Number of homes with reduced flood risk ▪ Number of commercial properties with reduced flood risk

Adult Education Budget (AEB) Statutory Entitlements

<p>Level 1 Qualifications</p>	<ul style="list-style-type: none"> ▪ Number of individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4 or higher, attaining Level 1 in English ▪ Number of individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4 or higher, attaining Level 1 in Maths
<p>Level 2 Qualifications</p>	<ul style="list-style-type: none"> ▪ Number of individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4 or higher, attaining Level 2 in English ▪ Number of individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4 or higher, attaining Level 2 in Maths ▪ Number of individuals aged 19 - 23 years obtaining a first full qualification at Level 2
<p>Level 3 Qualifications</p>	<ul style="list-style-type: none"> ▪ Number of individuals aged 19 - 23 years obtaining a first full qualification at Level 3

SCR Strategic Economic Plan – Targets and Indicators

	Indicator	Desired Outcome	Data	2040 Target
Business Growth	Productivity	Our workforce’s productivity will increase, positively benefitting the prosperity of our residents.	Labour productivity measured in Gross Value Added (GVA) per employee. Annual Population Survey. 82% of UK average (2017)	100% of UK average
	Economic output per capita	The size of our economy relative to our population will increase.	GVA per <i>capita</i> , rather than <i>employee</i> as above. Annual Population Survey. 68% of UK average (2017)	100% of UK average
	R&D expenditure	A greater investment in R&D (relative to our economy) indicates an innovative economy.	R&D expenditure as a proportion of economy using ONS and EUROSTAT data. SCR approx. 1%	UK Government target of 2.4%
	Enterprise	Higher density and growing business base.	Enterprise growth rate is approximately 15-16% using ONS Business Demography data.	Target birth rate of 16%
Transport & Infrastructure	Car usage	Car usage falls, indicating mode share and lower pollution due to transport.	Car usage measured by vehicle miles. Annual road traffic statistics by Department for Transport. 4,960 million vehicle miles (2018)	To be developed.
	Digital connectivity	A higher proportion of our region is covered by both full fibre & 5G broadband.	Percentage of full fibre coverage of residential and business premises. Weekly network rollouts modelled by Think Broadband based on Openreach data. 8.4% (2020)	Equal to UK level
	Housing costs	The housing system and wider economy means that earning power is not being eroded by inflating house prices.	Lower quartile house price to earnings ratio. MHCLG ‘House price (existing dwellings) to residence-based earnings ratio’.	No increase in ratio

	Indicator	Desired Outcome	Data	2040 Target
Skills & employment	School leavers	More children leave secondary school with better attainment to boost their prospects entering further education and employment.	Attainment 8 scores average, Department for Education administration data. BMBC – 42.5, DMBC – 42.7, RMBC – 43.6, SCC – 44.6 England – 46.1 (2018)	Equal to England level
	Education	A higher proportion of working-age population possess higher qualifications, indicating progression in education and employment.	NVQ level 3 and above included. Annual Population Survey. SCR – 54.2% GB – 57.8% (2018)	Equal to UK level
	Wage levels	A lower proportion of employees on low earnings (defined as 20th percentile of earnings distribution).	Annual Survey of Hours and Earnings. £8.92 per hour 3% below UK level (2019)	Equal to UK level
	Higher-level occupations	Higher proportion of employees in managerial, technical & professional occupations.	Standard Occupation Classifications 1-3 represent higher-level occupations. Annual Population Survey. SCR – 43.4% UK – 47.0% (2019)	Equal to UK level
	Unemployment	More working-age people are in employment.	Annual Population Survey. SCR – 5.2% UK – 4.0% (2019)	Equal to UK level

	Indicator	Desired Outcome	Data	2040 Target
	Air quality	Improvement in air quality, as measured by relevant different particulate matter.	<i>To be developed based on public health agreements and available data.</i>	Equal to England level
	Health	Our population live increasingly long, healthy lives.	Healthy life expectancy at birth. SCR – male 60.2 years, SCR – female 60.2 years UK – male 63.1 years, UK – female 63.6 years	Equal to UK level
	Fuel poverty	Fewer households living in fuel poverty.	BEIS Sub-Regional Fuel Poverty Estimates. SCR – 10.6% England – 10.9% (2017)	Equal to UK level
	Cultural participation	Gap for overall participation in cultural activity between SCR and national average closes.	<i>To be developed awaiting regular updates and reliable data.</i>	Equal to UK level
	Deprivation	Lower share of local areas in deprivation.	MHCLG Index of Multiple Deprivation – a composite of indicators including income, employment, education, health, crime, barriers to housings and services, living environment deprivation. BMBC – 22%, DMBC – 24%, RMBC – 22%, SCC – 22% (2019)	Equal to UK level
	Climate and environment	Improving ‘value’ of natural environment measured by ecosystem service provision.	<i>To be developed awaiting regular updates and reliable data.</i>	

SCR Renewal Action Plan – Targets and Indicators

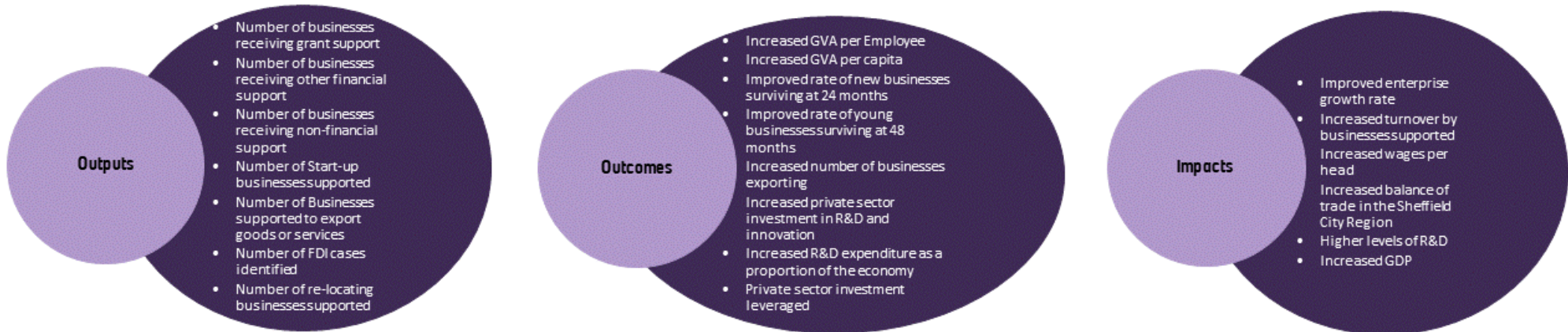
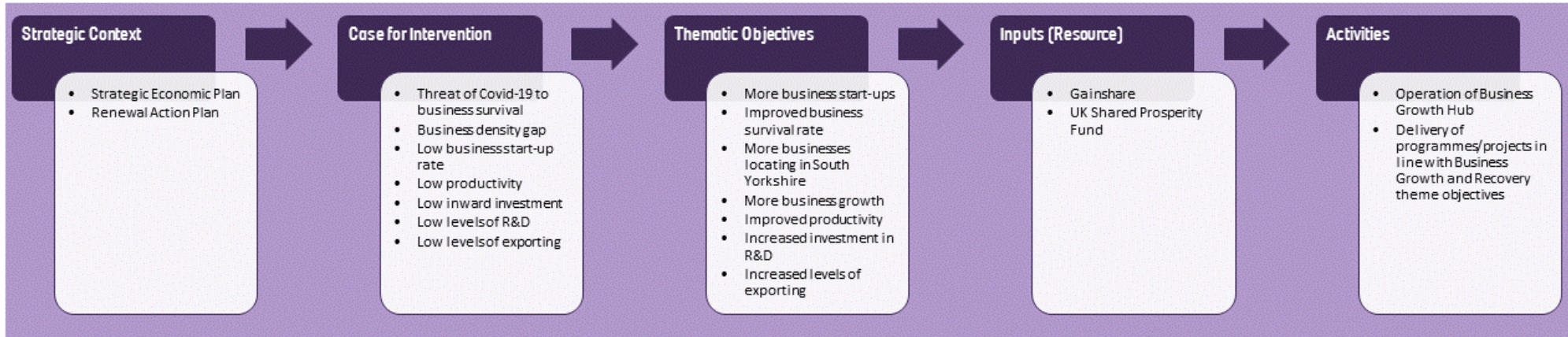
	Objective	Intervention	Desired Outcome	Target
People	Help people find jobs and adapt to the new economy.	Train to work	<p>Increase of 3,000 apprentices and over 17,000 other education, training, and paid work experience positions in 18 months leading to sustainable employment.</p> <p>The programme will also be structured to help fill skills gaps that hold back our tech companies, placing people in sustained employment.</p>	<p>Approximately 20,000 people supported.</p> <p>The programme is targeted towards young people (and apprentices, graduates and leavers), women, disabled, people from BAME background and people from disadvantaged backgrounds.</p>
		Back to Work	<p>This will contribute to SCR's unemployment rate returning to pre COVID-19 levels (5% or lower). It will also contribute to a rise in economically active people in SCR.</p>	<p>10,000 unemployed people supported.</p> <p>The programme is targeted towards vulnerable cohorts and communities.</p>
		Young People's Skills Guarantee (Post-16)	<p>Young job seekers will be supported to secure and remain in employment commensurate with their skills and ambition.</p> <p>Additionally, learners who have fallen behind will be supported to catch up. It will ensure that NEET levels are below the national average. Success will be measured by a greater share of young people staying in employment or in education after 6 and 12 months. Targets will be developed through current graduate and leaver surveys. Data will be confirmed with longitudinal data on outcomes.</p>	<p>4,500 people supported with a specific focus on the most 'at-risk' young people.</p>
		Overcome barriers	<p>Unemployment benefit claimant counts have risen due to COVID-19.</p> <p>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.</p>	<p>At least 15,000 people supported to re-engage with the labour market.</p>

	Objective	Intervention	Desired Outcome	Target
Employers	Support employers to adapt, survive and thrive despite COVID-19.	Services and knowledge support for COVID-19 adaptation	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.	22,727 businesses <i>Based on £110 per employer</i>
		Digital adoption and upskilling for our organisations	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.	Support up to 10,000 SMEs
		Flexible investment and recapitalisation	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.	3,765 businesses <i>Based on £850,000 per employer</i>
		Employer leadership support	Arrest any decline in business stock. Longer term impacts such as GVA and productivity rises will be quantified in accordance with timeframe and scope.	Support up to 1,000 businesses
		Supply chain and procurement support	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.	Support 300 businesses initially Protect 15,000 jobs

	Objective	Intervention	Desired Outcome	Target
Places	Infrastructure investment to level up our economy, create jobs, and transform our communities.	Covid-19 spatial adaptation	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"> • Footfall and vacant units – e.g. no increase in empty retail premises by Q3 2021 • Day time/evening economy spend • Independent shops (ratio to national chains) • Density of businesses 	To be developed.
		Sustainable travel	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.	Maintaining COVID-19 lockdown active travel levels. As of the end of May 2020, 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).
		Shovel-ready investment (de-carbonisation)	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 depend on which capital investment project are delivered, but will include reduced pollution, enhanced biodiversity, and health improvements.	Creation of 2,000 new jobs across all programmes and carbon emissions outputs in line with SCR's Net Zero by 2040 target.
		Shovel-ready investment (infrastructure)	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 begin to level up South Yorkshire and accelerate the renewal of the economy. The investment will enhance existing world class assets and enable underperforming parts of the City Region to become catalysts for growth, inclusion and sustainability.	Creation or safeguarding of 4,000 new jobs across all programmes and programme indicators.

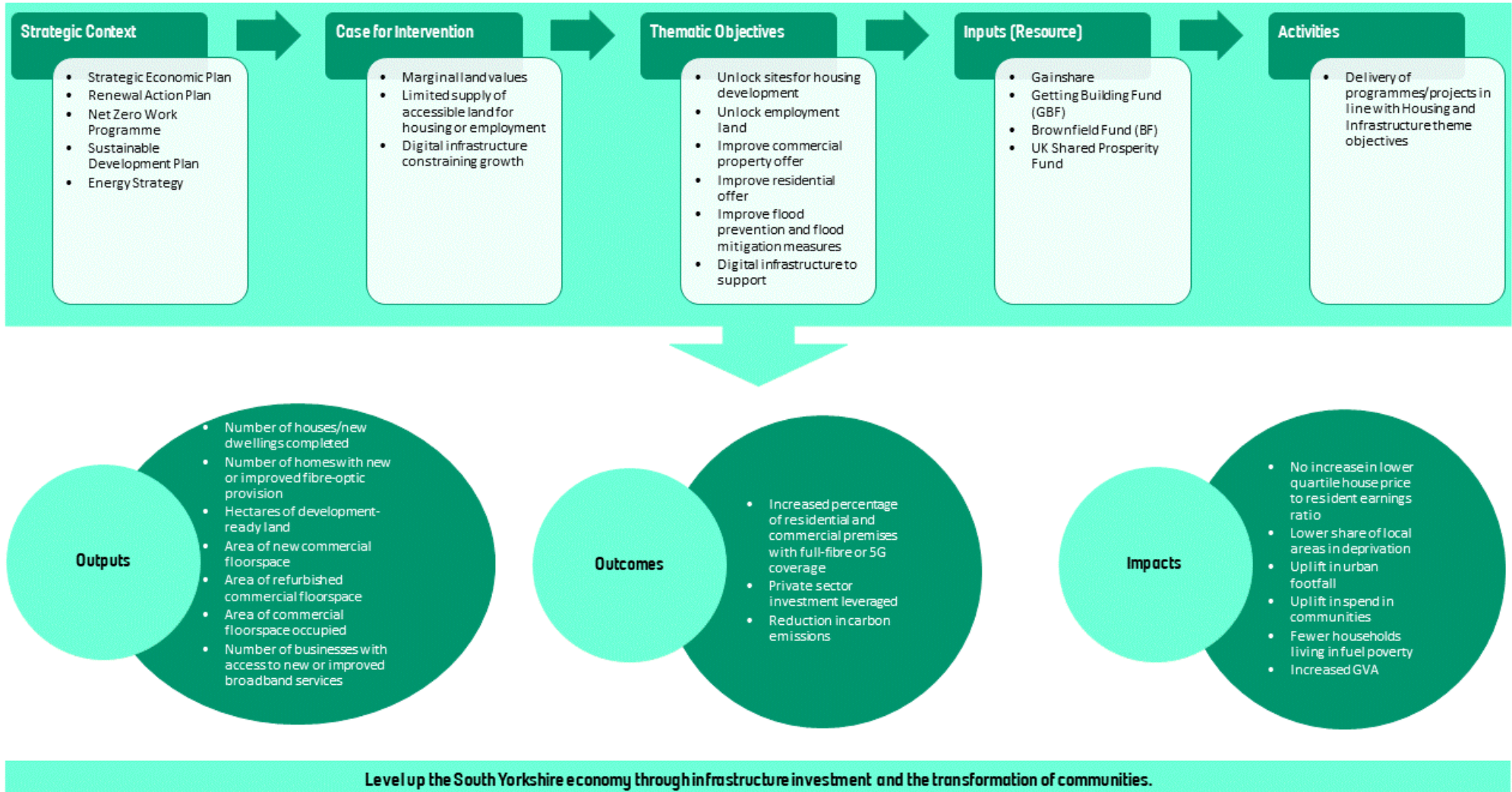
Appendix B: Logic Chains for the Thematic Areas

Business Growth and Recovery Logic Model

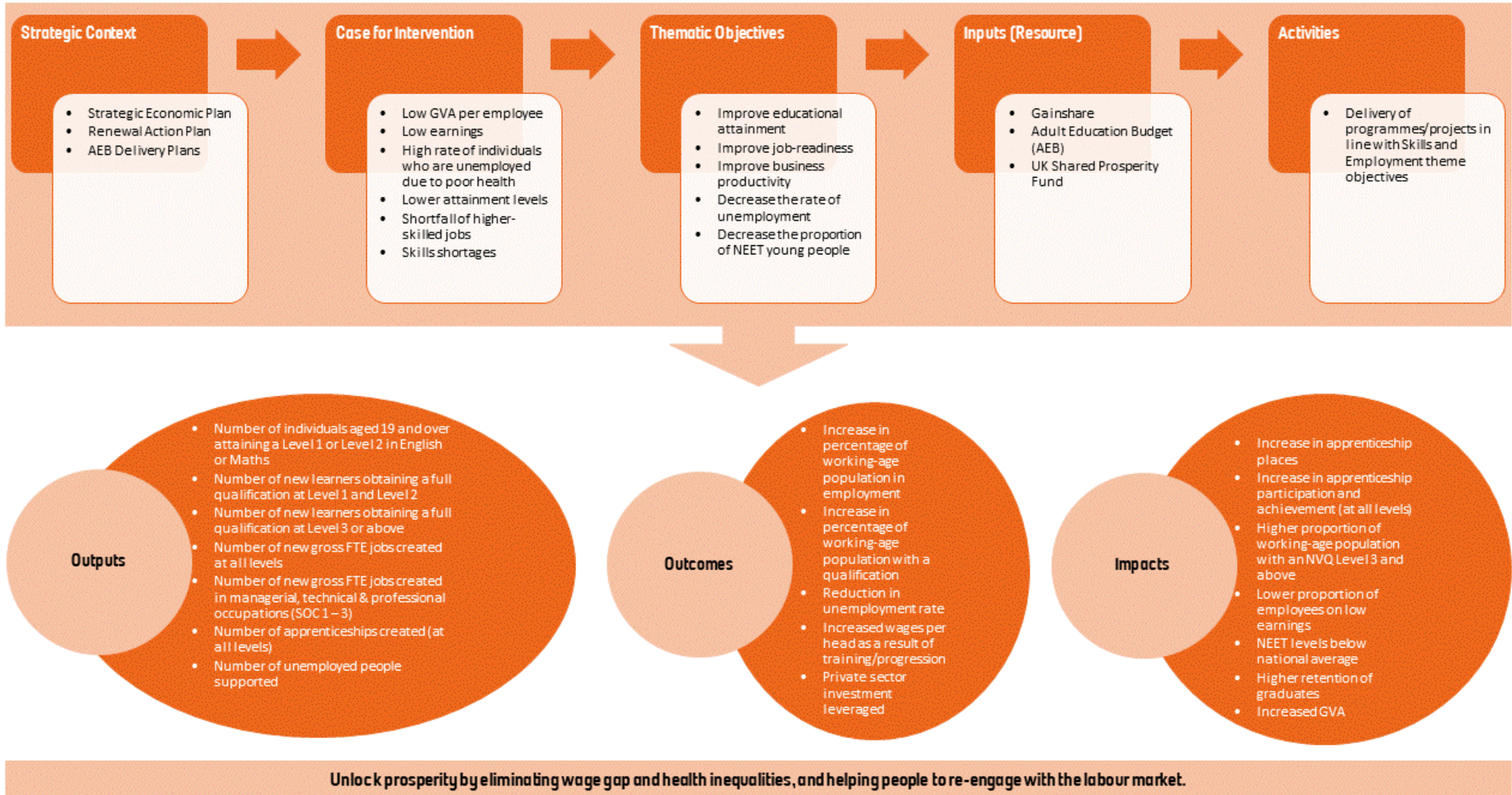


Achieve sustained good growth, underpinned by productivity gains and supporting employers to adapt, survive and thrive.

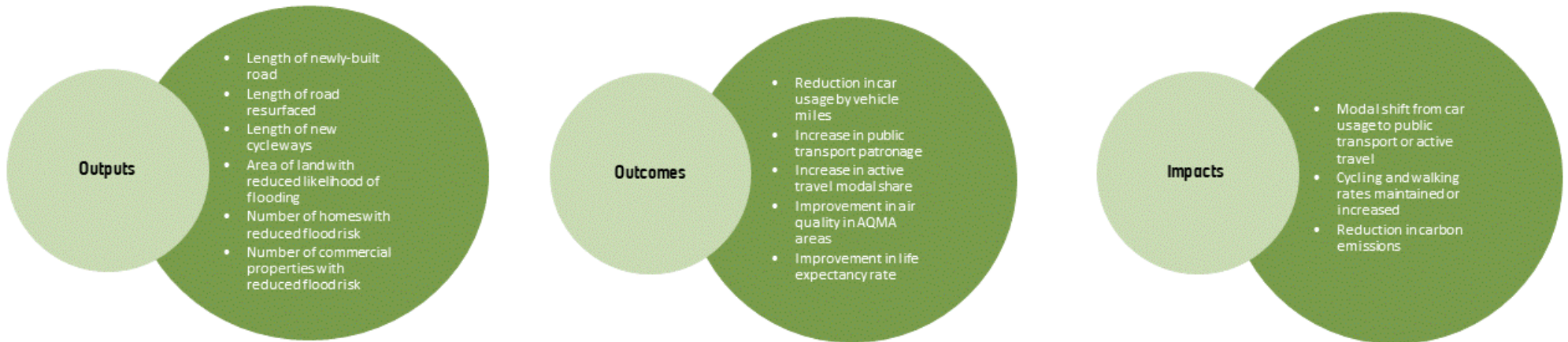
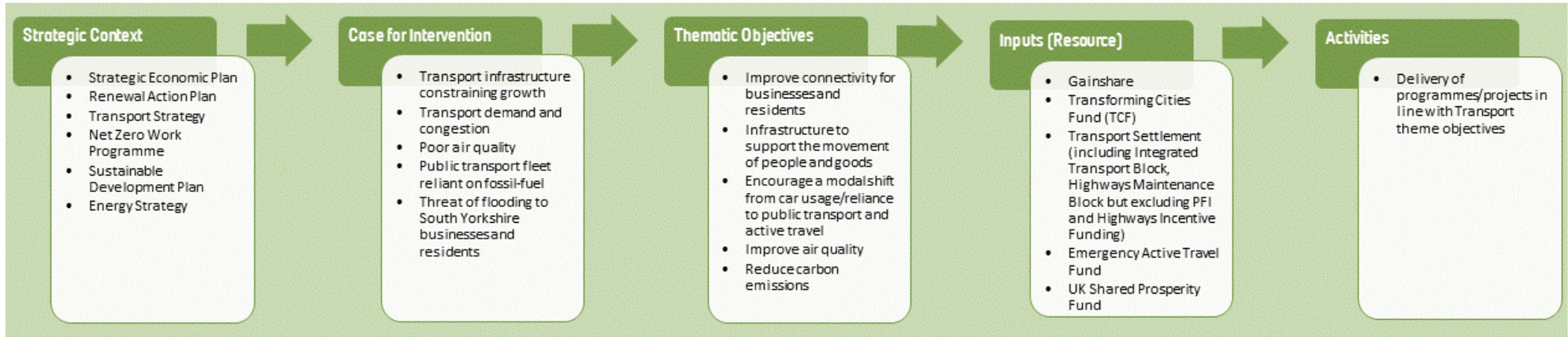
Housing and Infrastructure Logic Model



Skills and Employment Logic Model



Transport and the Environment Logic Model



Drive forward environmental sustainability to achieve a net zero carbon target by 2040 through investment in sustainable connectivity.

Appendix C: Transforming Cities Fund (TCF) Monitoring and Evaluation Plan – Benefits, Outputs & Outcomes

TCF - Benefits Realisation Plan Objectives, Outputs, Outcomes and Impacts

TCF Programme Objective	Desired Outputs	Desired Outcomes	Desired Impacts
<p>To better connect the areas of transport poverty with areas of opportunity in a safe and sustainable way</p> <p>To affect a mode shift away from the private car on those corridors where new opportunities are likely to see an increase in demand or where growth could be stifled</p> <p>To create a cultural shift towards making cycling and walking the natural choice for shorter journeys</p> <p>To achieve the above in ways that address current health issues and improve air quality across the SCR</p>	<p>Over 25km of improved walking and cycling infrastructure</p> <p>Over 90km of new walking and cycling infrastructure</p> <p>10km of new bus lanes</p> <p>11 junction improvements to benefit non-car modes, with 7 bus gates</p> <p>100 bus stop improvements</p> <p>New tram-train stop at Magna</p> <p>Two new tram-train park and ride sites, offering 450 spaces</p> <p>Improvements to the facilities at 11 local rail stations</p>	<p>More walking and cycling journeys across the SCR</p> <p>Reduced bus journey times</p> <p>Improved bus journey time reliability</p> <p>Increased bus patronage</p> <p>Increased tram patronage</p> <p>Increased rail patronage</p> <p>Reduced car commuting</p> <p>Improved air quality</p> <p>More active people</p>	<p>Support inclusive growth</p> <p>Enhanced opportunities to access new employment sites</p> <p>Create healthy streets where people feel safe</p> <p>Improve the quality of our outdoors</p> <p>More people being physical activity</p>

TCF Key outcome and impact metrics

Outcome Metrics – Data Required

Outcome	Objective				Data to be Used	Data Source	Collected/ funded by
Real and perceived active travel safety improved	1	2	3	4	Perception of safety amongst pedestrians and cyclists	Pedestrian and Cyclist Intercept Survey Telephone surveys for non-users	Sponsors (larger schemes) SCR (countywide)
Reduction in no. and severity of accidents and casualties (involving pedestrians / cyclists)	1	2	3	4	Accident and casualty numbers (pedestrians and cyclists) and cause of accidents	STATS19 data	Sponsors
Improved perceived quality of active travel	1	2	3	4	Perception of walking and cycling provision in the area (e.g. <i>desire lines, quality, signage</i>)	Pedestrian and Cyclist Intercept Survey Telephone surveys for non-users	Sponsors (larger schemes) SCR (countywide)
Address severance barrier for active travel	1	2	3	4	Mapped isochrones of before and after connectivity – especially from areas of transport poverty to areas of opportunity	TRACC	PTE (Countywide)
					Perception of severance barrier - especially from areas of transport poverty to areas of opportunity	Pedestrian and Cyclist Intercept Survey	Sponsors SCR (countywide)
Improved local active travel connectivity	1	2	3	4	Mapped isochrones of before and after connectivity, number of people within defined travel time	TRACC	PTE (Countywide)
Enhanced active travel accessibility to stations	1	2	3	4	Passenger / public perception regarding ease of getting to station	Pedestrian and Cyclist Intercept Survey Telephone surveys for non-users	Sponsors SCR (countywide)
					Mapped isochrones of before and after connectivity, number of people within defined walking time of station	TRACC	PTE (Countywide)
Improved perception of active travel	1	2	3	4	Perceptions of active travel improved (e.g. <i>willing to consider walking and cycling</i>)	Pedestrian and Cyclist Intercept Survey Telephone surveys for non-users	Sponsors (larger schemes) SCR (countywide)

Outcome	Objective				Data to be Used	Data Source	Collected/ funded by
Uptake of active travel	1	2	3	4	Number of people walking or cycling	Pedestrian and Cycle Counts	Sponsors
					Frequency of walking and cycling per person	Active Lives Adult Survey	Sponsors
					Perceptions of amount walking / cycling	Pedestrian and Cyclist Intercept Survey	Sponsors
Improved quality of station environment	1	2	3	4	Facilities at station	Station Audit (see Table 4.1)	PTE (Countywide)
Greater availability of secure cycle parking	1	2	3	4	Cycle parking occupancy	Cycle Parking Count	Sponsors
Access for all at rail stations	1	2	3	4	Compliance with accessibility requirements	Station Audit (see Table 4.1)	PTE (Countywide)
					Perceptions of station users	User survey	PTE (Countywide)
Improved perception of rail station	1	2	3	4	Perceptions of station users of quality of station (<i>e.g. information, safety / security, accessibility</i>)	Rail Passenger Survey	PTE (Countywide)
Increased rail patronage	1	2	3	4	Annual station entries / exits	Office of Rail and Road (ORR) Estimates of Station Usage	PTE (Countywide)
Widened catchment for tram-train services	1	2	3	4	Mapped isochrones of before and after connectivity, number of people within defined travel time	TRACC	PTE (Countywide)
Alternative mode for those accessing key destinations	1	2	3	4	Perception amongst employees at key destinations, particularly Magna Business Park, Magna Science Adventure Centre, AMID, Town centres, Dearne Valley and iPort	Employee Survey	PTE (Countywide) Sponsors – depending on the outcome of STAF investment
Improved perception of tram-train services	1	2	3	4	Perception of tram-train service	Transport Focus Tram Passenger Survey	PTE (Countywide)
					Perception of the new Magna stop and service available	Magna Stop Passenger Survey	PTE (Countywide)
Improved access to tram-train services	1	2	3	4	Use of P&R facility	P&R Count Data (Magna and Parkgate Stops)	PTE (Countywide)
Increased tram-train patronage	1	2	3	4	Tram-train boarding and alighting data	Operator Records	PTE (Countywide)

Outcome	Objective				Data to be Used	Data Source	Collected/ funded by
					Perceptions of amount of travel by tram-train and any change in the stop used	Magna Stop Passenger Survey	PTE (Countywide)
Reduced bus journey times	1	2	3	4	Bus journey times along defined routes / services	Operator Records / SYPTE Transport Corridor Data	PTE (Countywide)
Improved bus journey time reliability and punctuality	1	2	3	4	Standard deviation from planned journey time (for journey and at stops)	Operator Records / SYPTE Transport Corridor Data	PTE (Countywide)
Greater bus frequency	1	2	3	4	Number of services operating along route / corridor	Operator Records / SYPTE Timetable Database	PTE (Countywide)
Improved perception of bus	1	2	3	4	Passenger perception of bus reliability, punctuality, satisfaction etc	Bus Passenger Survey	PTE (Countywide)
					Number of complaints regarding the services along the corridor	SYPTE Customer Relationship Management (CRM) System Complaints	PTE (Countywide)
Increased bus patronage	1	2	3	4	Bus patronage data	Operator Records	PTE (Countywide)
	1	2	3	4	Perceptions of amount travel by the bus	Bus Passenger Survey	PTE (Countywide)
Broaden public transport connectivity	1	2	3	4	Mapped isochrones of before and after connectivity, number of people within defined travel time	TRACC	PTE (Countywide)
Reduced emissions per bus	1	2	3	4	Bus fleet composition	Operator Records	PTE (Countywide)
Reduced emissions associated with buses	1	2	3	4	Bus fleet composition	Operator Records	PTE (Countywide)
Re-routing of highway traffic	1	2	3	4	Change in traffic volume through links - traffic counts	Highway Data - Automatic Traffic Counts (ATCs)	Sponsors SCR (countywide, working with sponsors to develop comparative/control routes)
Increased proportion of sustainable journeys	1	2	3	4	Stated mode of travel	Bus, Rail and Magna Stop Passenger Survey	PTE (Countywide)
					Stated mode to work	Household Travel Survey	PTE (Countywide)
					Frequency of walking and cycling per person	Active Lives Adult Survey	Sponsors

Outcome	Objective				Data to be Used	Data Source	Collected/ funded by
Modal shift from private car	1	2	3	4	Stated mode of travel	Bus, Rail and Magna Stop Passenger Survey	PTE (Countywide)
					Stated mode to work	Household Travel Survey	PTE (Countywide)
					ATC cordon count	Count data/ Cordon count data (Weekday, 0700-1900)	Sponsors
Greater connectivity between settlements	1	2	3	4	Public transport journey time between key settlements	Public Transport Timetable Information	PTE (Countywide)
					Perceptions of stakeholders	Interview	PTE (Countywide)
Access to opportunities / key destinations	1	2	3	4	Perceptions of stakeholders	Interview	PTE (Countywide)
					Perceived change in accessibility	Employee Survey	PTE (Countywide) Sponsors – depending on the outcome of STAF investment
					Mapped isochrones of before and after connectivity contrasted with deprivation, employment and business growth data from Office of National Statistics (ONS)	TRACC	PTE (Countywide)
Enhanced perception of 'place'	1	2	3	4	Perceptions of stakeholders	Interview	PTE (Countywide)
					Perceptions of those walking and cycling in the area	Pedestrian and Cyclist Intercept Survey	Sponsors (larger schemes) SCR (countywide)
Improved highway journey time reliability (all vehicles)	1	2	3	4	Trafficmaster – but investigating other data sources too	Standard deviation to average journey time	Sponsors SCR (countywide, working with sponsors to develop comparative/control routes)
Reduced highway journey times (all vehicles)	1	2	3	4	Trafficmaster – but investigating other data sources too	Average journey times for defined routes	Sponsors SCR (countywide, working with sponsors to develop comparative/control routes)
Enhanced traffic flow characteristics	1	2	3	4	Traffic volumes through links	Highway Data - ATCs	Sponsors

Outcome	Objective	Data to be Used	Data Source	Collected/ funded by
			Highway Data – ATCs	Sponsors
		Average speed through links	DfT Congestion Statistics	Sponsors

Impact Metrics – Data Required

Impact	Objective	Data to be Used	Data Collection	Collected/funded by
Health benefits	1 2 3 4	Perceptions of stakeholders	Pedestrian and Cyclist Intercept Survey ¹ ONS Wellbeing survey	Sponsors (larger schemes) SCR (countywide)
Mitigate congestion	1 2 3 4	Levels of delay along corridors	Trafficmaster – but investigating other data sources too	Sponsors
Improved local air quality	1 2 3 4	Nitrogen dioxide (NO ₂) levels	Diffusion Tubes (new if appropriate) or existing	Sponsors – but reported by SCR at a Countywide level
Reduced deprivation levels and improved social inclusion	1 2 3 4	Proportion of Lower-layer Super Output Areas (LSOAs) within 20% most deprived	Index of Multiple Deprivation (IMD)	SCR (countywide)
		Perceptions of stakeholders	Interview	PTE (Countywide) Sponsors – depending on the outcome of STAF investment
Reduced unemployment	1 2 3 4	Claimant Count numbers	Claimant Count data	SCR (countywide)
Support retention / growth	1 2 3 4	Perceptions of stakeholders	Interview	PTE (countywide) Sponsors – depending on the outcome of STAF investment
		Number of employees	Business Register and Employment Survey (BRES)	SCR (countywide)
		Business counts	ONS – UK Business Counts	SCR (countywide)

¹ Include questions linked to Active Lives Survey, specifically 'how many days exercise in the last week where you have done 30 minutes exercise where heart rate has increased' and local data based on ONS' 'Life satisfaction' questions in their wellbeing survey

Impact	Objective				Data to be Used	Data Collection	Collected/funded by
Sites more attractive to investors / business	1	2	3	4	Perceptions of stakeholders	Interview	SCR (countywide)
					Business counts	ONS – UK Business Counts	SCR (countywide)

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22nd March 2021

Decisions & Delegated Authority Report

Purpose of Report

This paper updates the Mayoral Combined Authority on

- Decisions and delegations made by the MCA
- Decisions and delegations made by Thematic Boards

Thematic Priority

All.

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

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme.

Recommendations

Members are asked to note the decisions and delegations made.

Appendix A provides details of the delegations agreed by the MCA, which are in addition to those made under the Scheme of Delegation.

Appendix B provides details of decisions taken under the delegation made to Thematic Boards and the subsequent delegations made to officers where appropriate. In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions have been ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board.

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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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UI	Decision Maker	Date of delegation	Decision	Delegation	Delegated to	Financial value	Update	Status
123	MCA	27th July 2020	LGF Capital Programme Approvals - Delegates authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the progression of Greasbrough Road Improvements to full approval and award of £2.45m grant to Rotherham Metropolitan Borough Council	Enter into legal agreements	Head of Paid Service in consultation with the S73 and Monitoring Officer	£2.45m grant	In progress	Active
127	MCA	27th July 2020	Delegated authority to be given to the Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements with the four Local Authorities for their respective schemes for Phase 2 schemes.	Enter into legal agreements with the four Local Authorities for their respective schemes for Phase 2 schemes.	Head of Paid Service in consultation with the s73 and Monitoring Officer	upto £7.939m	In progress	Active
139	MCA	16th November 2020	Approved the award of grant totalling £5.75m to the four South Yorkshire authorities to support local Covid economic recovery efforts.	Award of grant totalling £5.75m to the four South Yorkshire authorities to support local Covid economic recovery efforts.	Chief Executive and the Section 73 Officer to transact the grant awards to the South Yorkshire authorities in the most efficient means possible.	£5.75m	In progress	Active
141	MCA	16th November 2020	Acceptance of a grant from the Department for Transport totalling £40.16m for the A630 Parkway Widening Scheme, and the onward award of that grant to Rotherham MBC.	Acceptance of a grant from the Department for Transport totalling £40.16m for the A630 Parkway Widening Scheme, and the onward award of that grant to Rotherham MBC.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£40.16m	Grant Accepted - Contract in progress	Active
142	MCA	16th November 2020	Progression of Heart of the City Breathing Spaces to full approval and award of £4m grant to Sheffield City Council subject to the conditions set out in the Appraisal Panel Summary Table.	Progression of Heart of the City Breathing Spaces to full approval and award of £4m grant to Sheffield City Council	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£4m	Contract negotiation	Active
143	MCA	16th November 2020	Progression of Rotherham Town Centre Masterplan to full approval and award of £2.18m grant to Rotherham Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary Table.	Progression of Rotherham Town Centre Masterplan to full approval and award of £2.18m grant to Rotherham Metropolitan Borough Council	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£2.18m	Contract negotiation	Active
Page 219	MCA	16th November 2020	Progression of Century BIC II to full approval and award of £2m grant to Rotherham Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary Table.	Progression of Century BIC II to full approval and award of £2m grant to Rotherham Metropolitan Borough Council	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£2m	In progress	Active
145	MCA	16th November 2020	Progression of iPort Bridge to Full Business Case and award of up to £546k business case development costs to South Yorkshire Passenger Transport Executive subject to the conditions set out in the Appraisal Panel Summary Table.	Progression of iPort Bridge to Full Business Case and award of up to £546k business case development costs to South Yorkshire Passenger Transport Executive	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£546k	Stage 2 Grant Letter currently being drafted - a couple of issues to iron out before sending to Legal for approval.	Active
146	MCA	16th November 2020	Project change request from "Digital Engineering Skills Development Network" to agree an extension to works completion from September 2020 to September 2021, reprofile of £1.2m grant from 20/21 to 21/22 and reprofile of outputs and outcomes in accordance with the revised timescales.	Project change request from "Digital Engineering Skills Development Network"	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£1.2m	Contract Variation in Development	Active
159	MCA	25th January 2021	The Acceptance of the Work and Health Unit c£3m grant funding for the Working Win Programme subject to due diligence on any conditions of award. To enter into a Partnership Agreement with Sheffield Clinical Commissioning Group (CCG) in order for the Working Win programme to be procured as an NHS contract, as stipulated by the Work and Health Unit on terms to be agreed by the Head of Paid Service.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and the Monitoring Officer to enter into a legal agreement for the scheme	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and the Monitoring Officer	£3m	In Progress	Active
160	MCA	25th January 2021	Progression of Project 'Sheffield Heart of the City Breathing Spaces' to full approval and award £2m grant from the Transforming Cities Fund to Sheffield City Council subject to the conditions set out in the Appraisal Panel Summary Table.	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and the Monitoring Officer to enter into a legal agreement for the scheme.	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and the Monitoring Officer	£2m	Also see line 154. Contract in Negotiation/drafting stage.	Active

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UI	Decision Maker	Date of delegation	Decision	Delegation	Delegated to	Financial value	Update	Status
119	Transport Board	12th June 2020	Active Travel Emergency Fund Programme to Sheffield City Council.	Enter into legal agreements	Head of Paid Service on consultation with S73 Officer and the Monitoring Officer	£584,000 grant	In Progress	Active
120	Transport Board	3rd July 2020	Release of scheme costs to 4 local authorities and SYPTE to deliver a series of active travel and public transport schemes.	Enter into legal agreements	Head of Paid Service on consultation with S73 Officer and the Monitoring Officer	28 schemes of values between £8k and £335k, totalling £2.94m	In progress	Active
136	Education, Skills and Employment Board	13th November 2020 (written procedure)	Approve the award of a £630,000 grant to DN Colleges Group for the Doncaster College Digital Infrastructure proposal subject to conditions set out in the Appraisal Panel Summary Table.	Award of a £630,000 grant to DN Colleges Group for the Doncaster College Digital Infrastructure proposal	Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements for the scheme	£630,000	In progress	Active
137	Education, Skills and Employment Board	13th November 2020 (written procedure)	Approve the award of a £990,557 grant to DN Colleges Group Doncaster for the College Construction Space proposal subject to the conditions set out in the Appraisal Panel Summary Table.	Award of a £990,557 grant to DN Colleges Group Doncaster for the College Construction Space	Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements for the scheme	£990,557	In progress	Active
151	Business Recovery and Growth Board	6th January 2021	The acceptance of the BEIS grant allocation of £136,050 for EU Transition Business Readiness Funding for Growth Hubs.	Delegated authority be given to the S73 officer in consultation with the Head of Paid Service and Monitoring Officer to enter into legal agreements for the schemes	Delegated authority be given to the S73 officer in consultation with the Head of Paid Service and Monitoring Officer	£136,050	In Progress	Active
152	Business Recovery and Growth Board	6th January 2021	Waiver Request for award of contract totalling £104,050 to Sheffield Chamber of Commerce.	Delegated authority be given to the S73 officer in consultation with the Head of Paid Service and Monitoring Officer to enter into legal agreements for the schemes	Delegated authority be given to the S73 officer in consultation with the Head of Paid Service and Monitoring Officer	£104,050	In Progress	Active
153	Transport And The Environment Board	7th January 2021	Progression of Rotherham Town Centre Active Travel Project Outline Business Case to Full Business Case and the release of up to £1,240,690 business case development cost funding to Rotherham Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary at Appendix A to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into a legal agreement	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into a legal agreement	£1,240,690	In Progress	Active
154	Transport And The Environment Board	7th January 2021	Progression of Project 'Sheffield Heart of the City Breathing Spaces' to MCA for award of £2m grant from the Transforming Cities Fund subject to the conditions set out in the Appraisal panel Summary at Appendix B to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into a legal agreement	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into a legal agreement	£2m	In Progress	Active
156	Housing and Infrastructure Board	7th January 2021	Approved the revenue funding allocations set out in paragraph 2.5 for the Housing Fund (Brownfield) Programme Strategic Business Case (SBC) for accelerating the delivery of the 2021/22 pipeline schemes.	Delegate authority to the Head of Paid service in consultation with the Section 73 Officer and the Monitoring Officer to enter into legal agreement for the business development costs of pipeline schemes.	Delegate authority to the Head of Paid service in consultation with the Section 73 Officer and the Monitoring Officer	£40,300,000 capital £841,000 revenue	Grant Letters/Contracts in drafting stage	Active
157	Housing and Infrastructure Board	7th January 2021	The project 'Goldthorpe Strategic Land Assembly' for award of £0.580m grant from the Getting Building Fund subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix A.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.580m	In Progress	Active
158	Housing and Infrastructure Board	7th January 2021	The project 'Active Travel Bridge' for award of £1.5m grant from the Getting Building Fund subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix B.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.5m	In Progress	Active

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