

SCR - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

THURSDAY, 5 NOVEMBER 2020 AT 11.00 AM

VIRTUAL MEETING

Sheffield
City Region

LOCAL ENTERPRISE
PARTNERSHIP

Present:

James Muir (Chair)	Private Sector LEP Board Member
Nigel Brewster (Vice-Chair)	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Gemma Smith	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Karen Beardsley	Private Sector LEP Board Member
Angela Foulkes	Private Sector LEP Board Member
Peter Kennan	Private Sector LEP Board Member
Cathy Travers	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Joe Chetcuti	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Bill Adams	TUC Representative
Michael Faulks	Co-opted LEP Board Member
Paul Leedham	Co-Opted LEP Board Member
Dan Fell	Doncaster Chamber
Professor Dave Petley	University of Sheffield
Councillor Chris Read	Rotherham MBC
Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority
Councillor Julie Dore	Sheffield City Council
Mayor Ros Jones CBE	Doncaster MBC
Councillor Sir Steve Houghton CBE	Barnsley MBC

Officers in Attendance:

Dr Dave Smith	Chief Executive	MCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Gareth Sutton	Chief Finance Officer/S73 Officer	MCA Executive Team
Mark Lynam	Director of Transport, Housing and Infrastructure	MCA Executive Team
Andy Gates	Assistant Director - Strategic Corporate Affairs	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

Guests in Attendance

Andy Storer
Richard Deakin
Andrew Shirt (Minute Taker)

CEX of the Nuclear AMRC
Programme Director – Nuclear for UKRI

Apologies:

Lucy Nickson Private Sector LEP Board Member

1 Welcome and Apologies

The Chair welcomed everyone to the meeting.

An extended welcome went to new Private Sector LEP Board Members Karen Beardsley, Joe Chetcuti and Cathy Travers, together with new co-opted LEP Board Members Dan Fell, Paul Leedham and Michael Faulks.

The Chair was pleased to note that Private Sector LEP Board Members Alexa Greaves, Richard Stubbs and Neil MacDonald had all accepted an extension to their appointments.

Apologies for absence were noted as above.

2 Declarations of Interest

None noted.

3 Notes of Last Meeting

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

4 Renewal Action Plan Update

A paper was presented to provide the Board with an update on the SCR Renewal Action Plan.

The Board was reminded that the SCR Renewal Action Plan (RAP) provided the basis for the MCA's submission to the Government's 2020 Comprehensive Spending Review (CSR); providing a formal request for additional revenue funding for the next three years and additional capital funding for the next four years.

The Government had since announced that the 2020 CSR had been abandoned due to the Covid pandemic and that a one-year settlement would be announced in due course.

It was noted that the Thematic Boards had all considered how the agreed priorities in the RAP should be implemented and which interventions could be delivered. Each Thematic Board had also considered the interventions that require immediate financial resource; including the anticipated outputs and outcomes for each intervention, the investment required from the MCA, and the

use of new Government initiatives, including Getting Building Fund, Housing Fund (Brownfield) and Emergency Active Travel Fund.

The priority interventions were detailed in Annex A to the paper.

F Kumi-Ampofo provided the Board with a verbal update on the key interventions that had been identified in relation to the three high-level objectives of the RAP (People, Employers and Place) to be progressed immediately, using current resource. Further details were summarised in paragraphs 2.4 to 2.6 in the paper.

It was highlighted that the interventions did not represent the sum total of interventions under development. Instead, these were the first in a sequence of interventions selected on the basis of impact, cost and deliverability. More interventions were being developed and would be shared with the Board in future meetings.

The Board discussed and considered the key interventions. The following comments were provided by the Board:

Councillor Dore queried who the employer of the Apprenticeship Hub would be and what legal rights would be in place for employees.

The Board also discussed if the proposed enhanced Apprenticeship Training Agency/Broker would lead to displacement with the Further Education sector. The Board queried if any sensitivity analysis had been undertaken.

The Board also queried how the Apprenticeship Hub would work with training providers.

It was agreed that the MCA Skills Team would provide the Board with further information on the queries set out above. **ACTION: F Kumi-Ampofo**

The Board highlighted that marketing and communication would be very important over the coming months to ensure businesses were aware of the advice and support that is available to them.

It was agreed that a wider discussion would take place at the January LEP Board with regards to communications, engagement and providing awareness of the support available to businesses in the City Region.

It was felt that 'Digital Adoption' would be critical in the next 4 weeks to allow some businesses to progress with digital adoption.

The Board requested that they be provided with details to understand what the £1.7bn of funding ask have / had been covered within the RAP.

Furthermore, the Board requested details on which initiatives would be funded from existing resources. The Board also asked if details could be provided on the large scale initiatives where there were current funding gaps.

D Smith agreed to present a paper at the January meeting setting out an

audited assessment on funding, taking account of the announcements in the Government's Comprehensive Spending Review. **ACTION: D Smith**

The Chair requested that updates on the RAP continue to feature as a standing item on future LEP Board agendas.

RESOLVED – That LEP Board Members noted the progress made and provided comments and suggestions they deem appropriate, on how the Renewal Action Plan should be implemented.

5

SEP Consultation

A paper was delivered to provide the Board with an update on the Strategic Economic Plan (SEP) following consultation.

The paper summarised the comments received as part of the consultation and presented a final version of the SEP for approval.

The Board noted that, following a 6-week period of public consultation, over 800 individual comments were received from the general public, voluntary sector, businesses and Local Government.

A presentation was delivered to present LEP Board Members with the comments received and outlined the changes made to the SEP in response to the comments received.

The comments received were broadly supportive of the SEP, with several useful suggestions, clarifications and additions recommended.

Following detailed consideration of the consultation responses a revised SEP had been developed reflecting the comments received. All comments received were categorised and responded to.

In summary, 274 (35%) showed direct or indirect agreement with the SEP ambition. 149 (19%) of responses received suggested changes that were actioned in more detail. Other comments (46%) were a mix of detail for implementation, wider than the SEP and SCR, points of detail, contradictory or had been rejected.

Following discussion, the Board requested that the Place priority submission with regards to Sheffield's Education and Skills Programme should be explicit, rather than implicit. **ACTION: F Kumi-Ampofo**

The Chair commented that, when the SEP moved to operationalisation, it would be imperative to have KPIs and targets which articulated into objectivities. He anticipated that, through the Thematic Boards this would be a subject that would be discussed and agreed in those thematic areas when the operational plans became operationalised.

J Chetcuti suggested that clarifying the benefits of the Commercial Creative Sector for the Region was a Strategy.

The Chair said that 'digital' needed to be uncoupled and articulated clearly; but, he was of the opinion not to amend the SEP.

The Board approved the SEP, acknowledging that there is still additional work to undertake to finalise the SEP. The final SEP would be presented at the January meetings of the LEP Board and MCA for final sign-off before publication.

During 2021, the Team would focus on implementation plans which would be required to deliver the SEP.

The Board thanked F Kumi-Ampofo and J Guest for the work which had been undertaken on the SEP.

RESOLVED – That LEP Board Members:-

1. Noted the consultation responses and changes made; and
2. Agreed to adopt the Strategic Economic Plan.

6 **The Nuclear sector and opportunities in South Yorkshire**

A paper was submitted setting out a potential UK Atomic Energy Authority opportunity for the region to position itself as central to the growth of the UK's Nuclear Industry, to create high value jobs, grow new businesses and support existing businesses to adapt.

The Board was informed that the UK Atomic Energy Authority (UKAEA) had written to all Councils and Local Enterprise Partnerships setting out their intention later in autumn to publish a detailed site specification for the development of a new Nuclear Fusion Reactor prototype.

It was anticipated that a formal opportunity to bid would be announced shortly. This was part of the The Spherical Tokamak for Energy Production (STEP) programme - a UKAEA and UK Government initiative to accelerate progress towards commercially viable fusion power, through design and construction of a prototype fusion reactor by 2040.

The Board noted that the UKAEA proposal was to establish a Nuclear Fusion Prototype Reactor somewhere in the UK and presented an opportunity for the region to establish itself as a key player in the UK nuclear sector.

It was expected that the proposal would align with the Government's anticipated Energy White Paper. This was expected to signal a commitment to expansion in renewables, including hydrogen and nuclear power through large scale reactors, small modular reactors, advanced reactors and fusion.

It was proposed that: -

- The LEP Board signal their support for this opportunity to be fully explored in the context of how it can deliver on the Strategic Economic Plan objectives; looking not just at the physical site opportunities but the

business, skills and productivity gains to be secured with the region playing a full part.

- A small working group with representation from across the four local council areas, the MCA Executive Team and the Nuclear AMRC be established with the objective of preparing a 'pitch' to the UKAEA.
- That the Business Recovery and Growth Board and the Infrastructure and Housing Boards' engage directly in the process from a supply chain, innovation, business growth and site selection perspective.
- That the region adopts an open position at the outset to working with places outside of South Yorkshire to build the best UK solution – with the region at the heart of that.

The Board received a presentation from Andy Storer, Head of the Nuclear AMRC, which provided the Board with an overview of the Nuclear AMRC's Strategy for Impact, details on current and potential new build UK reactor sites, government initiatives and future technologies and investments.

The Board noted that in relation to UK new build, there was current generation capacity of 10GWe, with most to be retired in 2023-30. New build of up to 19GWe new capacity had been proposed at 6 sites. Hinkley Point C was currently under construction.

The Board noted that the UK small modular reactors (SMRs) programme had the potential to deliver up to 16 power stations by 2050, 40,000 jobs, £52 billion economic value and £250 billion of export potential.

The UK bid to build the world's first commercial fusion power plant by 2040 was being led by the UKAEA. There were potential opportunities for the SCR to link with the UKAEA by establishing a test centre being located in Sheffield. A training centre, design centre and spherical Tokamak for Energy Production (STEP) siting.

The Board received a presentation from Richard Deakin, Low Cost Nuclear Challenge Director, ISCF, UK Research and Innovation. The presentation provided the Board with information on the future of low carbon nuclear energy with SMRs and the regional impact on meeting global demands.

Part of the Government's Industrial Strategy Challenge Fund was to raise productivity and earning power in the UK. The UK has an ambitious target to increase its total R&D expenditure to 2.4% of GDP by 2027 (from 1.7%).

There had been increased funding in research and development by £4.7 billion over 4 years to strengthen UK science and business.

The presentation provided details on the Low Cost Nuclear Challenge programme phase 1 consortium which was responsible for delivering 11 innovative work packages over 5 years to explore options, routes to market and commercialisation. The business case for phase 2 had been approved by UKRI and BEIS. This was currently with Treasury for approval.

The potential benefits of the Low Cost Nuclear programme from 2030 onwards was presented. In summary, the programme had the potential of £100Bn GVA, £308m of exports, 40,000 jobs created, high value nuclear skills and training, new factories in regions, primarily a UK supply chain, new IP owned by UK companies and reinvigorate the UK nuclear industry.

The Chair thanked Andy Storer and Richard Deakin for their interesting and informative presentations.

The Board stated its support for the opportunity and discussed emerging opportunities around skills development and the skills pipeline. The Board asked what work was required to enable the SCR to be well-positioned to take advantage of the opportunity so that young people and businesses thrive as a result.

The Chair said that, via the Education, Skills and Employability Board and Business Recovery and Growth Board, it would be beneficial for the Boards' to look at supply chain growth in terms of scaling-up existing and potential supply chain providers and also attracting a compliment to the existing base.

M Lynam reported that the framework for forming the bid was currently being developed and would involve wider consultation with stakeholders. An update would be presented at a future LEP Board meeting.

It was noted that the parameters and timescales for the bid were expected to be announced shortly by Government. With regards to site selection for the Nuclear Fusion Reactor prototype, formal guidance was awaited.

Active discussions were taking place around site selection with local authorities. It was noted that there would be expectations around access to water, connectivity, national power grid links and a complex set of regulatory challenges.

RESOLVED – That LEP Board Members noted the opportunity and endorse early stage work to develop a submission to a UK Atomic Energy Authority proposal for South Yorkshire to be part of the Government's plans to commercialise and develop Nuclear Fusion technology.

7

Programme Approvals

A paper was delivered to inform LEP Board Members of the LGF current position noting that this was the final year of the current six-year LGF programme.

The Board noted that the LGF grant allocation for the 2020/21 financial year was £43.2m. Government required that the resource is used in full in year. To meet this expenditure target, and avoid resource being returned to Government, an over-programming position had been adopted. This position afforded a degree of protection against programme slippage.

Over three successive Growth Deals the MCA/LEP had been awarded £360m

for LGF schemes. However, within the £360m envelope, there was a ring-fenced amount of £40.1m, which was included for the A630 Parkway Widening Scheme. This scheme was 'retained' by the Department for Transport, meaning that the scheme was appraised outside of the MCA's usual Assurance Framework and could not proceed without DfT approval. The scheme had now been approved by the DfT, with a formal funding offer made to the MCA for acceptance at the MCA meeting on 16th November 2020.

The current programme position was noted as follows:

- To date, approximately £330.7m of schemes have been committed to with LEP approval.
- The schemes were in various stages of delivery, with some completed, some in delivery, and some finalising contracting. It was expected that, subject to governance, the Parkway Widening Scheme would commence imminently, bringing total commitments to £370.8m.
- Commitments at this level place the programme over the funding envelope by £10.8m. However, this was being managed through the repayments of loans granted to business and partners. There was no requirement to spend any recycled funding within the LGF funded window.
- The remaining funding headroom available for LGF projects across all thematic areas was now £6.6m.
- A further £1.2m of proposed expenditure, subject to appraisal, would be put forward for approval at a future MCA meeting. If approved, this would give a total spend or committed position of £372m thus reducing the available headroom to £5.4m.
- At the beginning of the year forecast LGF programme expenditure for 2020/21 stood at £52.4m, against the MHCLG spend target of £43.2m.
- Adjusting the projects recently approved, total forecast expenditure to the end of the programme had increased to £54m.
- Due to challenges of delivery during the pandemic, partners had submitted change control requests totalling £10.3m, the effect of which is to slip expenditure from the current financial year into 2021/22.
- The in-year expenditure was now forecast at £43.7m. This level of expenditure marginally exceeds the expenditure target for the year and secures the in-year funding.

Programme monitoring remains vigilant to the risk that this level of expenditure may fall below target, and approaches to contracting that could mitigate the risk of increased slippage and loss of the in-year grant were being actively considered.

The Chair noted that a further update paper on the LGF programme would be presented to the January Board meeting. He asked that the Co-Chairs of the Thematic Boards were appraised of the specific investments (informed by the MCA Team), so that they are able to provide advice and recommendations as to which programmes would be completed in the 2020/21 financial year and which new programmes would need to be brought forward and replaced by those schemes which were subject to funding slippage.

Mayor Jones suggested that work be undertaken to identify the schemes which had already been approved and where costs had increased to ascertain if funds had been spent.

S Sykes acknowledged the suggestion and confirmed that this exercise would be undertaken.

RESOLVED – That LEP Board Members noted the current programme position.

8 **Recruitment of Private Sector LEP Board Members**

A paper was presented detailing the appointments to the LEP Board of 4 private sector members following the recent recruitment campaign, run in compliance with the requirements of the LEP Review.

It was noted that the Board was fully compliant with the Government's requirements in relation to the structure and makeup of the Board, as a consequence of the continued recruitment undertaken during the year.

The Board noted that the summer recruitment campaign, whilst resulting in fewer applicants than the January 2020 campaign, 9 applications had been received in contrast to 18 received in the earlier campaign, for the first time a greater number of applications had been received from females than males.

The paper requested the LEP Board's ratification to appoint two new appointed Members and to appoint a further three Co-opted Members, and to amend the status of a current Co-optee as detailed below:

- Cathy Travers
- Karen Beardsley
- Michael Faulks – Co-opted Member
- Paul Leedham – Co-opted Member
- Dan Fell – Co-opted Member
- Angela Foukes - Amendment

A brief summary of the new appointees was set out in Appendix 1 to the paper.

Councillor Dore welcomed all the new Members to the Board. She added that, should any Members wish to have conversations with Sheffield City Council officers, then they should make contact with her, who in turn could put them in contact with the correct team.

RESOLVED – That LEP Board Members noted and approved the Private Sector Board Member appointments being made.

9 **Chief Executive's Update**

A paper was presented to provide LEP Board Members with a general update on activity being undertaken by the LEP outside of the agenda items under discussion.

Updates were provided on:

- Working Win, which had been extended to March 2021.

- Quarterly Economic Review.
- Mayor’s speech to Northern Conference.
- Comprehensive Spending Review, and
- Covid-19 Business Input Group.

The Board discussed the current jobs crisis resulting from the Coronavirus pandemic. This included the issue of retaining jobs and the availability of potential new jobs.

Councillor Dore said that there was a real concern that all the jobs schemes would be competing against each other for the amount of jobs which may be available. Councillor Dore asked if the Education, Skills and Employability Board and Business Recovery and Growth Board could work together to examine where jobs are available and could be created in the immediate term.

D Smith said that there would be a challenge for the city region to create jobs and matching these jobs to those who had been affected by unemployment. In particular, the challenge would be around the matching process for individuals who are disadvantaged and whom would need support to access opportunities.

A number of the SCR’s jobs programmes did not only work with the unemployed, but also provided assistance to help maintain individuals in employment who had substantial health, physical and mental health challenges whilst in employment.

RESOLVED – That LEP Board Members noted the updates.

10 **Mayoral Update**

A paper was presented to provide LEP Board Members with an update on key Mayoral activity relating to the economic agenda.

Updates were provided on:

- The COVID pandemic and Tier 3 restrictions in South Yorkshire.
- Unlocking the potential of South Yorkshire through additional investment.
- Comprehensive Spending Review, and
- South Yorkshire Flooding Roundtable.

RESOLVED – That LEP Board Members noted the updates.

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

Signed

Name

Position

Date