

Public Document Pack



Wednesday, 6 January 2021

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

NOTICE OF MEETING

You are hereby invited to a meeting of the Sheffield City Regional Local Enterprise Partnership to be held **virtually**, on: **Thursday, 14 January 2021** at **11.00 am** for the purpose of transacting the business set out in the agenda.

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

Dr Dave Smith
Chief Executive



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

Member Distribution

James Muir (Chair)	Private Sector LEP Board Member
Nigel Brewster (Vice-Chair)	Private Sector LEP Board Member
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Gemma Smith	Private Sector LEP Board Member
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
Professor Dave Petley	University of Sheffield
Michael Faulks	Co-opted Private Sector LEP Board Member
Paul Leedham	Co-Opted LEP Board Member
Dan Fell	Doncaster Chamber
Councillor Chris Read	Rotherham MBC
Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority
Councillor Bob Johnson	Sheffield City Council
Mayor Ros Jones CBE	Doncaster MBC
Councillor Sir Steve Houghton CBE	Barnsley MBC

SCR - Local Enterprise Partnership

Thursday, 14 January 2021 at 11.00 am

Venue: Virtually



Agenda

Agenda Ref No	Subject	Lead	Page
1.	Welcome and Apologies	Mr James Muir	
2.	Declarations of Interest <ul style="list-style-type: none">In relation to any agenda itemIn relation to any activity since the last formal meetingIn relation to any forthcoming activity	Mr James Muir	
3.	Notes of Last Meeting	Mr James Muir	5 - 14
Strategic Development			
4.	South Yorkshire Freeport Bid	Mr Mark Lynam	15 - 20
5.	Strategic Economic Plan - Final	Mr Felix Kumi-Ampofo	21 - 24
6.	Implications of the Spending Review for the LEP	Dr Dave Smith	25 - 30
7.	Businesses Pipeline Development and Selection	Ms Sue Sykes	31 - 36
Governance			
8.	Assurance, Monitoring and Evaluation Framework Update	Dr Ruth Adams	37 - 66
For Information			
9.	Mayoral Update	Mayor Dan Jarvis	67 - 68
10.	Chief Executive's Update	Dr Dave Smith	69 - 70
Date of next meeting: Thursday, 11 March 2021 at 11.00 am At: Virtual meeting			

This page is intentionally left blank

SCR - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

THURSDAY, 5 NOVEMBER 2020 AT 11.00 AM

VIRTUAL MEETING



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

14th January 2021

South Yorkshire Freeport Bid

Purpose of Report

This report presents the Board with background information regarding the Government's Freeport Policy and an update on the work being done to prepare a formal submission including setting out the key issues relating to the submission and its links with the Strategic Economic Plan.

This paper will be accompanied by a presentation to the LEP Board.

Thematic Priority

The priorities covered by this report are:

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

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

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

Recommendations

That members note the content of the report and provide a steer on the key discussion points / issues set out in the paper.

1. Introduction

1.1 UK Freeports policy – principal objective

In November 2020 the Government published a bidding prospectus for the establishment of up to ten Freeports in the United Kingdom. The overall policy objective from a national perspective is to enable the establishment of new hubs to enhance trade and investment, promote regeneration and job creation and create dynamic environments where businesses, local government and academic institutions can collaborate to foster innovation.

1.2 What are they?

- Freeports are secure zones where business can be carried out inside a country's land border, but where different customs rules and other favourable arrangements apply.

The specific benefits of a freeport must be contained within a 45km perimeter of the principal freeport site.

The benefits of a freeport:

- Raw materials imported from overseas can be processed into final goods with duties only levied when they enter the domestic market. This gives rise to advantages where duties on finished goods are lower than on the raw materials, as well as where finished goods are re-exported to certain markets.
- For local places there are regeneration benefits, the potential to attract new investment and business growth, greater clustering and innovation activity, internationally recognised status and significant support from Government Departments in making Freeports a success.
- Akin to how Enterprise Zones have operated, whilst the businesses on the Freeport sites will benefit from tax benefits such as Business Rate relief the Government will continue to pay those business rates to the local area for reinvestment in economic development **and** to manage any local displacement activity as a result of business relocation to a Freeport site.

1.3 Summary of the specific benefits to both businesses and ‘places’

Tariffs and import VAT	Duty suspension: Suspension of tariffs and import VAT on goods brought in from overseas, unless and until the goods enter the domestic market.
	Duty inversion: A benefit generated when duties on finished products are less than on their constituent components, meaning raw materials can be imported tariff free into the freeport, manufactured, and then brought into the domestic UK market at lower finished goods tariff rates, where applicable.
	Exemptions for re-exports: Where raw materials / components brought into the freeport are processed into finished goods in the secure zone and then re-exported with no UK tariffs or import VAT applied.
Customs Processes	Simplified import procedures. For goods subsequently moved into free UK circulation, and for exports, businesses will still need to complete standard export declaration procedures, albeit these are expected to be electronic in nature. We will also be able to propose customs sub-zones away from the primary customs site, but within the 45km diameter outer freeport boundary.
Tax incentives	These include centrally-funded business rate discounts, local retention of incremental rates income and employer NICs, structures & buildings and plant & machinery capital allowance and stamp duty incentives. In England, the business rates relief is up to 100% for five years for new, relocating and expanding businesses. Local retention of incremental business rates, by councils, is for 25 years. The employer NIC incentive is a 0% rate for 3 years per employee on up to £25k p.a. of earnings.
Planning reforms and (for England)	Expansion of permitted development rights for sea ports, to align with airports, along with simpler area-based planning (e.g. Local Development Orders). In England there is a £175m ‘seed capital’ pot for, for example, land assembly, site remediation and/or small-scale transport

seed capital	infrastructure. To be matched/part-matched by private sector, council borrowing or other public body funding.
Innovation	<p>Support to unlock innovative activity in Freeport locations. Potential Freeports could focus on any, or all, of these in outlining their innovation ambitions.</p> <ul style="list-style-type: none"> - Port-specific innovation – innovation that directly benefits air, rail or maritime ports, e.g. autonomous cranes and cargo-handling equipment, digital security, customs software that can track goods across a broader area, etc. - Port-related innovation – innovation that indirectly benefits air, rail or maritime ports or their supply chain, e.g. autonomous transport, modern methods of construction, industrial decarbonisation etc. c - Non-port-related innovation – innovation unrelated to air, rail or maritime ports that can take advantage of port-proximate locations or the Freeport wider offer, e.g. pharmaceuticals, quantum technologies, advanced materials, robotics, AI etc.

1.4 How Freeports can be constructed

Access to a 'port' is clearly a key element of any freeport. However, the prospectus makes clear that not all of the benefits have to be physically contiguous / directly linked to the 'port' site. This enables any bidding area to include other sites that fit the criteria to be submitted alongside the 'port' site.

Specified Freeport sites can be split (should the bidder choose to do so) into 'customs' sites and 'tax' sites.

Tax sites

For a site to be designated a 'tax' site – securing business rates and other tax relief for businesses located there a site has to be currently 'underdeveloped', align with the bidding area's focus (e.g. advanced manufacturing and engineering), have the support of the landowner as well as being of an appropriate scale and with the opportunity to create business/sectoral clusters and productivity growth.

Customs sites

For a site to be designated a 'customs' site there has to be demonstrable import/export activity, alignment with the bidding area's focus and be able to meet stringent HMRC regulations / requirements.

1.5 The bidding process:

Areas that wish to make submission must submit a response by the 5th February that provides a detailed response covering:

- The freeport boundary, tax & customs sites; local authority/LEP support; economic geography; meeting security requirements; and mitigating displacement of economic activity.
- Detail on planning; likely commercial demand; the approach to business rates retention; innovation; managing negative externalities; how this can support net zero ambitions; environmental regulations/standards; governance; management; risk; monitoring & evaluation; investments & funding; complementary investments; business types; and specific trade & investment support sought.
- Governance and accountability structures.

2. Proposal and justification

2.1 Submission development

South Yorkshire is in the process of preparing for submission a detailed proposal centred around the air and rail ports in Doncaster – with further sites being considered across the region for inclusion as additional tax and customs sites.

There is strong technical fit with the requirements set out in the Government's prospectus, with the strategic road, rail and air networks focused around Doncaster Sheffield Airport and the IPort of particular fit.

2.2 Strategic rationale and interface with the SEP.

Alongside the technical fit being proposed the SEP offers a clear policy driver for the Freeport opportunity (and emerging proposal). In particular:

1. **Expanding and strengthening our Innovation Clusters.** We have world-class exportable translational research and innovation centred around a number of outstanding facilities which build on our region's long industrial heritage in and passion for manufacturing. They are able to attract domestic and foreign direct investment we need to expand and grow trade and exports from across the region. Our Strategic Economic Plan promises to accelerate innovation-led economic growth by supporting much greater density to harness the benefits of clustering.
2. **Scaling-Up Sustainable Advanced Manufacturing.** Our current capabilities mean we have in-depth knowledge and skills in advanced manufacturing. Given these foundations, we are uniquely positioned to expand and to export our products and services around the world as well as fulfil major specialist, low-carbon opportunities in high-speed rail, wind turbine production, cleaner aviation and more sustainable manufacturing processes - delivering net-zero emissions locally and contributing to the UK's Net Zero energy and transport agenda.
3. **Tackling Deprivation and Levelling-Up.** Sheffield, Rotherham, Barnsley and Doncaster are home to some of the most deprived communities in the UK according to the IMD. Local business partnerships, regional growth and skills plans and increased private sector investment will ensure that we are growing the economy for all; creating higher value jobs, opening up new opportunities for local people and boosting productivity, upskilling our region and levelling up our country.
4. **Connecting our Region and the World.** As set out in our Strategic Economic Plan we are at the forefront of intelligent mobility and the infrastructure of tomorrow, and with excellent connectivity internationally and around the rest of the UK via fibre, air, rail, road and sea we have the potential to integrate supply chains across the country and boost trade with international partners.

This strategic rationale is fully aligned with the practical and expedient elements – namely, that we a rehost to an airport and rail port – and amazingly well connected. ...

2.3 Project Governance, timeline and stakeholder engagement

- This is an important region-wide project. The MCA is acting as the project SRO and is working with Peel Group, Verdion (owner of the IPort) and DMBC to develop the proposal.
- These four partners have appointed a consultancy organisation to support the development of the bid.

- Economic development officers from across South Yorkshire have been engaged in the process, including in exploring possible customs and tax sites beyond the 'port' elements at Doncaster Sheffield Airport and IPort.
- **Business engagement** - this is an important part of the proposal and a major workstream for the project group. 1:1 engagement is taking place with major importers and exporters in the region, alongside working with the Chambers of Commerce, Manufacturers Forum and other business groups.

Timeline for bid submission

It is a challenging schedule. The prospectus and the invitation for bids to be developed was published on the **16th November**. The bid submission deadline is **Feb 5th 2021** with a decision from Ministers expected in **Spring 2021**.

2.4 Issues for the LEP to be aware of that the project team will be working on over the final weeks:

- **Finalising the non-port customs and tax sites** – discussions with private sector partners and local councils continue to take place to refine our final submission
- **Displacement:** ensuring that we have a clear focus in our proposal that a freeport must be about growing the business base, supporting regeneration objectives and attracting new FDI rather than displacing existing activity within the region in line with our Strategic Economic Plan. **Where displacement does take place** then appropriate mechanisms must be in place to ensure there is no material dis-benefit to individual places as a result of freeport status.
- **Governance:** determining the outline of an appropriate governance model for the Freeport that balances the public and private sector interests and ensures full accountability of decision-making.
- **Alignment of wider skills, business support, trade and investment and innovation policy work** – both to strengthen the proposal but to also make sure from the start that these issues are central to the delivery of the Freeport.

3. Consideration of alternative approaches

3.1 There are a number of alternative approaches:

- 1) **Do not submit** – there are potential policy intellectual challenges to the Government's Freeport agenda. There are legitimate challenges to the efficacy of freeports in delivering on economic, social and environmental agendas. However, the benefits and drivers of the UK Government's agenda, in relation to Freeports, do align with our own Strategic Economic Plan. Given the private sector support that is currently in place, the strategic fit with the SEP and the benefits that can accrue to both the region and businesses there is a clear rationale for submitting a proposal.
- 2) **Submit a different proposal** – the project team is working with a wide-ranging set of stakeholders to secure the broadest possible long-list of sites and approaches to take. Using the criteria set out in the Prospectus as a driver for decision-making alongside a collaborative and open approach to the development of the proposal it is anticipated that the approach set out in this paper will yield the greatest chance of success.

4. Implications

4.1 Financial

Alongside the other partners, the MCA has allocated resource to support the initial development of this scheme.

As the proposal develops, decisions will be required around the financial governance of the Freeport operating model and its relationship with the MCA. This will include determining how the model is paid for, how investment is facilitated, and how value generated from the site from business rates is deployed.

4.2 Legal

There are no specific legal implications arising from the initial bid. The bid will propose an outline governance structure suitable for the proposal to be submitted. Thereafter, and if successful, work with the Government and the bid partners will establish the final form of governance structure to be included in the full business case. This will set out each partners' obligations. These final arrangements will require MCA approval before implementation. There will be a need for specific legislation to enact the final freeport designation and confirm its tax and incentive status. The overall process is likely to be concluded in late 21/22.

4.3 Equality, Diversity and Social Inclusion

Should the South Yorkshire Freeport Proposal be successful in moving to the next stage the development of an Outline Business Case will require the MCA and its partners to undertake full assessments of equality, diversity and inclusion impacts.

5. Communications

5.1 At this stage there are limited communications implications. The proposal will be submitted with some potential communications focused around securing support for the region's submission and our ambitions.

6. Appendices/Annexes

6.1 None

Report Author	Andy Gates
Post	AD - External Affairs
Officer responsible	Mark Lynam
Organisation	Sheffield City Region
Email	Mark.Lynam@sheffieldcityregion.org.uk
Telephone	

14th January 2021

Strategic Economic Plan (SEP) Final

Purpose of Report

This paper presents the final Strategic Economic Plan (SEP hereafter).

Thematic Priority

Cross-cutting across all six thematic priorities.

Freedom of Information

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

Recommendations

LEP Board Members are asked to note the work done to date, changes made and formally adopt the Strategic Economic Plan.

1. Introduction

1.1 Following the SEP consultation and feedback from the November 2020 LEP Board meeting, final changes have been made to SEP.

1.2 This paper presents a final version of the SEP for approval.

2. Proposal and justification

2.1 At the last meeting, public consultation comments were presented showing the broadly supportive comments received. The LEP Board decided to receive a final version for formal approval.

2.2 The final document is hereby attached. The SEP will sit with other MCA policies and strategies captured in documents like the Transport Strategy and Energy Strategy and plans and strategies within local areas and across the North of England (e.g. TfN) and UK (e.g. any revised Northern Powerhouse Strategy). Other plans and strategies will be developed following adoption of the SEP including an Inclusion Plan, Skills Strategy and an International Plan.

2.3 It is anticipated that implementation plans will be developed as appropriate through 2021.

2.4 Performance against the SEP will be measured regularly and reported to all the Boards. Data, insights and analysis will be available via the Data and Intelligence Hub which is currently under development and this will be accessed through the MCA website, when ready. The SEP will be reviewed after 5 years, or earlier if circumstance demand this.

- 2.5** The MCA's Monitoring and Evaluation Framework, will guide and inform how the assessment of impact being made by the Sep in the period ahead.

3. Consideration of alternative approaches

3.1 Do nothing or do less

The previous SEP was a 10-year plan and so a revision could have been delayed or could have simply updated the targets / metrics. This option was discounted due to a desire to consider growth in the context of the wider policy objectives of inclusion and sustainability.

3.2 Different approach

The LEP could have chosen to follow a different economic growth model, but in early discussions the focus on the three policy objectives was agreed.

4. Implications

4.1 Financial

The SEP will help to secure additional funding from Government including the UK Shared Prosperity Fund. The costs associated with the completion of the SEP including research have been accounted for within the existing approved budget.

4.2 Legal

There are no legal implications arising from this paper.

4.3 Risk Management

Major risks to the SEP are largely external to the LEP (e.g. current public sector financing) and reflect current socio-economic conditions as well as the limitations of funding for LEPs and MCAs (availability of funding for SEP is contingent on Government decisions).

4.4 Equality, Diversity and Social Inclusion

The SEP is focusing on the socio-economic wellbeing of residents in South Yorkshire. The vision and objectives, and the actions that follow from these will help to mitigate against increasing levels of exclusion and improve economic conditions for all. Inclusive growth is central to this and the strategy considers all aspects of society to understand where opportunities are not available or where barriers are preventing residents from accessing opportunities.

5. Communications

- 5.1** A detailed engagement plan has been developed. All partners and stakeholders have been engaged in the development of the SEP and had the opportunity to review and comment on draft documents.

BEIS and HMCLG have been regularly engaged.

Once adopted, the vision, objectives and priorities in the SEP will be communicated widely through all the channels.

6. Appendices/Annexes

- 6.1** Final SEP – This will be circulated on 8th January.

REPORT AUTHOR POST

Officer responsible
Organisation
Email

Jonathan Guest
Senior Economic Policy Manager
Felix Kumi-Ampofo
Sheffield City Region
felix.kumi-ampofo@sheffieldcityregion.org.uk

Telephone 0114 220 3445

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:

This page is intentionally left blank

14th January 2021

The Implications of the Spending Review for the LEP

Purpose of Report

To summarise the announcements within the Government's Spending Review as it relates to the agenda of the Local Enterprise Partnership (LEP) and consider the potential implications.

Thematic Priority

Cross cutting

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

The paper will be available under the Combined Authority Publication Scheme

Recommendations

For members to consider the issues arising from the Spending Review as they relate to the LEP and as set out paragraph 2.4.

1. Introduction

- 1.1 In July 2020, Government formally launched its Comprehensive Spending Review, to set out its set out its spending plans for the parliament. A submission was made jointly by the LEP and Mayoral Combined Authority (MCA) to inform this process that set out their priorities for South Yorkshire. Building on its Renewal Action Plan (RAP), this sought to make the case to secure the funds needed to create a stronger, greener and fairer economy through their response to the pandemic.
- 1.2 On the 25th November the Chancellor delivered the Spending Review. Given the unprecedented impact of the pandemic on public finances, this became a single year focus that included some longer-term infrastructure commitments, with the comprehensive review instead taking place in 2021. This paper summarises some of the policies from within the SR, as they relate to the LEP and seeks to consider potential implications for discussion.

2. Proposal and justification

- 2.1 As anticipated, the SR was dominated by the themes of protecting lives and livelihoods in response to the magnitude of the challenges posed by COVID to the nation's physical,

economic and fiscal health and wellbeing. The main announcements made in the Review were:

- A further £55bn for Covid-19 support to suppress the virus and support jobs and business;
- £100bn of capital investment for next year, targeted at “high-value, jobs-rich projects”;
- A new £4bn “levelling up” fund for upgrading local infrastructure, with £600m available in 2021/22;
- A commitment of £1.5bn per year for the UK Shared Prosperity Fund (UKSPF), with a £220m pilot for 2020-21; and
- £2.9bn for a three-year Restart programme to help unemployed people find jobs.

2.2 Key opportunities to secure additional funding for economic development and regeneration include:

- **The £4bn Levelling up Fund (LUF):** targeted at discrete projects of up to £20m (although not an absolute top-limit), there will be £600m available in 2021/22. The SR indicates that the types of projects that will include upgrades to local infrastructure but also arts and culture. All local areas in England will be eligible to apply with bids prioritised on the basis of driving growth and regeneration in places in need and in areas that have received less government investment in recent years. The Prospectus setting out the detail for how the Fund will operate will be published in January.
- **UK SPF:** The UKSPF will at least match receipts from EU structural funds, on average reaching around £1.5 billion per year. There will be a £220m UKSPF pilot for 2021-22 of predominantly revenue funding, which will sit alongside the region’s existing allocation from the region’s European Structural Investment Fund allocation. The prospectus for the SPF pilot is expected to be launched in January alongside the LUF Prospectus, whilst the prospectus for the wider SPF is due to be published in the spring.
- **Restart Programme:** The three-year £2.9 billion Restart Programme is to help people unemployed for 12+ months to find work. It is expected that 2.6m will be unemployed when the scheme starts.
- **R&D:** £15bn investment in Research and Development in 2021/22 to boost research, international competitiveness and support innovation.
- **Capital investment:** there will be £100 billion of capital spending in 2021-22 with funding targeted at “high-value, jobs-rich projects”. It was also announced a new **Infrastructure Bank** will be created with its headquarters in the north to catalyse private investment in infrastructure projects across the UK.
- **National Infrastructure Strategy:** The National Infrastructure Strategy set out more detail on the schemes to be delivered across the country, including investing:
 - **£4.2bn in intra-city transport settlements** starting from 2022/23 (as announced at Budget), with £50 million of resource funding provided in 2021-22 to support eight MCAs (including South Yorkshire) with preparations for these settlements;
 - **£1.3 billion in charging infrastructure** to accelerate the mass adoption of electric vehicles;
 - **Funding to plant 30,000 hectares of trees a year** in the UK;
 - **£5.2 bn by 2027 to better protect 336,000 properties and boost flood risk** resilience; and
 - **£58bn for roads and rail:** including £1.125bn for local roads maintenance funding in 2021-22, with £500m for the Potholes Fund to fix potholes and resurface roads and £260m in 2021-22 for shovel ready local transport schemes through the Integrated Transport Block. This also included development and feasibility work on

the A1 from Doncaster to Darrington and the Barrow Hill line between Sheffield and Chesterfield.

- **A refreshed Green Book:** to ensure that project appraisals properly analyse how proposals deliver the government's key priorities, including levelling up, and how they will impact different places, to move beyond the dominance of benefit-to-cost ratios.

2.3 So what does this mean for the LEP in terms of the opportunities and challenges before it?:

- That whilst there is funding being made available for infrastructure projects and the skills and employment agenda, there is a **potential gap on funding for business investment**. This is a significant issue for the LEP and MCA and in delivering key elements of the SEP, the employer strand of its RAP and more broadly in providing demand side support to boost job creation.
- **Significant questions remain regarding levelling up:** whilst the LUF has been announced as the successor to the Local Growth Fund (LGF), in 21/22 it will only contain only 40% of the average amount of funding available per annum of the six year programme. The criteria by which government makes its decisions to allocate this fund (using its revised Green Book) are expected to be set out within its Prospectus and the LEP / MCA and Councils **will need to bid to secure an allocation** from it and the UKSPF. The outcome of this competition will also be an early test of the impact of the refreshed Green Book on the decision-making process.
- With the exception of the £50m preparatory intra-city transport settlement, **the SR gave no new additional funds directly to either MCAs or LEPs**, even to replace funds like LGF that come to an end this financial year. This is particularly significant for LEPs (particularly those without an MCA) given it has been such a major source of their funding.
- But given existing allocations to South Yorkshire, including the Transforming Cities Fund, Get Building Fund, Brownfield Fund, **the MCA will have more funds at its disposal in 2021/22 than received before** to deliver policy priorities such as those set out in its RAP and refreshed Strategic Economic Plan.
- But the money awarded to the Authority is for defined purposes, targeted at a particular issue, which does **not provide the same level of flexibility** to respond to opportunities as the LEP has had in recent years, with **control remaining with central government** (apart from devolution funds).

2.4 Issues for consideration by the LEP in progressing its priorities:

- **Working to secure the funds to unlock its business investment pipeline:** as discussed at item 6 on this agenda, significant work has gone into develop South Yorkshire's investor pipeline to unlock more economic opportunities in the region. Based on what has been published to date, it would appear that such activity is unlikely to be eligible for the LUF, as was possible via the LGF. The LEP should seek to influence the design of this policy to address this potential barrier and consider other options for how this could be realised.
- **Being 'bid' ready:** with the bidding window expected to open in the New Year for allocations from the LUF and UKSPF for 21/22, as well as other funding streams including the flood innovation fund, Members should begin to consider which schemes it may wish to bring forward in response to these opportunities.
- **Making the case for further devolution:** through the SR there was a significant trend to greater national control of funding. When combined with the delayed publication of

the White Paper, there may be a need to make a renewed case for devolution, highlighting the successes the LEP and MCA have achieved.

- **Delivery is key:** having a strong track record whereby the LEP and MCA have delivered spend on time and on budget, unlocking the agreed outcomes will continue to be important. Particularly if South Yorkshire is to secure further funding. The LEP and MCA will also need to review their Assurance Framework, in light of the changes made to the refreshed Green Book (considered at Item 7).

3. Consideration of alternative approaches

3.1 Not applicable – this paper is for information and discussion only.

4. Implications

4.1 Financial

As discussed in section 2 of this paper.

4.2 Legal

Not applicable – for information only.

4.3 Risk Management

Having adequate funding in place so that the LEP can continue to deliver upon its role and responsibilities, is of critical importance. This is particularly important given the scale of the economic and fiscal challenges nationally and in South Yorkshire and the need to realise the ambitions of the region's Renewal Action Plan.

With the end of the six-year LGF in March 2021, the LEP and MCA are experiencing a shift in their sources of funding. With less flexibility in the new funding sources, timely delivery of the programme will be even more important, both from the outputs and outcomes it delivers for people businesses and communities and to support the case for further funds.

4.4 Equality, Diversity and Social Inclusion

In developing any subsequent submissions to secure additional funding from government the LEP should consider how it could reduce inequalities in South Yorkshire, as set out in the refreshed SEP and RAP.

5. Communications

5.1 The LEP should continue to make the case to unlock the funds it needs to deliver its Renewal Action Plan.

6. Appendices/Annexes

6.1 Not applicable

Report Author	Fiona Boden
Post	
Officer responsible	Stephen Batey
Organisation	MCA Executive
Email	Stephen.batey@sheffieldcityregion.org.uk
Telephone	0114 220 3400

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:

This page is intentionally left blank

14th January 2021

Businesses Pipeline Development and Selection

Purpose of Report

This report seeks to provide for LEP Board Members an update on the significant investment opportunities that have been identified from LEP led business engagement. The report recommends selection of 13 identified schemes onto the pipeline in order that Business Cases may be developed

Thematic Priority

1. Ensure new businesses receive the support they need to flourish.
2. Facilitate and proactively support growth amongst existing firms.
3. Attract investment from other parts of the UK and overseas and improve our brand.
4. Increase sales of SCR's goods and services to other parts of the UK and abroad.

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

The paper is available under the MCA Publication Scheme.

Recommendations

1. The Board notes the update on the development of the business pipeline
2. The Board accepts the schemes detailed in section 2.6 and Appendix A of this report to the programme pipeline, noting that projects will only be supported if future funding is received and assurance requirements are met.

1. Introduction

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

As at Q4 2019/20 the £46.8m fund has achieved the following:

- Direct jobs created or safeguarded = 2,827 (cost per job of £16,554.65)
- Private sector leverage = £92.1m

Despite these successes, evidence shows that the region continues to underperform on many indicators and our relative position has not materially improved.

- 1.2 Furthermore, the unfolding Covid-19 crisis, and the work undertaken to develop the new economic plan, has highlighted a number of factors.

1. A significant economic recession is underway
2. There is great uncertainty about how long it will last and the extent to which it will impact upon lives and the economy
3. The vulnerabilities and weaknesses in the SCR economy prior to the Covid-19 crisis will be exacerbated. SCR may escape some of the worst initial impacts due to the structure of our economy but in the medium to long term we are even more exposed.

4. The systemic and fundamental economic challenges remain and will need to be addressed. This now has greater urgency, fast evolving priorities and require a sharper focus on the timing and sequencing of actions.
- 1.3 However, despite the pressures on the local economy there are signs of opportunities emerging, and it will be important to position the region to be ready to exploit these in support of a sustainable recovery. To affect transformational change, it is understood that a new approach to business investment is required.
 - 1.4 Led by the LEP Chair, a programme of engagement with businesses (both indigenous companies and potential inward investors) has taken place, engaging with the highest levels of leadership in these businesses. Businesses have been engaged based on referrals, existing relationships built primarily with the Growth Hub and other LGF related activity and following desk-based research regarding growth potential.
 - 1.5 To-date, discussions have taken place with 65 businesses. These consist of a mix of old industry, new digital and technology businesses, locally owner managed as well as multinational companies at different stages of maturity.

2. Proposal and justification

- 2.1 This engagement activity has evolved and intensified over the past 12 months and reports on progress have been made to the Business Recovery and Growth Board. The opportunity to work intensely with a focussed group of businesses has enabled sufficient assessment to be made to evaluate those growth opportunities most likely to progress to completion and within what timescale. An initial priority of 35 projects have been identified for pipeline development with the potential for more than 6,000 direct jobs being created. The public funding required for these schemes is significant and will be in the region £110m, but would leverage in around £600m of private sector investment.
- 2.2 Having regard to the fact that not all opportunities will be realised or realised in full a further review has identified that investment in 13 of the most likely projects could have an immediate impact: 37% of these projects can achieve 70% of the total job creation within the next 12-18 months. These 13 projects are likely to need in the region of £74m public investment to realise c£400m of private investment. Within this cohort of 13 projects, 4 are critical in terms of size and timing as winning these investments ahead of other regions or countries is dependent upon public funding being available. These four projects combined will create 3700 jobs and are all new inward investments from outside the Region and will impact on each of the four constituent authorities. Public investment to support these 4 projects will be in the region of £32m and will realise £200m private investment.
- 2.3 A further 21 projects are under pipeline development and have the potential to be operationalised within the next 36 months and will create more than **2,000** direct skilled jobs and generate at least an equal number of indirect job opportunities. It is estimated that MCA funding of **£50 million** will leverage at least **£110 million** of private sector investment.
- 2.4 Schemes selected represent both inward investment and the growth of indigenous businesses. Of the schemes 66% are new to the region with the rest being indigenous. Of the potential inward investors, 36% have yet to settle on a location within the city region which creates an opportunity to influence their decision.
- 2.5 The businesses operate across the spectrum in the Digital, Energy, Creative, Advanced Manufacturing, Scientific Research and the Food and Drink sectors. Investment would return quality jobs to the region: 80% of jobs are at a high level with 30% at Skills Level 5+, 30% Level 4, and 40% Level 3.
- 2.6 This investment would further support the LEP in leveraging a level of influence in the board rooms of businesses who, to date, have not had a reason to engage with the LEP,

or were sceptical of the benefits of such engagement. Through this approach, there is an opportunity to co-design interventions and investments with businesses, thereby ensuring that the policy objectives of the new economic plan (growth, inclusion and sustainability) are being delivered. This includes the introduction of agreements to deliver social value returns from the business in return for public investment.

2.7 This evolving approach to LEP led business engagement could eventually involve:

1. Co-investment to deliver agreed objectives and outputs
2. Positioning local businesses to better exploit supply chain opportunities
3. Building stronger business networks to enhance joint working and interaction
4. Embedding universities as a key player to get greater leveraging in the
5. deployment of research into economic outcomes
6. Aligning business skills needs with the strategies and plans of our training
7. providers, thus opening new horizons for local residents and learners
8. Exploiting every opportunity to deepen the roots of new and established

2.8 Work is being undertaken in close dialogue with these businesses to develop strategic business cases required to fulfil the requirements of submitting a funding application, enabling these growth projects to be “oven-ready” for consideration for public funding. Most of these have confidentiality requirements due to non-disclosure agreements being in place to protect commercial sensitivities.

Appendix A presents a list of the schemes anonymised.

3. Consideration of alternative approaches

3.1 Business as Usual

Business as usual would involve the existing reactive posture as opposed to pro-actively identifying businesses with the ability to scale up and locate in the region.

It is likely an element of the business as usual programme can and should continue as it remains a priority to consider a range of financial interventions to assist businesses to adopt more innovative products or processes.

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

3.2 Prioritise work with out of area new investment only

Whilst it remains a priority to market to national and international businesses, solely relying on generating enquiries from national and international companies that will be new to the UK, is a high- risk strategy.

4. Implications

4.1 Financial

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

4.2 Legal

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

4.3 Risk Management

By proactively engaging with businesses and potential investment opportunities and taking a pre-emptive approach to funding being available from March 2021 to extend/replace LGF, this supports the mitigating the risk of local innovative business relocating outside of the City region to get greater support.

There is a risk that if we are unable to make decisions on funding support by Q1 of 2021 some investment opportunities will be lost to the region.

4.4 Equality, Diversity and Social Inclusion

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

5. Communications

- 5.1** Currently all developments are at the exploratory stage and covered by Non-disclosure agreements. Communications will be jointly progressed in the future with the businesses and government if there is the potential for a significant investment deal to be realised.

6. Appendices/Annexes

- 6.1** Appendix A – Business Development Pipeline Summary

REPORT AUTHOR	Sue Sykes
POST	AD – Programme and Performance
Officer responsible	Dave Smith
Organisation	MCA Executive
Email	Dave.Smith@sheffieldcityregion.org.uk
Telephone	0114 220 3400

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

Other sources and references:

APPENDIX A

Project	New or indigenous	Jobs created	Private Sector Investment	Brief description	Business sector
A	Indigenous	50	£8,000,000	Expansion and investment in new technologies based on the specialised machining of complex products to meet demand and market opportunities within the defence and energy sectors.	AME
B	Indigenous	12	£3,000,000	The creation a new UK centre of operations and forms the hub of a newly developed Calibre Scientific Global Centre of Research Excellence.	LSH
C	New	500	£20,000,000	R&D and manufacture of bipolar batteries	Energy/Automotive
D	New	200	£80,000,000	Manufacturer of vegan dairy products	Food and drink
E	New	300	£20,000,000	Studio complex x 4 buildings Doncaster Waterfront	Creative
F	New	1500	£100,000,000	Manufacturing facility for electric buses	Energy/Automotive
G	New	1475	£150,000,000	Contact centre	Contact centre
H	New	30	£5,000,000	R&D project	AME
I	New	5	£200,000	Relocation of a construction products company to SCR	AME
J	New	20	£3,000,000	Expansion to SCR	AME
K	New	100	£10,000,000	Seed funding for accelerator	BPFS
L	Indigenous	24	£16,500,000	New product development to enable the company to exploit new market opportunities and create and grow incubation and accelerator facilities.	BPFS/CDI
M	Indigenous	223	£13,000,000	Multiple projects including reshoring of components and accelerate the scale of and roll out of new products to enter new markets.	AME

This page is intentionally left blank

14th January 2021

ASSURANCE, MONITORING AND EVALUATION FRAMEWORK UPDATE

Purpose of Report

This report updates LEP Members on policy updates that are required to conclude prior to the end of the financial year; namely the Assurance Framework, the Monitoring and Evaluation Framework and the review of LEP Board Policies.

The report highlights for Board Members any known issues that are to be addressed and provides an indicative timeline, highlighting when further detailed information will be presented for consideration. A draft Monitoring and Evaluation Framework is attached in outline.

Thematic Priority

Cross Cutting Governance

Freedom of Information

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

Recommendations

That the LEP Board:

1. Considers the documents and policies to be updated and the indicative timeline for progression to the MCA Boards and on to National Government
2. Agrees that Neil McDonald, as Chair of the Assurance Panel, provides input, on behalf of the Private Sector Board Members, to the review of the Assurance Framework
3. LEP Members agree to consider and feedback any comments on the draft Monitoring and Evaluation Framework, particularly how information and intelligence collated is shared with Thematic and the LEP Boards to inform their role and future decision making

- 1.1** The National Assurance Framework and the LEP Review: Strengthened Local Enterprise Partnerships (2018), have necessitated the LEP and MCA update and approve a local Assurance Framework and the LEP Policies annually. Government require assurance that these updates have been undertaken prior to releasing annual grants. For areas with devolution deals, Government has issued further guidance for Assurance.

The locally agreed 2021-2022 Assurance Framework will therefore require consideration of local decision making and process set against the requirements set out in:

- The National Assurance Framework;
- Strengthened Local Enterprise Partnerships.
- The Single Pot Assurance Framework Guidance
- The New Green Book guidance

Prior to finalising the local document for submission to government.

- 1.2 In addition to the Assurance Framework, there is also a requirement to produce, update and submit to Government for approval, a revised Monitoring and Evaluation Framework. The current Monitoring and Evaluation Policy has been in place since 2017. A review of the 2017 policy document is underway to ensure a revised draft can be considered by Members.
- 1.3 Finally, to be compliant with the requirement of the 2018 LEP Review: Strengthened Local Enterprise Partnerships all LEP Board Policies require an annual review. With any updates or changes to be formally approved prior to the new financial year. A full review of all LEP policies will take place during Quarter 4 and will include a revised Expenses Policy and updated Terms of Reference.
- 1.4 This paper outlines in summary,
1. the known changes to be made to the Assurance Framework and to the Monitoring and Evaluation Framework following the review of guidance in order for the MCA and LEP to be compliant,
 2. sets out an indicative timetable for activity in quarter 4 2020/21 so Members are aware when they will be asked to endorse documents prior to the submission and approval by government,
 3. Provides a draft Monitoring and Evaluation Framework for consideration and comment.

2. Proposal and justification

Assurance and Accountability Framework

- 2.1 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 are in place to support decision-making and monitor and evaluate investments and interventions, and how the LEP / MCA will publish information.

Four Government departments (BEIS, MHCLG, DfT and DfE) must approve the Assurance Frameworks of all MCA areas with devolution deals.

- 2.2 Work is underway to review the document to ensure it reflects:
1. the agreement reached locally by the MCA Board regarding the management of Gainshare and the Adult Education Budget (AEB)
 2. the recent changes to the governance Boards, agreed by LEP / MCA;
 3. any changes to local processes following the recently published revised HM Treasury Green Book (November 2020)
 4. any requirements, stipulated by funding departments, for recently secured, non-devolved funds, including Get Britain Building and Brownfield Housing Funds, to ensure compliance with grant requirements

- 2.3 The sections of the Assurance Framework that require amendments or addition are:

Management of Gainshare – MCA Members will be asked to agree and approve a processes for allocating, managing, monitoring and evaluating the use and impact of Gainshare including the five-year Gateway Review process with Government.

Adult Education Budget (AEB) – Following detailed discussion with the Thematic Board and approval by the MCA, the document will be updated to reflect the MCA decision on the

procurement and approval process for contracting with AEB delivery partners and priorities for investing AEB.

SYLTE integration with MCA – Detail of the integration of SYLTE with the MCA, where relevant, will be added to highlight potential changes in governance in the year 2021.

Funding Flexibilities – Subject to MCA reaching agreement on borrowing, and the proposed investment strategy, the document will be updated to reflect the flexibilities available to the MCA and assurance processes.

Project Development – the section will be reviewed and updated to recognise any flexibilities in the new HMT Green Book and local processes for scheme development to deliver the Strategic Economic Plan and Renewal Action Plan objectives.

2.4 As there is a requirement for Government to sign off this document, the following timeline is suggested for local consideration and decision making:

- First draft of the Assurance Framework 2021 - presented to the Audit and Standards Committee January 21. Aim for the ASC to scrutinise and consider decision making and value for money processes
- Second draft – presented to MCA February 21 for debate and recommendations, particularly to consider and ensure the additions to the documents on gainshare decision making accurately capture the Members agreed position
- Second draft – presented to an informal meeting of the private sector LEP Board
- Third draft - submitted to the four Government departments for review and comment
- A fourth draft - presented to the Audit and Standards Committee and to the LEP Board for final endorsement
- Final draft - presented to the MCA for approval in March.
- The locally approved draft will then be submitted to Government for final approval.

LEP Board and MCA Board Policies

2.5 The National Assurance Framework guidance requires the LEP to have in place and publish a number of policies. This includes:

- Code of Conduct
- Complaints Policy
- Confidential Complaints Policy
- Diversity Policy
- Declaration/Conflicts of Interests Policy
- Expenses Policy
- Gifts and Hospitality Policy
- Whistleblowing

Updating these policies is a requirement prior to release of any grants payable to the LEP. Within year the expenses policy has been updated and other policies will be reviewed in January 21, ensuring a paper outlining any changes is presented to the March LEP Board

2.6 Indicative Timeline

- Review of the LEP Policies January 2021
- Report summarising any changes to policies discussed with LEP Chair and Vice Chair – February 2021
- Draft report outlining any amendments presented to the LEP Board – March 2021
- New Policies published – April 1st 2021

Monitoring and Evaluation Framework

2.7 The MCA is required to produce and publish a Monitoring and Evaluation Framework to outline how projects and programmes funded with devolved and awarded monies, to itself or

the LEP, will be robustly monitored and evaluated. Following devolution, the Monitoring and Evaluation Framework needs to be approved by Government.

An initial review phase has been undertaken to consider:

- the Monitoring and Evaluation Frameworks of other devolved MCA to consider how the strategy for the devolved programmes differs from the strategies for grants awarded with stipulated conditions
- the Government's Magenta Book (evaluation guidance), and the evaluation guidance issued for TCF, as well as the Adult Education Budget (AEB) to consider any distinct considerations
- national and academic best practice to propose changes to current approaches.

Following this review the following proposed amendments have been identified

2.8 Monitoring projects and programmes

Strengthen the type of data and information that is collected from projects to more accurately measure impact of delivery on the new SEP and RAP outputs, outcomes and targets.

2.9 Evaluation of projects and programmes

Set out with greater clarity the level and frequency of evaluation for all MCA and LEP funded projects and programmes, including Gainshare to provide greater understanding on what will be evaluated, how the evaluation will be undertaken and how often a project or programme will be evaluated both during the delivery phase and ex-post. The framework also specifies the prescribed evaluation for TCF and AEB.

Outlines the role of the MCA Board, Thematic Boards and Statutory Officers in determining the evaluation plan, agreeing the specifications and the role of the MCA as accountable body and Thematic Boards in reviewing all evaluations and utilising the intelligence to inform future commissioning and performance reviews.

Sets out with greater clarity where responsibility for commissioning evaluation lies – this is to remove any ambiguity where responsibility for commissioning evaluation lies, and to ensure compliance with the requirement for the impartial commissioning and review of programme and project evaluations.

3. Consideration of alternative approaches

- 3.1 Do Nothing** - Following the conclusion of the devolution deal in 2020/21 and the requirement to comply with the Single Pot Assurance Framework Guidance and reflect the updated HMT Green Book, failing to review guidance, update, endorse and submit the Assurance Framework, the revised LEP Policies and the Monitoring and Evaluation Framework for Government approval would risk the MCA / LEP being non-compliant with national standards on governance and transparency, and not fulfilling the conditions for devolution or non-devolved grant awards.
- 3.2 Do Something** - The proposal outlined for Members includes a review of national guidance, learning from other devolved areas and updating local documents. The aim being to achieve government sign off. Further amendments can be made mid year in 2021/22 if additional local changes are required which could include changes required as a result of the integration of the PTE with the MCA.
- 3.3 Do More** - A separate strand of work has commenced to detail all policy and process documents, not simply those required to be approved by National Government, and to establish a timetable for regular review. This document library will be published to improve transparency and scrutiny of the MCA / LEP and the MCA Executive Policy and Processes. Whilst this is underway, it is not required to be in place by the end of the financial year and so will be finalised in Q1 of 2021/22.

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 including any monies allocated by Government. The release of Gainshare funding is dependent on the Government's approval of the Assurance Framework.

To secure greater value for money, the proposal is to procure an evaluation panel via a framework, that can be utilised by the MCA / LEP and partners, the Evaluation Panel procurement will commence in the new financial year, following approval of the Monitoring and Evaluation Framework with an aim to be established by Autumn 2021.

The costs of compliant assurance, monitoring and evaluation is being considered as part of the 2021/22 budget setting process.

4.2 Legal

The Assurance Framework outlines the legal duties of the MCA as the Accountable body for the LEP 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 which complies with the principles outlined in HM Treasury's Green Book.

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 SCR Risk Register and quarterly monitoring of projects and programmes.

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. 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 Assurance Framework, LEP Policies and Monitoring and Evaluation Framework will be published on the website and the Assurance Framework will set out in detail how the general public can access information that the MCA and LEP holds.

6. Appendices/Annexes

6.1 Appendix A - Draft Monitoring and Evaluation Framework

Report Author	Lyndsey Whitaker
Post	Senior Economic Policy Manager
Officer responsible	Dr Ruth Adams
Organisation	Sheffield City Region
Email	ruth.adams@sheffieldcityregion.org.uk
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:

This page is intentionally left blank

Sheffield City Region

Monitoring & Evaluation Framework

Contents

- 1 Introduction
- 2 About the Monitoring & Evaluation Framework
- 3 The Monitoring Process
- 4 The Evaluation Process
- 5 Appendix A: Metrics, Measures, Outputs & Outcomes
- 6 Appendix B: Logic Chains for the Thematic Areas

List of Tables and Figures

- Figure 1 The ROAMEF Cycle - The Magenta Book: Guidance for Evaluation, UK Government
Figure 2 SCR Strategic Economic Plan 2020-2040
Figure 3 SCR Renewal Action Plan

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

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, Adult Education Budget (AEB) and Transforming Cities Fund (TCF) as well as funding awarded to the MCA and LEP; specifically 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 are 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

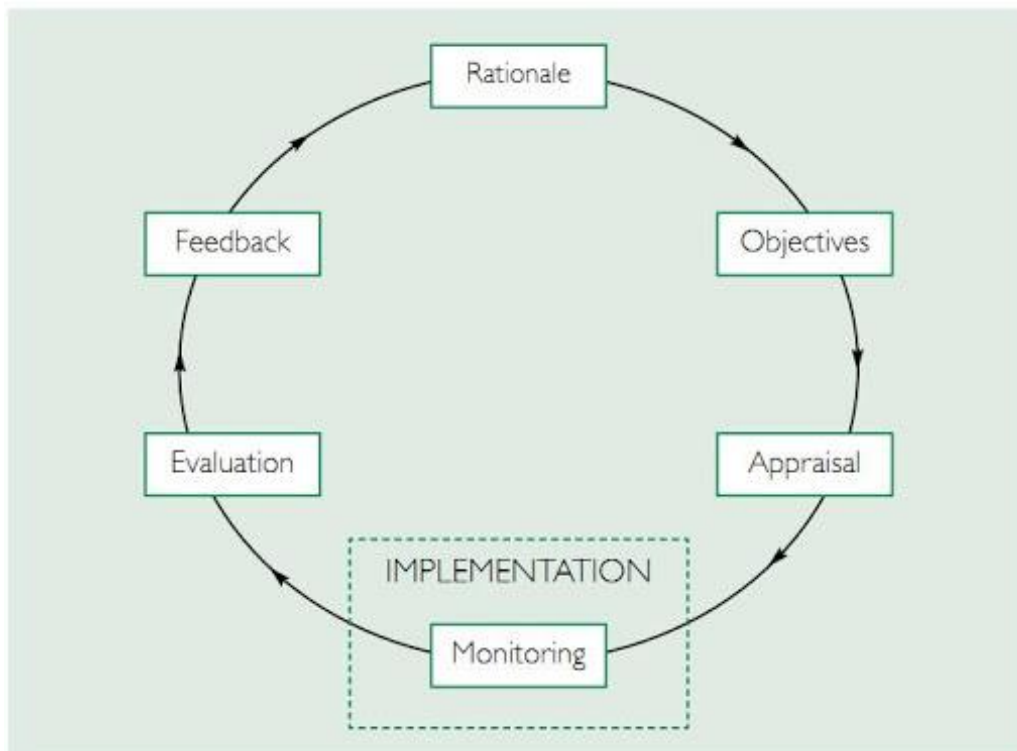
- 1.7 The remainder of this document is structured into the following sections:
 - **Section 2** sets out the importance of monitoring and evaluating project and programme performance, the programmes and activities covered by this framework and how the framework relates to the City Region’s plan for 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 SCR 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:

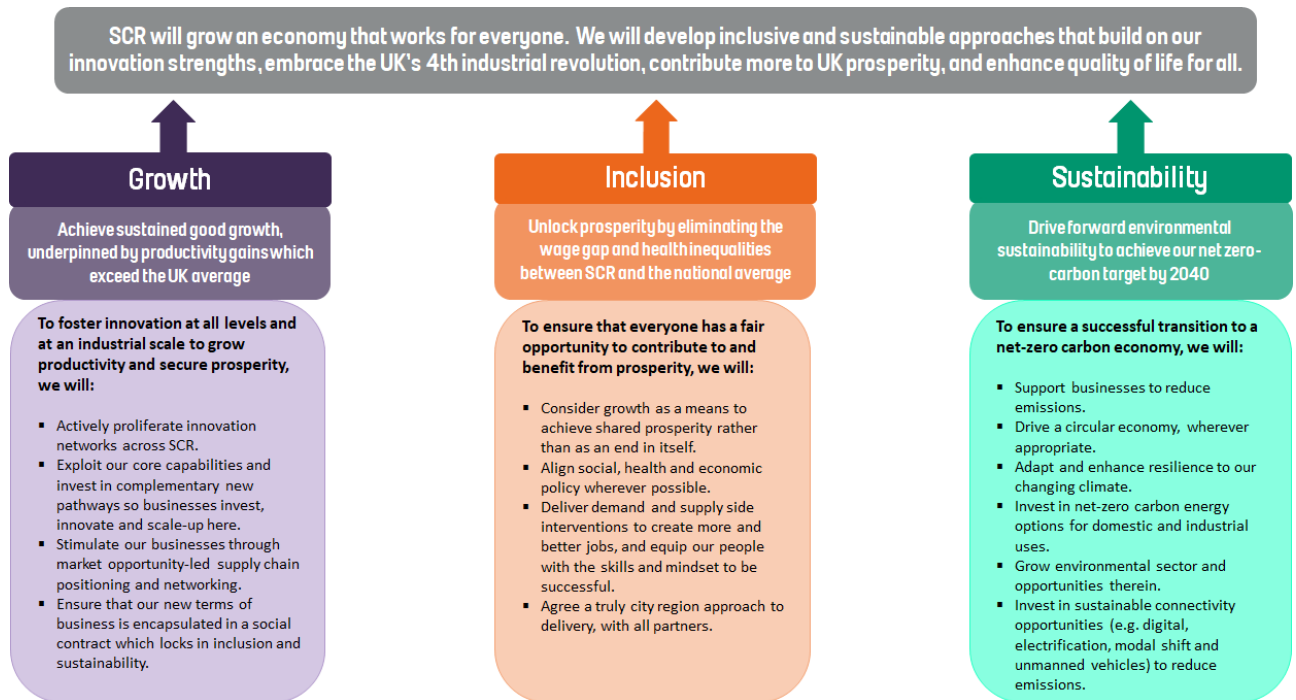
Figure 1: The ROAMEF Cycle - The Magenta Book: Guidance for Evaluation, UK Government



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 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 2020-2040



- 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

People	Help people find jobs and adapt to the new economy	<p>Helping 35,000 people re-engage with 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 across 6,000 new jobs across infrastructure programmes • Improved local economy resilience and health and wellbeing

2.9 Together, with the Transport Strategy and Sustainable Development Plan, the SEP and the RAP sets the blueprint for how devolved and awarded funding from Government will be invested. It also sets 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 (UK Shared Prosperity Fund) for example, 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 the city-region. This equates to around £35m per annum.

Transport Settlement

- 2.13 The MCA has control of 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 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.

UK Shared Prosperity Fund (UKSPF)

- 2.17 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.
- 2.18 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

- 2.19 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.
- 2.20 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

2.21 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.

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.

Applying Evaluation Findings to Future Policy, Strategy and Delivery

- 4.17 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.
- 4.18 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.
- 4.19 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

To reference the output and outcome targets for AEB and TCF.

National Metrics

XXX

Standard Outputs

XXX

Additional Outcomes

XXX

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
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 61</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">People</p>	<p>Help people find jobs and adapt to the new economy.</p>	<p>Train to work</p>	<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>
		<p>Back to Work</p>	<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>
		<p>Young People's Skills Guarantee (Post-16)</p>	<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>
		<p>Overcome barriers</p>	<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

To include the logic chain diagrams for Business Growth, Skills and Employment, AEB, Housing and Infrastructure, Transport and TCF.

Sheffield
City Region

Sheffield City Region

11 Broad Street West

Sheffield

S1 2BQ

+44 (0)114 220 3400

enquiries@sheffieldcityregion.org.uk

www.sheffieldcityregion.org.uk

This page is intentionally left blank

January 2021**Mayor's Update****Purpose of Report**

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

1. The COVID pandemic

As we enter 2021 the light at the end of the COVID tunnel is growing brighter, particularly now two vaccines have been approved and are being rolled out across the country. Vaccination is the route out of the restrictions that have had and continue to have such huge impacts on all of our lives and livelihoods.

I know our NHS, Local Authorities and Public Health officials in South Yorkshire are working day and night to roll the vaccine out as quickly as possible. But as the largest vaccine drive in our history, this will take some time to deliver.

In the interim, we must do all we can to limit the spread of COVID. Infection rates and the number of people testing positive are rising in South Yorkshire. Whilst this is not at the alarming rate seen in London and the South East, the new variant of the virus is 50% to 70% more infectious and transmissible, so this picture can change extremely rapidly.

It's devastating for families and businesses to start the New Year with tighter restrictions, but this is the only way we will save lives and prevent our NHS and hospitals from being overwhelmed in the toughest winter we have faced. Our hospitals all remain under significant pressures and are currently treating 600 COVID patients, a figure 50% higher than in April and we need to make every effort to avoid a third peak.

Regrettably therefore, we are all facing a very tough few weeks ahead. I understand just how weary and frustrated many people will be, but the lockdown in March reduced the spread of the virus, and if we all follow the rules, this one will as well. For the sake of our families, our communities, and our businesses, everyone needs to play their part.

2. The Brexit Deal

Understandably, Brexit wasn't at the top of the political agenda in 2020. COVID has transformed our daily lives and battered our businesses. The OBR forecast 2.6 million jobs will be lost as a result of the pandemic and we are facing the deepest recession in Europe. Our communities in South Yorkshire are bearing the brunt of this disease and we will be living with the economic fallout for years to come.

Given the scale of these existing pressures, the last thing our already fragile economy needed was to crash out of the EU without a deal on our future relationship. However, the time taken to agree

this, meant that businesses had no time to plan with certainty on what would come next. The Deal done was a thin agreement that does not adequately protect our manufacturing, service and creative industries, financial sector or workplace rights.

Inevitably the devil is in the detail of the deal and at 1,246 pages there is a considerable amount of information to digest and dissect. The MCA team will continue to work with partners to understand this and its implications for South Yorkshire. It's vital that we seek to unlock the opportunities that this can provide and support businesses and other organisations as new rules and procedures are implemented.

3. Driving a stronger, greener and fairer South Yorkshire through our renewal effort

The seismic events of COVID and Brexit will have a lasting impact on people and businesses across South Yorkshire for decades to come. Beyond a return to life resembling something like normality; the choices we make will define our way of life for the next generation.

We have a herculean task of rebuilding our economy and society. Crucially, this must not be a slow and steady return to broken status quo. 2021 must be the year we fix the foundations and start the job of building back better.

That's why despite all the challenges we face, I believe 2021 is when people in our region will begin to see the difference devolution can make to their lives. My vision is for a stronger, greener, fairer South Yorkshire and that is the compass that will guide my plan for recovery and renewal.

Thanks to the hard and collaborative work of partners across South Yorkshire we are now in a much better position to respond to these challenges that lie before us. In 2020 the Mayoral Combined Authority secured almost a quarter of a billion pounds of investment for transport, active travel, infrastructure and housing – even before our Devolution Deal is considered. This means that next year the MCA Group (including SYPTE) will have a budget of £344m in 2021/22. An increase of £160m compared to this year, this will be the largest budget the Combined Authority has had since it was established in 2014.

Our collective challenge therefore becomes one of delivery ensuring that every pound spent yields the maximum possible benefits for South Yorkshire. As the economic consequences stemming from COVID continues it is vital that we deliver our Renewal Action Plan, creating much needed opportunities for our region's people, businesses and communities.

Continuing to prove that we can deliver better outcomes for our residents will also be the most powerful way to make the case for devolution. Given the limited additional funding made directly available to MCAs through the Spending Review, this is a case that we will need to continue to make, as the argument appears yet to be won.

By not allocating new sources of investment such as the Levelling Up Fund and the UK Shared Prosperity Fund to either LEPs or MCAs, as the predecessor funds were, Government is taking an increasingly centralised approach. In 2021/22 it is also making less money available through these funds than was previously the case, at a time when it is needed the most to support the renewal effort. In this context, questions remain regarding the levelling up agenda, particularly in the absence of a clear definition of what is meant by this term and therefore what we're seeking to achieve.

I will continue to do everything I can to secure more powers and resources for the Region, including through key publications such as the much-delayed Devolution White Paper. It's time to stop tinkering and start transforming.

January 2021

Chief Executive's Update

Purpose of Report

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

1. AEB procurement

In line with the strategy approved by the thematic Board the procurement exercise for the devolved Adult Education Budget commenced on the 18th December. It is open to any organisation who would like to deliver provision funded through the devolved adult education budget to South Yorkshire residents.

2. Quarterly Economic Review

The event announcing the latest South Yorkshire's Chambers of Commerce and LEP quarterly business survey results will take place on January 27th. A link to the survey can be found on our website.

3. Covid-19 Business Input Group

This group continues to meet on a fortnightly basis to secure a business view on where the region's support should be targeted. The group continue to receive policy and data insights on the impact of C19 and provide business insight and intelligence on the shape of our business support response.

4. Skills Advisory Network

The new Skills Advisory Network (SAN) chaired by Angela Foulkes has been formally established and is working with the Department for Education and local stakeholders to develop more detailed insights into labour market challenges and opportunities. A potential project in partnership with the Manufacturers Forum, EngineeringUK and the WorkWise Foundation is in development to deepen our understanding of the needs of our manufacturing and engineering base.

5. Future High Streets Fund

The Government announced on Boxing Day that up to £830 million from the Future High Streets Fund will be invested in 72 areas across England. Sheffield received confirmation of its full £15,817,001 bid. Rotherham secured a provisional commitment of £12,660,708 and Barnsley £15,624,456.

6. Annual Performance Review

Each year the LEP is required to undergo an annual performance review as part of the governance requirements set out by MHCLG. This years' review will take place on the 25th January. In advance of that the executive team will be preparing a submission as part of the APR process setting out performance and progress against the themes of delivery, governance and strategic impact.

This page is intentionally left blank