

Public Document Pack



Monday, 13 September 2021

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

NOTICE OF MEETING

You are hereby summoned to a meeting of the South Yorkshire Mayoral Combined Authority to be held at **Sheffield City Region, 11 Broad Street West, Sheffield S1 2BQ**, on: **Monday, 20 September 2021 at 10.00 am** for the purpose of transacting the business set out in the agenda.

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

Dr Dave Smith
Chief Executive

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Member Distribution

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

SYMCA
Rotherham MBC
Derbyshire Dales DC
Doncaster MBC
Bassetlaw DC
Barnsley MBC
Sheffield City Council
Bolsover DC
Chesterfield BC
NE Derbyshire DC
Chair of LEP Board

MCA - Mayoral Combined Authority Board

Monday, 20 September 2021 at 10.00 am

Venue: Sheffield City Region, 11 Broad Street West, Sheffield
S1 2BQ



Agenda

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

9.	Public Questions		
10.	Minutes of the meeting held on 26th July 2021		7 - 16
11.	Bus Service Improvement Plan (BSIP)	S Edwards	17 - 30
12.	South Yorkshire Digital Infrastructure Strategy	C Blackburn	31 - 80
13.	Final Accounts & Annual Governance Statement (AGS)	G Sutton	TO FOLLOW
14.	Programme Approvals	S Sykes	81 - 172
15.	Budget and Business Plan Development 2022/23	G Sutton	173 - 182
16.	Delegated Authority Report		183 - 188
<p>Date of next meeting: Monday, 15 November 2021 at 10.00 am</p> <p>At: Sheffield City Region, 11 Broad Street West, Sheffield S1 2BQ</p>			

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MCA - MAYORAL COMBINED AUTHORITY BOARD

MINUTES OF THE MEETING HELD ON:

MONDAY, 26 JULY 2021 AT 10.00 AM

**SHEFFIELD CITY REGION, 11 BROAD STREET WEST,
SHEFFIELD S1 2BQ**



Present:

Mayor Dan Jarvis	SCR MCA
Mayor Ros Jones CBE	Doncaster MBC
Councillor Sir Steve Houghton CBE	Barnsley MBC
Councillor Terry Fox	Sheffield City Council
Councillor Alex Dale	NE Derbyshire DC
Councillor Denise Lelliott (Reserve)	Rotherham MBC

In Attendance:

Dr Dave Smith	Chief Executive	MCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Martin Swales	Interim Director of Transport, Housing, Infrastructure and Planning	MCA Executive Team
Steve Davenport	Principal Solicitor & Monitoring Officer	MCA Executive Team / SYPTE
Gareth Sutton	Chief Finance Officer/S73 Officer	MCA Executive Team
Stephen Edwards	Executive Director - SYPTE	SYPTE

Apologies:

Councillor Garry Purdy	Derbyshire Dales DC
Councillor Simon Greaves	Bassetlaw DC
Councillor Steve Fritchley	Bolsover DC
Councillor Tricia Gilby	Chesterfield BC
James Muir	Chair of LEP Board
Sarah Norman	Barnsley MBC
Damian Allen	Doncaster BMC
Kate Josephs	Sheffield CC
Sharon Kemp	Rotherham MBC
Huw Bowen	Chesterfield BC
Neil Taylor	Bassetlaw DC
Karen Hanson	Bolsover and North East Derbyshire Councils
Paul Wilson	Derbyshire Dales DC

1 **Welcome and Apologies**

Mayor Jarvis MBE welcomed everyone to the meeting.

Apologies were noted as above.

Mayor Jarvis congratulated Cllr Read and his partner Emma on the recent birth of their baby. He welcomed Cllr Denise Lelliott who was attending in Cllr Read's place.

2 **Announcements**

With regard to Covid-19, Mayor Jarvis commented that infection rates across South Yorkshire were rising rapidly which was concerning. Whilst thanking all those involved in the effort to combat the pandemic he reminded everyone of the need to remain vigilant.

The government had decided last week to announce changes to the healthcare boundaries in South Yorkshire, with Bassetlaw being removed. Mayor Jarvis had spoken to Ministers on the issue to ensure the decision did not come at a cost to the region's communities.

The MCA and the local authorities had acted quickly to get the Additional Restrictions Grant into the economy. Figures showed that £45.64m had been moved into the South Yorkshire economy in just 231 days.

Mayor Jarvis informed the Board that the Government had confirmed revenue funding up to April 2022 to support Supertram.

A solution to the issue of direct rail connectivity to Manchester Airport from South Yorkshire had still not been received. Mayor Jarvis had made his position clear that a solution must be found. The Integrated Rail Plan had also still not been published.

Following the decision of the MCA at its June 2021 meeting to change the name of the MCA, Mayor Jarvis confirmed that the Chief Executive had agreed that the date for the legal name change from the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority to the 'South Yorkshire Mayoral Combined Authority' would be 17th September 2021.

Mayor Jarvis offered his congratulations to Dame Sarah Storey on her selection for the GB Paralympic Squad at her 8th Olympics and wished her the very best of luck in Tokyo.

3 **Urgent Items**

There was one urgent item entitled 'Summer Travel Concessions' which would be taken at item 18.

Mayor Jarvis commented that, as Members were aware, the effects of Covid-19 had caused a significant impact on bus patronage which had fallen to crisis levels and there was an urgent need to encourage people to use public

transport.

The proposals set out in the paper were time-limited and designed to coincide with particular opportunities and challenges over the summer period. As the school holidays were now starting and the proposal was designed to assist families during the holidays, the matter couldn't wait until the September MCA. On that basis an urgent item had been brought forward for discussion today. Mayor Jarvis thanked the Chair of the Overview and Scrutiny Committee for his agreement in accordance with the 2017 Regulations to bring the paper at short notice and outside of the agreed MCA Forward plan framework.

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

None.

5 **Voting Rights for Non-constituent Members**

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

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

Cllr Houghton, Mayor Jones and Councillor Lelliott declared an interest in the matters to be considered at agenda item 14 entitled 'Programme Approvals'.

7 **Reports from and questions by members**

None.

8 **Receipt of Petitions**

F Postlethwaite presented a petition entitled 'Bring South Yorkshire buses back into public control.'

The petition read:

"We the undersigned call on Dan Jarvis to take South Yorkshire buses into public control - that means committing to franchising now. We cannot allow private companies to continue cutting services, putting up prices and not meeting the needs of the travelling public."

Mayor Jarvis thanked Ms Postlethwaite for her contribution stating that he was conscious that a Public Question had also been received on the issues set out in the petition. He would review the content of the petition but hoped his response to the public question would go some way to demonstrating the MCAs commitment to the issues raised.

9 **Public Questions**

Two public questions had been received from F Postlethwaite.

Question 1

The Tory bus strategy stresses the need to “take into account the view of local people” in formulating the Bus Improvement Plan. Are there plans for public forums to take place over the next couple of months across our communities, where bus users can be properly consulted?

Mayor Jarvis replied that extensive public consultation had taken place during the Bus Review in 2019 with 5,000 responses as well as a series of roadshows, public meetings and engagement with stakeholders across the region.

As part of the process to introduce a statutory partnership there was a requirement to consult on the proposals. Dates for the consultation were yet to be confirmed but would follow Department for Transport feedback on the Authority's Bus Service Improvement Plan which was due for submission in October this year.

Question 2

Franchising is also being “actively looked at”. The Betts review recommended that “the procurement of the necessary expertise to financially and legally investigate the process off franchising should begin immediately”. Will that investigation involve looking at the financial savings which could be made by bringing our bus services into public control?

Mayor Jarvis replied that the MCA were fully committed to the transformation of the region's bus services. £3.2m had been invested to make an early start on upgrading the bus network in South Yorkshire, £6m had been invested to extend cheaper fares to 18-21 year olds through the Zoom Travel Pass and the urgent item on today's agenda sought to do more.

Further investment would be planned through the City Region Sustainable Transport Fund which would increase investment in bus infrastructure further.

Before it could be decided which model of governance was right, there was a need to be clear on what a good bus service actually meant for South Yorkshire. The MCA had published a Seven Point Plan in July 2020 which set out how the Region would respond to the recommendations made in the Bus Review.

The first steps of this plan were designed to identify what a good bus network looked like for South Yorkshire taking into account factors such as the design of routes, service frequency, environmental standards and service quality. The work programme was well underway and would form the basis of the Bus Service Improvement Plan in October.

Once there was a clear picture of what good looked like an informed decision about which model would best deliver the Authority's aspirations could be made, taking into account the benefits, costs and affordability of each model.

Mayor Jarvis stated that this was the right approach and he was confident that it would deliver the right outcome.

10 **Minutes of the meeting**

RESOLVED – That the minutes of the meeting held on 7th June 2021 be agreed as a true record.

11 **Active Travel Update (Capital Fund)**

P Zanzottera presented a report which set out the principles of the Department for Transport (DfT) Active Travel Fund 2021/22 and sought approval to proceed and submit the bid.

P Zanzottera informed the Board that he had spoken to Dame Sarah Storey who had sent best wishes to all and had reflected on the fact that it was just over a year since the SY Active Travel Plan had been passed and what amazing progress had been made despite the pandemic.

The Board noted the proposed submission packages.

1. Business grants – approximately £1m of grants to go directly to businesses to assist active travellers when they arrive at work e.g. cycle parking.
2. Loan bikes and ebikes - £0.25m for access bikes. The MCA were leading in the country by having a regional co-ordinator and were ready to set up three additional centres to add to the one in Sheffield. The aim was to buy equipment that could be loaned to anyone with an impairment.
3. Pedestrian crossings – this would have an emphasis on access to nature. During the pandemic a lot more local journeys had been made and research showed that 20% of people expected to walk more after the pandemic.

The last packages were concerning road infrastructure and would be approximately £7m.

The first was the extension of existing routes and the second was the off-road network with the aim of making routes accessible to all.

The Board was also informed of two national pilot schemes for Mini-Hollands and GP Social Prescribing which were asking for expressions of interest.

RESOLVED – That the Board:

- i) Approve the submission of a bid to the Department for Transport.
- ii) Approve delegated authority to the MCA Statutory Officers in consultation with the Mayor and Co-Chairs of the Transport and Environment Board to make final amendments to the bid.

12 **Intra City Transport Settlement (ICTS)**

A report was submitted with regard to the South Yorkshire Intra City Transport Settlement submission to Government.

M Swales informed the Board that since the report had been written the name had been changed to the City Region Sustainable Travel Settlement.

Funding for eight Mayoral Combined Authorities of £4.2bn had been announced available from 2022-23. The MCA was required to submit proposals to Government by the end of August 2021.

Programme objectives had been set out by HMT, these were:

- Growth and productivity
- Levelling up
- Decarbonisation
- Local contribution

Government had also confirmed that the MCA would also be able to access bus reform funding, local roads funding, Major Road Network and Large Local Majors, cycling and walking investment and local electric vehicle charging infrastructure.

Limited time had been available between publication of the guidance and bid submission date. Therefore, delegated authority was sought to approve the programme for submission by the end of August 2021.

RESOLVED – That the Board approve delegated authority to the MCA Chief Executive Officer and Group Finance Director, in consultation with the Mayor, Leaders of the Local Authorities, private sector co-chair of the Transport and Environment Board, to develop a bid for the City Region Sustainable Travel Settlement to submit to DfT by the end of August 2021.

13 **Budget Revision Q1**

A report was submitted which provided revised budget forecasts to the end of the financial year 2021/22.

The report took account of the latest financial information available and proposed a number of adjustments. It also requested approval for the adoption of a number of new grants and provided an update on negotiations with the Treasury around a debt-cap which would allow the Authority to take advantage of some of the powers available under the Devolution Deal.

Members were informed that the funding proposals included at item 18 on the agenda were not included in the report.

G Sutton informed the Board that there had been a proposed extension to bus and tram support to the end of the current financial year. Further details were awaited.

To reiterate what the Mayor had mentioned earlier, over £46.5m of financial support had been moved into the local economy through the locally designed and delivered South Yorkshire Business Support Programme which had provided a lifeline to local businesses and traders.

Expenditure at that level would allow the drawdown of the third, and possibly final, tranche of funding and proposals would be brought to Members in the coming weeks as to how the residual amount of funding could be deployed.

The budget had again been adjusted for additional money that had been made available by Government. A further £12.5m of Growth Deal money dating back to 2018 had been drawn down following lobbying of the Secretary of State for Transport by the Mayor. Proposals would be brought back in the coming weeks on how that money could be used taking account of bids that were already in the system and also taking the opportunity to address some systemic weaknesses and funding gaps that it had not been possible to bridge in previous years.

The budget had also been adjusted to take account of new money made available for the Made Smarter programme and money to build an extension to the Skills Bank programme.

With regard to the Capital Programme, this was showing some signs of slippage. MCA officers and partners were working collaboratively to identify mitigations.

RESOLVED – That the MCA Board:

- i) Adopt the revised budget estimates.
- ii) Accept £12.5m of LEP City Deal transport capital funding secured by the Mayor.
- iii) Accept £0.4m of grant from the Careers and Enterprise Company.
- iv) Note the slower than forecast pace of the capital programme.
- v) Note the ongoing negotiations with government around the agreement of a 'debt-cap' ahead of the receipt of borrowing powers.

14 **Programme Approvals**

A report was considered that requested approval of three Transforming Cities Fund funded schemes, subject to conditions set out in the Assurance Summary, early release of up to £2.35m development cost funding, subject to any conditions set out in the Assurance Summaries and approval of one project change request.

RESOLVED – That the MCA Board approve:

- i) Progression of Doncaster Road, Dalton OBC to FBC and the release of development cost funding of £0.51m to Rotherham Metropolitan

Borough Council subject to the conditions set out in the Assurance Summary attached at Appendix A to the report.

- ii) Progression of A61 Wakefield Road OBC to FBC and the release of development cost funding of up to £1.35m to South Yorkshire Passenger Transport Executive (SYPTTE) subject to the conditions set out in the Assurance Summary attached at Appendix B to the report.
- iii) Progression of Tram Train Magna OBC to FBC and the release of development costs funding of up to £0.49m to SYPTTE subject to the conditions set out in the Assurance Summary attached at Appendix C to the report.
- iv) One project change request as detailed in Appendix D to the report.
- v) Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.

15 **Officer Scheme of Delegation**

A report was submitted which sought approval to amend the Officer Scheme of Delegation to ensure that the Mayoral Combined Authority and SYPTTE could take decisions relating to operational/organisational management in an efficient and effective manner.

Members were informed that it was important that the governance of the MCA was reviewed in light of changes to the organisation, in particular the wider remit following the 2020 devolution deal and the decision to dissolve the SYPTTE and integrate public transport functions into the MCA.

Without changes to the Officer Scheme of Delegation there would be a significant increase in routine operational/organisational decision-making reports being brought to the Thematic Boards and the MCA. This was because the present delegations scheme stated that all contract awards and spend decisions over £100k had to be determined at either a Thematic Board or the MCA. With the integration of the SYPTTE, which was an operational type of organisation, this would mean many contract award decisions being brought to Members despite the spend being part of the already MCA approved budgets and programmes.

The report also recommended that the Constitution be amended to clarify how external grants were applied for and accepted.

RESOLVED – That the MCA Board approve:

- i) The changes to the Officer Scheme of Delegation as set out in the report.
- ii) The changes to the Constitution as shown in the Appendix to the report.

16 **Code of Corporate Governance**

A report was considered which presented a revised Code of Corporate Governance which reflected the findings of the Annual Governance Review which concluded in June 2021.

In line with the commitment to review the Code of Corporate Governance annually the Code had been reviewed, proposed amendments were shown as tracked changes in appendix A. The Audit and Standards Committee considered the revised Code at its meeting on 15th July and had recommended the revised version to the Combined Authority Board.

The report contained a summary of the proposed changes and details of a number of commitments that had been strengthened or amended.

RESOLVED: That the MCA Board note the revised Code of Corporate Governance.

17 **Delegated Authority Report**

A report was considered which updated the Mayoral Combined Authority on:

- Decisions and delegations made by the MCA.
- Decisions and delegations made by the Thematic Boards.

RESOLVED – That the MCA Board note the decisions and delegations made by the MCA and the Thematic Boards.

18 **Summer Public Transport Concession Options**

This was an Urgent Item, as discussed at agenda item 3, and with reference to a Case of Special Urgency notice published on 21st July 2021.

A report was considered which set out a request to approve the subsidy of multi-operator tickets during August and September 2021 to encourage patronage return to the public transport network and generate footfall in the region's towns and cities.

The report considered two options. The first option suggested a discount of 25% applied to the new 'Flexi-5' ticket range at an estimated cost of £60k. The second option would see a 25% discount applied to all TravelMaster products at an estimated cost of £0.4m. Both options would be for an 8-week period over August and September.

Cllr Lelliott supported Option 1 which would help people who were returning to work.

Option 2 was not supported because:

- The proposal had not been discussed by the Transport and Environment Board.
- There as a lack of detail given the level of spend.
- Concerns about a universal subsidy.
- Uncomfortable that the proposal encouraged non-essential travel when

Covid-19 cases were rising rapidly.

Cllr Lelliott suggested that the matter be deferred and referred to the Transport and Environment Board (TEB).

Cllr Houghton supported Option 2 because of the potential bigger impact. Whilst understanding Cllr Lelliott's points, especially with regard to the TEB, measures were needed urgently to encourage people back onto public transport.

Mayor Jones also supported Option2, agreeing with Cllr Houghton that increased patronage on public transport was a priority.

Cllr Fox echoed the comments of Cllr Houghton and Mayor Jones and, whilst understanding Cllr Lelliott's concerns, supported Option 2.

RESOLVED – That the MCA Board approve Option 2 as set out in the report.

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed

Name

Position

Date



Mayoral Combined Authority Board

20 September 2021

Bus Service Improvement Plan Update

Is the paper exempt from the press and public? No

Purpose of this report: Discussion

Is this a Key Decision? No

Has it been included on the Forward Plan? No

Director Approving Submission of the Report:

Stephen Edwards, Executive Director (SYPTTE)

Choose an item.

Report Author(s):

Chloe Shepherd

Chloe.shepherd@sheffieldcityregion.org.uk

Executive Summary

This paper provides an update on the workpackage one (WP1) outputs that will be used to develop our initial Bus Service Improvement Plan (BSIP) submission in October 2021.

What does this mean for businesses, people and places in South Yorkshire?

The outputs produced by WP1 relate to improving the regions bus services and by incorporating them into our initial BSIP, they will support the recovery of our bus system post-COVID.

Recommendations

That the Board consider the content of this paper and the outputs from WP1 which will shape the next stages of work, to provide a view on the preferred approach to the initial Bus Service Improvement Plan (BSIP), as set out in Section 3.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Transport and the Environment Board

02 September 2021

1. Background

- 1.1 The initial BSIP setting out the MCA's proposals for improving bus services in South Yorkshire, is due for submission to the Department for Transport (DfT) in October. The BSIP guidance asks that Local Transport Authorities (LTAs) set targets relating to service improvements and outline how they will be delivered in their plans, which will be monitored and reported on annually.
- 1.2 The Route, Quality and Environmental Analysis workstreams that comprise workpackage 1 (WP1) are reporting their first set of key outputs. These three workstreams combined will set out what a better bus system looks like and provide the evidence to underpin the content of the initial BSIP. The first set of outputs provide examples of best practice from around the country, an identification of some of the barriers we face in our region to delivery as well as a strategic outline of overall network performance. They also highlight the impact that the COVID-19 pandemic has had on our bus system.
- 1.3 As we have collected a lot of strategic level evidence so far, there are areas where further work could be undertaken in detail to identify those locations and interventions that would support the recovery of the bus system post-COVID before moving onto measures that would grow the system. The Board is asked to consider the emerging strategic evidence and the areas to explore in more detail, to ensure the BSIP delivers the regions objectives for bus.

2. Key Issues

- 2.1 The BSIP guidance states the overall aim of the document is to '...explain LTA ambition to improve buses and the plans and policies that will deliver them'. The Transport and Environment Board have previously set out a draft Vision and Objectives for bus to shape the development of the BSIP (see Appendix A) that consists of several elements including reliability, accessibility, integration and inclusion, plus a series of delivery commitments that includes growing patronage to create a financially sustainable and stable network and delivery of our SEP objectives.
- 2.2 As BSIPs will be 'living documents' that are monitored and reported on annually, LTAs are asked to set targets that measure journey time, reliability, patronage and customer satisfaction improvements. The details of how these targets will be delivered are also required, with plans required to contain information regarding the location of bus priority measures, the role of Demand Responsive Transport (DRT) services, investment in decarbonisation measures and the improvements to accessibility.
- 2.3 WP1 – the Route, Quality and Environmental Analysis workstreams - will provide the evidence and information (inputs) required for the BSIP as depicted in Appendix B, showing how the starting point for our work to reform the bus network is the Bus Review that was published in 2020. From the strategic level evidence gathered so far, there are areas where further work could be undertaken in detail to support the development of our initial BSIP. The evidence also highlights the impact the pandemic has had on bus patronage, which raises questions about how to structure the initial BSIP in response.

- 2.4 Route Analysis - The Route Analysis workstream outputs provide a strategic overview of how our bus network is performing now (post-COVID) and how the network was performing in 2019 (pre-COVID). Current data indicates that bus patronage remains at around 60% of pre-COVID levels which, presents the region with a challenge when determining a set of targets for the BSIP. As COVID Bus Service Support Grant (CBSSG) is due to end in March 2022, the Board may wish to set BSIP targets that focus on the recovery of patronage to pre-COVID levels in the short term.
- 2.5 To understand where investment could be targeted to have the greatest impact on patronage, the Route Analysis workstream has conducted a strategic assessment of network performance. The outputs identified a number of areas of high bus demand in 2019, where patronage has fallen in 2021, but that also experience high levels of unreliability, which negatively impacts service provision. The evidence to date also shows a number of communities that are reliant upon bus services due to factors such as low car ownership, but their disparate locations do not suit traditional, timetabled bus service provision.
- 2.6 As the evidence gathered so far is at a high level, there is the opportunity to go into more detail to examine those areas of high demand and high unreliability, to potentially identify routes and interventions that could have the greatest impact on patronage recovery in the early years of our BSIP. Further work could also be undertaken to consider how best to address the issues presented in the evidence regarding serving our disparate communities. For example, alternative models of delivery are likely to be required such as DRT to ease the pressure on traditional, timetabled services.
- 2.7 Quality Analysis - The Quality Analysis workstream has identified the different types of bus passenger across our region and the elements of a bus service that are most important to them. This work is being aligned with the Route Analysis to inform service design and a long list of quality improvements is being created that consider the entire customer journey i.e. from deciding to travel, through to journey completion. The outputs of this commission will directly feed into the customer satisfaction and accessibility components of the BSIP and aims to produce a Universal Quality Standard for passengers, captured in a Customer Charter.
- 2.8 A review of the existing partnership agreements in South Yorkshire shows that many of the measures proposed on the quality improvements long list are already captured in the current documentation but are not consistently applied across the region. This inconsistency highlights a critical role for the monitoring and enforcement of agreements if the region is to progress beyond its current position. The Quality Analysis also considers where we can seek to grow demand and highlights concerns over cleanliness as an immediate barrier when deciding whether to use public transport. The National Disability Strategy¹ (NDS) released in July 2021, also highlights the critical role infrastructure plays both on and off vehicle, in ensuring our transport networks are fully accessible to all.

¹ <https://www.gov.uk/government/publications/national-disability-strategy>

- 2.9 It is proposed that further work is undertaken to identify where standards can be harmonised, and a set of Universal Quality Standards are developed that offer passengers consistency across our bus network. In the short term, improving the perceptions of public transport and giving visibility to the cleaning and maintenance regimes post-COVID may be an area to focus on in the BSIP to assist patronage recovery. In line with the aims of the NDS, it is proposed that in the short term we prioritise those measures that will build back public confidence of using the bus system to aid recovery, alongside identifying those measures that will lead to a fully accessible bus system and ultimately public transport network for South Yorkshire, over the medium to long term.
- 2.10 Our analysis also shows that there are locations of densely clustered bus stops, which if removed may help to speed up journey times and improve reliability. Further work is required to understand the benefits of bus stop rationalisation, the outputs of which will be brought back to Board for further consideration.
- 2.11 Environmental Analysis - The Environmental Analysis workstream has produced a report on the barriers to delivery that outlines some of the key barriers to the adoption of zero emission buses in our region. This report has been created drawing on intelligence from operators both inside and outside of South Yorkshire, as well as building on the experience of other MCAs that are more advanced in their delivery of a zero emissions fleet. Appendix C summarises the themes covered in the barriers report and highlights the risk categories investigated.
- 2.11 The South Yorkshire bus fleet is older (at 11 years) than the national average (8 years), with buses in South Yorkshire currently remaining in service for 20 years before being removed from service. Due to this long operational life, the analysis indicates that in the first five years of our BSIP, many of the older and more polluting buses (Euro III and IV) will be due for replacement. At this point a decision will be made by the operators regarding whether to replace those vehicles with a zero emission alternative or with a diesel/hybrid model, as they own the fleet.
- 2.12 Modelling is underway to outline the exact number of vehicles involved, the costs and potential delivery scenarios however, the high level costs associated with replacing the oldest vehicles in the next five years are estimated to be in the region of £93,600,000 excluding supporting infrastructure costs. Noting the impact of COVID-19 on the financial sustainability of our bus system, securing operator investment of this magnitude may be difficult.
- 2.13 It is proposed that the Board consider the level of investment that may be available to support the transition to a zero emission fleet and that the BSIP focus is on treating those routes where patronage is expected to recover first, in order to support the financial case. Further work is being undertaken to identify those routes that could be prioritised for zero emission operation based upon their suitability, the environmental impact and the economic case. In addition, work is continuing on the investment trajectories, costs and delivery scenarios required to meet the MCAs net zero commitments by 2035 and 2040, which could feature in the BSIP in the long term.

3. Options Considered and Recommended Proposal

3.1 Option 1

Due to the impact of the COVID-19 pandemic on patronage levels, our BSIP may need to respond to the challenge of recovering patronage in the early years, before seeking to deliver growth over the longer term. It is proposed that the first two years (2022 – 2024) focus on delivering interventions that are likely to stabilise and recover patronage following the end of CBSSG in March 2022. The latter years of our BSIP would then focus on delivering growth beyond pre-COVID levels.

3.2 Option 1 Risks and Mitigations

Arranging the delivery of the initial BSIP around the short term recovery of the patronage lost due to COVID-19 and targeting further detailed work to identify those locations that are expected to assist patronage recovery in the short term, would contribute to reducing the risk of network destabilisation following the withdrawal of Government CBSSG in March 2022. There is a reputational risk in setting targets to recover patronage to pre-COVID levels. This can be mitigated by the need to monitor and report annually on BSIP progress. If after the first year we have surpassed our initial targets, there is scope to recast a more ambitious set of targets to ensure continuous improvement.

3.3 Option 2

An ambitious set of long-term growth targets could be set out in our initial BSIP proposals to DfT.

3.4 Option 2 Risks and Mitigations

This option is not recommended due to the negative impact that COVID-19 has had on patronage. Setting targets that are too ambitious in the early years of BSIP delivery may be deemed unrealistic and ultimately prove demotivating in the early years of the new Enhanced Partnership.

3.5 Recommended Option

Option 1

4. Consultation on Proposal

4.1 Our BSIP is being developed in partnership with stakeholders and operators to ensure they remain fully engaged in this process.

5. Timetable and Accountability for Implementing this Decision

5.1 This is not a key decision however input from the Board at this stage in the development process, will help to shape the initial BSIP submission in October.

6. Financial and Procurement Implications and Advice

6.1 Whilst there are no direct financial implications to arise as a consequence of this report, delivery of the BSIP will require funding from multiple sources. Applications to the Levelling Up Fund, CRSTS and the ZEBRA fund are being developed and include measures to improve the regions bus system. The quantum of funding required to deliver our initial BSIP in full is still being calculated and will be reported back to this board in due course.

7. Legal Implications and Advice

7.1 The BSIP will initially be delivered through an Enhanced Partnership. Section 138 Transport Act 2000 provides the statutory powers to implement an Enhanced Partnership Plan and Schemes. The legislation sets out the process to be followed including obligations on consultation. The process also allows operators to object to the proposals and if there are sufficient “admissible” objections the operators can prevent the Enhanced Partnership from progressing. In addition to the statutory process an equality impact assessment will need to be undertaken and presented to Members highlighting any impacts on persons with protected characteristics.

8. Human Resources Implications and Advice

8.1 N/A

9. Equality and Diversity Implications and Advice

9.1 Through the Quality Analysis workstream, interventions will be identified that can be delivered to improve accessibility across our bus network. Delivering these improvements will play an important part in creating a fully accessible transport system for South Yorkshire.

9.2 When considering whether to pursue detailed work regarding bus stop removal (section 2.9) to secure journey time and reliability improvements, the impact on accessibility should also be considered.

10. Climate Change Implications and Advice

10.1 Surface transport in South Yorkshire accounts for around 37% of our total carbon footprint and has additional impacts on air quality and road safety. Currently private car use is around 60% of that figure. Modal shift from cars to public transport is critical to the delivery of the region and members net zero goals and keeping us within the 6th carbon budget.

10.2 In investigating the costs, infrastructure and investment opportunities to influence delivery of a zero emission fleet will bring carbon and pollution benefits to South Yorkshire. The overall improvement of our bus system and aims to increase mode share will contribute to an increase in public transport use, which is a sustainable mode of transport. Investments made in improving the bus service will give a two-fold environmental impact, both in improving use rates and in decarbonising the fleet.

10.3 Consideration of the sources of investment that could be used to support the delivery of the environmental elements of our BSIP is recommended

11. Information and Communication Technology Implications and Advice

11.1 N/A

12. Communications and Marketing Implications and Advice

12.1 The Department for Transport’s ‘It’s Everyone’s Journey’ campaign seeks to promote message of inclusivity to attract people back to public transport. This is

also a critical feature of the National Disability Strategy which states that the attitudes of others disincentivise public transport use amongst disabled people. SYPTTE have subscribed to participate in this campaign which will support patronage recovery post COVID-19 and ensure our system promotes a feeling of inclusivity.

List of Appendices Included

- A Draft Vision and Objectives for bus
- B BSIP Inputs Logic Map
- C Draft Environmental Analysis Barriers Report - Infographic

Background Papers

None

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Shaping a Vision for the South Yorkshire Bus Network

Our vision for the bus



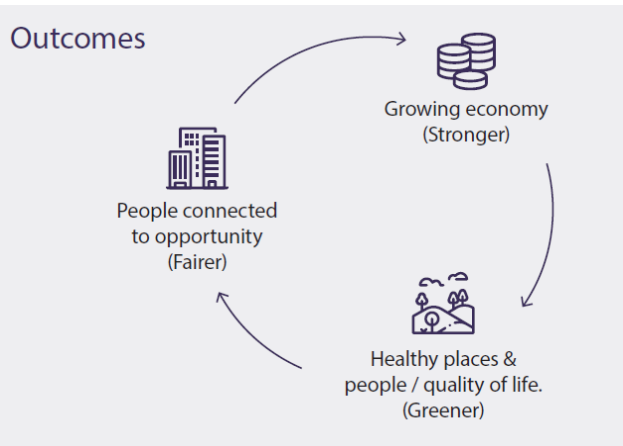
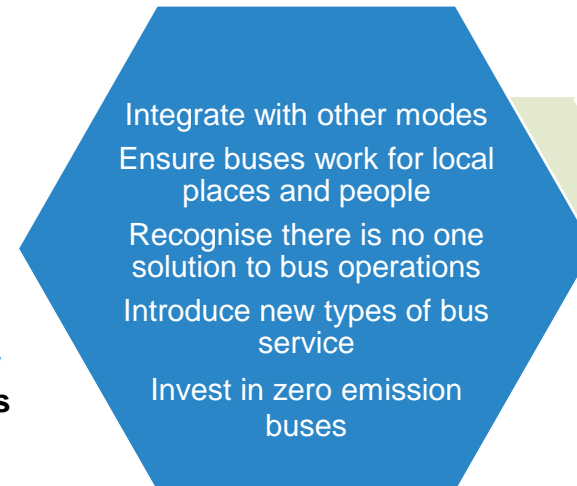
Districts and bus operators collectively commit to



District commitments

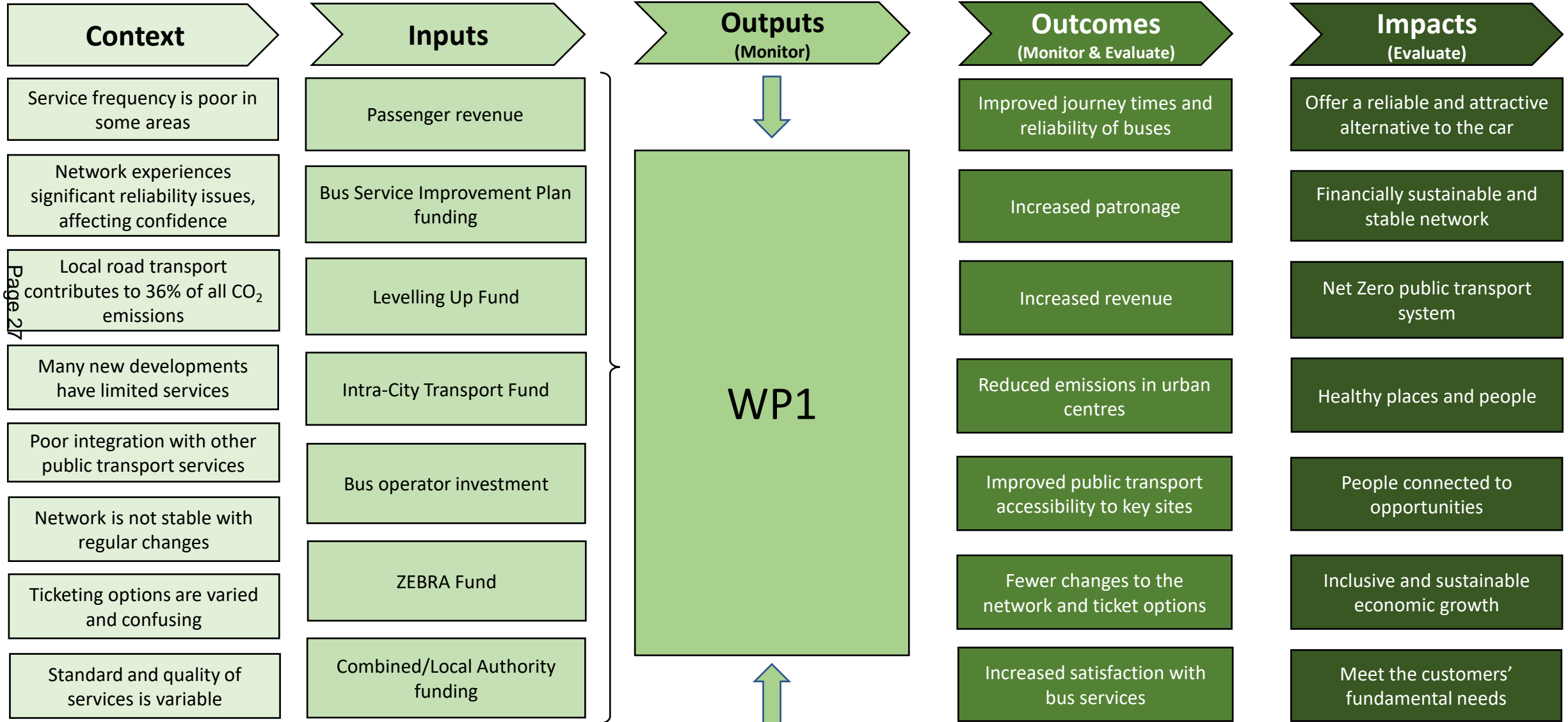


Bus operator commitments



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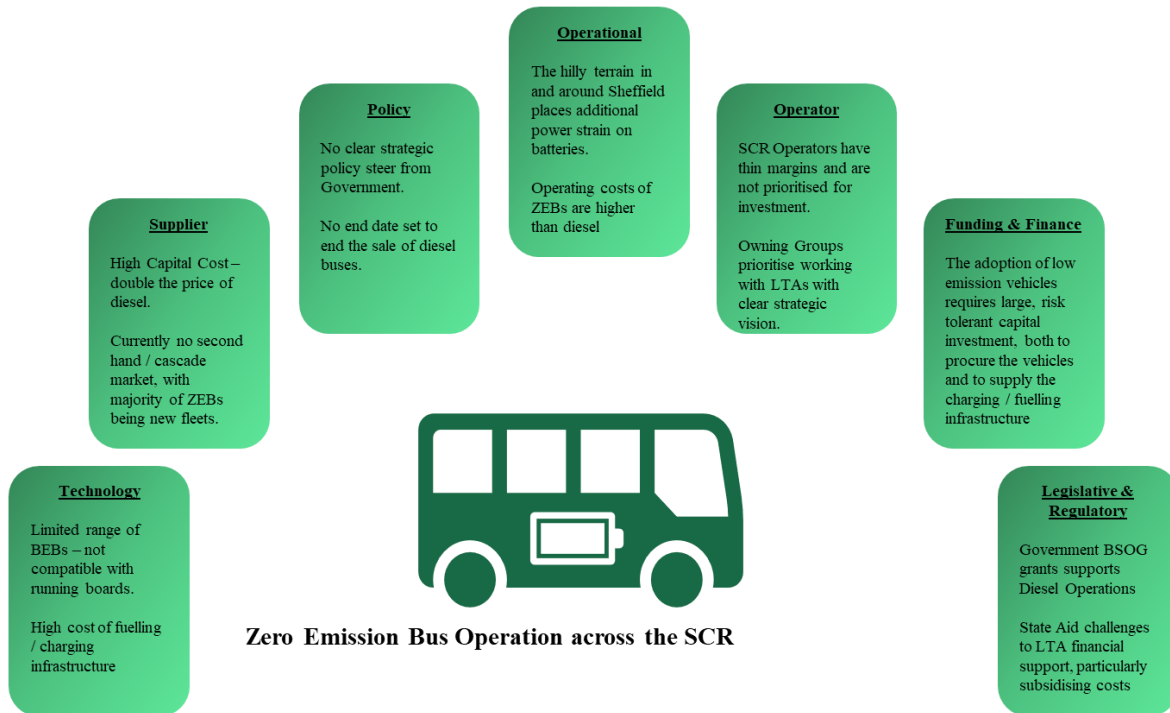
SYBIP Logic Map



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Appendix C

Barriers that have stopped the introduction of ZEBs within SCR to date



Condition for success going forward



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Mayoral Combined Authority Board

20 September 2021

Draft South Yorkshire Digital Infrastructure Strategy

Is the paper exempt from the press and public?	No
Purpose of this report:	Policy Decision
Funding Stream:	Not applicable
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

Martin Swales, Interim Director of Transport, Housing and Infrastructure

Report Author(s):

Colin Blackburn

Colin.blackburn@sheffieldcityregion.org.uk

Executive Summary:

To consider and approve the Draft South Yorkshire Digital Infrastructure Strategy

What does this mean for businesses, people and places in South Yorkshire?

If implemented the Strategy would help improve business productivity and competitiveness; address digital exclusion and digital poverty; and make South Yorkshire places more attractive to inward investors and as places to live and work.

Recommendations:

The Board is asked to:

- Consider and approve the Draft South Yorkshire Digital Infrastructure Strategy;
- Delegate to the Head of Paid Service in liaison with the Housing and Infrastructure Board Co-Chairs to sign off the final designed document; and
- Request that the Housing and Infrastructure Board prepares a Delivery Plan for the Digital Infrastructure Strategy.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Housing and Infrastructure Board
Local Enterprise Partnership

22 June 2021

09 September 2021

1. Background

- 1.1 The consultant Arcadis was commissioned in 2020 to support the Mayoral Combined Authority and partners to prepare a South Yorkshire Digital Infrastructure Strategy. The Strategy would provide a single strategic integrated approach to delivering the Strategic Economic Plan's (SEP) ambitions for gigabit broadband services across South Yorkshire, providing the core digital infrastructure networks, including 5G connectivity, to enable greater business competitiveness, social inclusion and environmental sustainability.
- 1.2 This report presents the Final Draft Strategy which has been developed and is recommended by the Housing and Infrastructure Board for consideration and approval by the MCA. The LEP Board also supports and has endorsed the Draft Strategy.

2. Key Issues

- 2.1 This Digital Infrastructure Strategy is part of, and covers, one of three key areas of activity critical to providing a strategic approach to addressing the digital agenda across South Yorkshire in an integrated way to deliver the SEP's digital ambitions. The other two elements being digital skills and digital innovation and business support.
- 2.2 The SEP sets out a clear expectation of how digital will contribute to the wider economic and innovation objectives and sets the ambition for the region to "*..be recognised as one of the best-connected city regions in the country where coverage, choice, and speed of communication stays ahead of demand...Enhanced digital connectivity and skills enable people to use digital applications and solutions to improve their lives and to sustain, grow, and create new businesses*"
- 2.3 The Strategy provides the proposed strategic approach to accelerating the development of 'gigabit capable' digital infrastructure networks across the whole of South Yorkshire and includes proposals for public interventions support achieving this strategic ambition; building on the success of the existing Superfast South Yorkshire broadband programme which has achieved over 98% superfast broadband coverage.
- 2.4 There are a range of key challenges that the Strategy seeks to address including:
 - Around 160,000 premises in South Yorkshire (20% of total premises) are not scheduled to receive 'gigabit-capable' broadband by the industry over the next 5 years.
 - To build on the success of the Superfast South Yorkshire (SFSY) broadband programme in now rolling-out gigabit broadband connectivity throughout South Yorkshire.
 - A more consistent regional approach for 5G including ensuring local businesses are aware of and exploit 5G opportunities.

- Addressing digital poverty and the affordability of broadband services, which remain barriers to social and economic inclusion.

2.5 The Strategy will seek to put in place the digital infrastructure and connectivity 'foundations' to address the above challenges and support the digital inclusion, digital skills and digital business innovation agendas.

2.6 The Housing and Infrastructure Board has begun to consider the next stages in delivering the Strategy. Appendix A provides an indication of the types of activities to implement the Strategy that the Board will be taking into account in developing a Delivery Plan.

3. Options Considered and Recommended Proposal

3.1 Option 1

To adopt the South Yorkshire Digital Infrastructure Strategy. Strategic policy and delivery options have been considered through the preparation process.

3.2 Option 1 Risks and Mitigations

The key risks relate to the implementation of the Strategy as follows:

- Delivery partners are unable to commit to implementing the Strategy once completed. Collaborative working in the development stage of the strategy should mitigate this as controversial issues have been raised and responded to early, but the implementation of the strategy may carry additional risks, still to be considered.
- The digital 'Market' evolves so rapidly that the Strategy becomes outdated and irrelevant. Engaging a specialist digital consultant with 'Market' knowledge and experience has ensured the Strategy is up-to-date and 'future proofed.'
- Insufficient public and private funding and investment to implement the Strategy in a timely manner to meet the Strategy's delivery targets. A public funding source has been identified to support implementation of both the Strategy and the wider digital agenda, and the MCA Executive and local authorities continue to liaise and support digital infrastructure providers in delivering their roll-out plans.

3.3 Option 2

To not adopt the South Yorkshire Digital Infrastructure Strategy

3.4 Option 2 Risks and Mitigations

The key risk with this option is that there would continue to be no consistent approach adopted across South Yorkshire to address the digital infrastructure challenges and SEP digital ambitions over the next 5-10 years. There are limited mitigations for this option and therefore option 1 is being recommended.

3.5 Recommended Option

Option 1 is the preferred option to pursue.

4. Consultation on Proposal

4.1 The Housing and Infrastructure Board has overseen the Strategy's preparation with the Superfast South Yorkshire Programme Board acting as an Advisory Group at key stages. Members of the Local Enterprise Partnership have provided a broader business input to its development.

5. Timetable and Accountability for Implementing this Decision:

5.1 The Draft Strategy is presented for the MCAs comments and approval.

6. Financial and Procurement Implications and Advice

6.1 There are no direct financial and procurement issues arising directly from this report. However, implementation of the Strategy will require financial and other resources, particularly within the MCA and local authorities, which have not yet been confirmed, although options are being explored

7. Legal Implications and Advice

7.1 There are no direct legal issues arising from this report.

8. Human Resources Implications and Advice

8.1 Consideration will need to be given to the resources for implementing the Strategy, including the roles and resource requirements of the MCA.

9. Equality and Diversity Implications and Advice

9.1 Ensuring digital inclusion for all is a key purpose of the Draft Strategy, aligning with the intentions of the Equality Act and Public Sector Equality Duty and the inclusivity policy approach of the Strategic Economic Plan.

10. Climate Change Implications and Advice

10.1 The Covid19 lockdown has shown the importance of good digital connectivity, particularly in relation to enabling people to effectively work from home, where possible, and access public health and other services online. A positive consequence of this has been a reduction in travelling and related pollution. Improved digital infrastructure / connectivity could therefore have a significant role in meeting net zero reduction targets related to transport.

11. Information and Communication Technology Implications and Advice

11.1 There are no IT issues as a direct result of this report.

12. Communications and Marketing Implications and Advice. Please also refer to consultation undertaken as per Section 4:

12.1 The final approved document is aimed to be published later in 2021 following design work. There may be media opportunities related to interventions that are delivered to implement the Strategy.

List of Appendices Included

- A A Framework for the Delivery Plan
- B Draft South Yorkshire Digital Infrastructure Strategy

Background Papers

None

Appendix A

A Framework for the Delivery Plan

It is proposed that the Housing and Infrastructure Board develops a costed Delivery Plan to implement the Strategy. This should include realistic delivery timescales and specify early digital infrastructure interventions and activities to maximise the economic and social benefits this would bring, as well as setting the longer term coherent and joined-up Plan for delivering the SEP digital ambitions.

Delivery will be subject to resources being available to implement proposed actions, so will need to prioritise and reflect likely available resources over time both locally and in working with DCMS. It will therefore need to prioritise and focus on those activities where market failure exists, and public interventions are required to deliver or stimulate the 'market' to deliver the Strategy.

It will also need to be cognisant of and complementary to the strategic policies and actions being similarly developed for digital skills, and digital innovation and business support by the MCA and partners.

The Strategy's Vision is dependent on delivering five key policy 'Goals:'

1. Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G
2. Support the social and economic priorities set out in the SEP.
3. Form an inclusive platform that enables better outcomes for all sections of society.
4. Be supported by the Governance and data-driven approach needed to maximise the digital potential of South Yorkshire
5. Position South Yorkshire as a leading centre of applied digital innovation and adoption.

The types of implementation activities and interventions this could involve include:

Strategic Goal	Potential Activities and interventions
1. Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G	<ul style="list-style-type: none"> • Utilise public assets across South Yorkshire, including buildings and street furniture, to facilitate further 4G and 5G coverage; • Undertake periodic 'Market' engagements to track progress by the industry in rolling-out mobile coverage • Provide interventions where appropriate to incentivise or encourage industry to accelerate delivery.
2. Support the social and economic priorities set out in the SEP.	<ul style="list-style-type: none"> • Consider methods to check real-time mobile coverage to identify coverage gaps • Encourage industry, and intervene where necessary, to fill these gaps • Work with local businesses to explore the potential to develop new innovative private 5G networks to meet the challenges and opportunities of individual businesses. • Encourage and support new innovations such as Yorkshire Water's proposals to deploy fibre in water to access poorly served communities.
3. Form an inclusive platform that enables better outcomes for all sections of society.	<ul style="list-style-type: none"> • Support the DCMS Project Gigabit (£61m - £103m) Programme in South Yorkshire

	<ul style="list-style-type: none"> • Utilising appropriate public facilities and housing as anchors to encourage and enable the industry to roll-out gigabit coverage to the 160,000 premises currently not scheduled to be connected by 2025. • Undertake research to fill the information gap relating to the real extent of digital poverty in South Yorkshire, and the actions to address this.
<p>4. Be supported by the Governance and data-driven approach needed to maximise the digital potential of South Yorkshire</p>	<ul style="list-style-type: none"> • Establish a Digital Forum comprising representatives from the public sector, local businesses and digital infrastructure providers • Commission and utilise consistent data sources to inform policy, delivery, and funding bids and programmes • Adopt consistent planning policies and 'barrier busting' approaches/measures across South Yorkshire to support and accelerate industry roll-outs.
<p>6. Position South Yorkshire as a leading centre of applied digital innovation and adoption.</p>	<ul style="list-style-type: none"> • Consider the SEP innovation cluster areas for the early roll-out of private 5G and edge datacentre capability • Develop and implement pilot innovation projects across South Yorkshire in liaison with DCMS and local partners

Draft South Yorkshire Digital Infrastructure Strategy

**Version 6
10th September 2021**

INTRODUCTION

A core part of the Northern Powerhouse, South Yorkshire plays a key part in the economic growth of the North. The Mayoral Combined Authority (MCA) and the Local Enterprise Partnership (LEP) provide the strategic leadership with partner local authorities in driving economic success. The organisations work at a regional level setting strategic policy and investing in delivering transport, housing, business growth, skills, and economic development related projects, as well as delivering wider environmental and social ambitions of the Mayor.

Through this strong private-public partnership South Yorkshire speaks with a single voice to Government and other bodies such as Transport for the North and fellow MCAs and other LEPs across the rest of the UK. Supported by the additional investment The MCA / LEP are driving the right investment decisions to meet the region's economic, infrastructure and transport needs; developing more ambitious proposals to connect the key growth areas and places within the region, across the North and nationally; and working with our communities, partners, and businesses to grow an inclusive economy. The aim is to make the region a better place; providing access to quality homes, infrastructure, jobs and education opportunities.

This Digital 'Infrastructure' Strategy is part of, and covers, one of three key areas of activity critical to providing a strategic approach to addressing the digital agenda across South Yorkshire in an integrated way. The other areas are digital 'skills' and digital 'innovation and business support.' The strategies and actions for delivering them will be developed by the MCA over the next 12-18 months in liaison with partners and stakeholders, and together will form the three component parts of the holistic approach for driving digital innovation and inclusivity to deliver the Strategic Economic Plan's (SEP) digital ambitions.

Geography

This document and the statistics and targets therein are focused on South Yorkshire, reflecting the MCA and LEP geography.



Figure 1: South Yorkshire Geography comprising the four South Yorkshire local authorities' areas.

Local Enterprise Partnership

The SCR Local Enterprise Partnership (LEP) was formed in 2010 as a partnership of business and political leaders. It brings together 14 business leaders, the Mayor, nine local authority leaders, the Trades Union Congress and three co-opted individuals from the private sector. The role of the LEP is to champion the private sector in the region and support the Mayoral Combined Authority in making decisions. The LEP is responsible for producing the Strategic Economic Plan (SEP); which outlines the vision, aims and objectives for growing and transforming the South Yorkshire economy. The SEP also sets ambitious and measurable targets that will measure and determine success.

Mayoral Combined Authority

The Mayoral Combined Authority (MCA) is a formal membership of councils. Formed in 2014, the constituent members of the Mayoral Combined Authority are Sheffield, Rotherham, Barnsley and Doncaster councils. The councils of Bassetlaw, Chesterfield, North East Derbyshire, Derbyshire Dales and Bolsover are currently 'non-constituent' members. The MCA and Mayor help shape policy with the LEP and lead on decision-making for investment decisions to deliver the SEP ambitions and activities, including digital infrastructure investment.

Our Economy

The economy in South Yorkshire is not dominated by a single sector or type of industry. Instead there is a diverse base which focuses on advanced manufacturing and high-performance materials alongside a more diverse base including transport, logistics and business services; all benefitting from close links to two world-class Universities and a proactive public sector. Yet, within South Yorkshire productivity levels and wages are low, employment rates and entrepreneurship are below the national average, and growth is slow¹.

The Strategic Economic Plan (SEP) focusses on ways to improve this picture including taking advantage of those sectors which offer increased growth and productivity. The SEP sets out a clear expectation of how digital will contribute to these wider objectives and sets the ambition for the MCA to “..be recognised as one of the best-connected city regions in the country where coverage, choice, and speed of communication stays ahead of demand and where there is an abundance of multi-skilled, digitally mature individuals to cater for every industry’s business needs. Enhanced digital connectivity and skills enable people to use digital applications and solutions to improve their lives and to sustain, grow, and create new businesses”

South Yorkshire already has high levels of Superfast Broadband and 4G coverage and is on track to repeat this success with Gigabit Broadband and 5G. But geographic coverage will not be enough; there are a large number of people for whom the problem is not geographic availability but one of affordable access and having the right device and appropriate digital skills. The SEP sets out a very specific ambition for inclusivity to be designed into the digital strategy so that nobody risks exclusion from the digital economy and the region will have the skilled workforce it needs to support its economic ambitions.

The MCA and local authorities in South Yorkshire have been working with mobile operators over recent years to support commercial rollout, achieving 99% availability of 4G and now overlaying 5G capacity. 5G has many features specifically designed for the business market, with the potential to improve manufacturing processes and create more intelligent products and service. Consequently there is a

¹ Sheffield City Region – Economic Evidence Base (2019)
(<https://moderngov.sheffieldcityregion.org.uk/documents/s1423/Appendix%201.pdf>; Accessed: 13/01/2020)

significant opportunity in helping the manufacturing businesses of the region become early adopters of 5G.

With focussed investment and strong governance, South Yorkshire is well positioned not only to have market leading digital infrastructure, but also to be leaders in translating this new connectivity into better social and economic outcomes for the region.

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LEP BOARD CHAIR & MAYORAL FORWARD

EXECUTIVE SUMMARY

South Yorkshire is well positioned to rely on the market to deliver much of the Gigabit broadband and mobile coverage the region needs. We will encourage operators to invest in the region with consistent and supportive policies, but we will also access Central Government Gigabit investment to deliver for harder to reach areas and address the challenges of digital exclusion.

Through the Superfast South Yorkshire programme the MCA and local authorities have made high speed broadband available to 96% of the 650,000 properties in the region. 99% of properties have 4G coverage and, unlike broadband, has been delivered entirely by mobile operator commercial rollout (there is still more to do in rural areas though, where mobile coverage remains variable). The conditions are right for the same successful pattern to be repeated for Gigabit Broadband and for 5G (although mobile operators will still rely on 4G working in tandem with 5G for rural coverage, for example). Multiple operators have begun fibre builds in the region including CityFibre, Openreach and Virgin-Media, but the most important contribution to South Yorkshire's Gigabit future is likely to come from the upgrade of Virgin-Media's existing cable TV network to support Gigabit speeds. Virgin-Media has a significant footprint in South Yorkshire, so could potentially cover over 50% of the region's premises.

The MCAs role is an enabling one, and along with local authority partners will be to make it easy for operators to build their networks by adopting consistent 'Barrier Busting' policies and opening up public sector sites and assets where they can enhance digital infrastructure provision. As part of the MCAs 'Intelligence Hub' we will also seek to ensure that we have up-to-date accurate data on digital infrastructure provision, gaps, and roll-out plans to inform future policy and investment decisions.

At the same time, the Government is making funding for connectivity in rural areas available through its Gigabit Britain programme and there are other supportive projects such as connecting rural GP surgeries. The MCA will seek to access these funds to close coverage gaps, using the 'granular' insight developed through this Strategy review.

Tackling digital poverty and ensuring we have a digitally skilled workforce demands innovation and is an opportunity for South Yorkshire to set the national benchmark

Whilst South Yorkshire is on course to have high levels of Gigabit Broadband availability, proximity to broadband is meaningless unless steps are taken to address the three components of digital poverty; the affordability of connectivity, access to a suitable device and having the skills to use them. The path to decent affordable broadband for low-income groups is clouded by deliberate obfuscation of the scale of the problem – not least by telecoms operators. There is a national leadership role for the MCA in driving towards new inclusive broadband models and new digital service delivery models.

5G fills in the enterprise capability gaps left out by 4G, so whilst its Gigabit speed capability is being marketed to consumers, the real opportunity is the business market which is where the MCA will focus.

5G features bring additional security, reliability, ultra-low latency and scale 'machine to machine' capability that makes it an ideal technology for manufacturing, machine and vehicle control and health tech applications. The MCA will seek to boost 5G enterprise innovation and encourage 5G adoption by the regions strong industrial base.

There is interest across the region in the potential of the Internet of Things (IOT).

Sheffield City Council already has a smart city demonstrator, and the other South Yorkshire Authorities are considering IOT applications as diverse as flood management and road gritting. The private sector

is also interested in IOT and there would be benefit in the MCA working collaboratively with these key stakeholders to enable a South Yorkshire IOT network that could also be opened-up to innovative start-ups who are increasingly attracted by the region's growing digital capabilities.

The lack of local data centre capability is not critical today but will become a consideration as more companies close their own data centres in favour of cloud offerings and proximity to data centres becomes an important factor.

'Edge' data centres are smaller and cheaper than the traditional 'hanger' data centres and take data processing and content closer to where data is created and consumed, which will become increasingly important as 5G drives the need for low latency delays and scales data traffic volumes. The MCA should seek to increase local data centre capability, exploring the potential of edge data centres at key innovation locations in the region.

'Lighthouse' projects will play a key role to anchor innovation.

The foundations of a strong digital infrastructure are being put in place in South Yorkshire and equal attention must now be paid to what the region will do with its renewed digital infrastructure. The prospects for South Yorkshire are very promising. The connectivity layer interventions being proposed in this Strategy (across broadband, 5G, IOT and data centres) will drive improvements in digital connectivity across the region, so should be noticeable for residents and businesses wherever they are. However, the impacts of the Strategy will be really brought to life in a series of 'lighthouse' projects which are aligned to growth and regeneration priorities set out in the SEP. Whilst this Strategy focusses on the strategic imperatives and the resulting policy framework, the digital infrastructure agenda and industry moves at pace and so it will be important to bring forward potential projects and programmes quickly that help meet the Strategy's objectives as outlined in the 'Delivery of the Strategy' section.

Delivery of the digital strategy will be a complex task.

As well as delivering interventions and taking 'lighthouse' projects from business case to delivery, there would be benefits in the MCA providing strategic leadership and sponsorship in enabling progress on everything from process alignment and presenting consistent 'barrier busting' approaches to the operators, to preparing South Yorkshire wide responses to funding calls (and ideally planning ahead to create a library of 'off the shelf' proposals). This is more than a basic governance task and would require the MCA to have the tools to deliver a digital agenda which cuts across multiple agendas.

It is noted that the 2018 Sheffield City Region Digital Action Plan had not been progressed in a coherent way and that there was little, or no evidence of formal governance being applied. There is a risk that without effective governance this much broader South Yorkshire Digital Infrastructure Strategy will similarly not be implemented effectively. The 'to do' list for governance, delivery and advocacy is significant and challenging, with a strong case for a centralised strategic digital function. A 'Chief Digital Officer' model has proven successful for a number of Authorities and is an option for consideration.

The speed of change in the Digital Sector requires an acceleration of decision making and intervention.

Covid-19 significantly changed the underlying assumptions and ambitions for the Digital Infrastructure Strategy. Whilst Covid-19 acted as an unprecedented accelerant to the pace of movement in fibre broadband (now Gigabit Capable) and the deployment and application of 5G, the framework of Central Government enabling policies has also moved on dramatically and would have done so without Covid-19. Issues like data centres were not on the agenda in 2019 but are now. The digital environment is changing quickly and with urgent central action these imperatives will still need to be addressed. A risk is that the four Authorities will continue to react individually, missing the opportunities for collective action and acting at scale. So immediate and empowered action is required now.

We believe South Yorkshire is well positioned to rely on the market to deliver the Gigabit broadband and mobile coverage the region needs supported by our enabling interventions set out in this Strategy. We will leverage Central Government Gigabit investments to connect ‘hard to reach’ premises across our region to ensure nobody is left behind.

5G provides opportunities for a differentiated approach that is supportive of the MCA’s manufacturing community. A closure of the data centre gap and judicious rebranding of the digital sector with important clusters around the Sheffield ring road, Barnsley’s Digital Media Centre and other areas will bring structure to the growth ambition for this important area of the economy.

Digital poverty is a poorly understood national challenge that the MCA should seek to provide leadership in. With targeted investment and focussed governance, the MCA could become a digital leader with an adventurous programme firmly connected to better outcomes for the people and businesses of South Yorkshire.



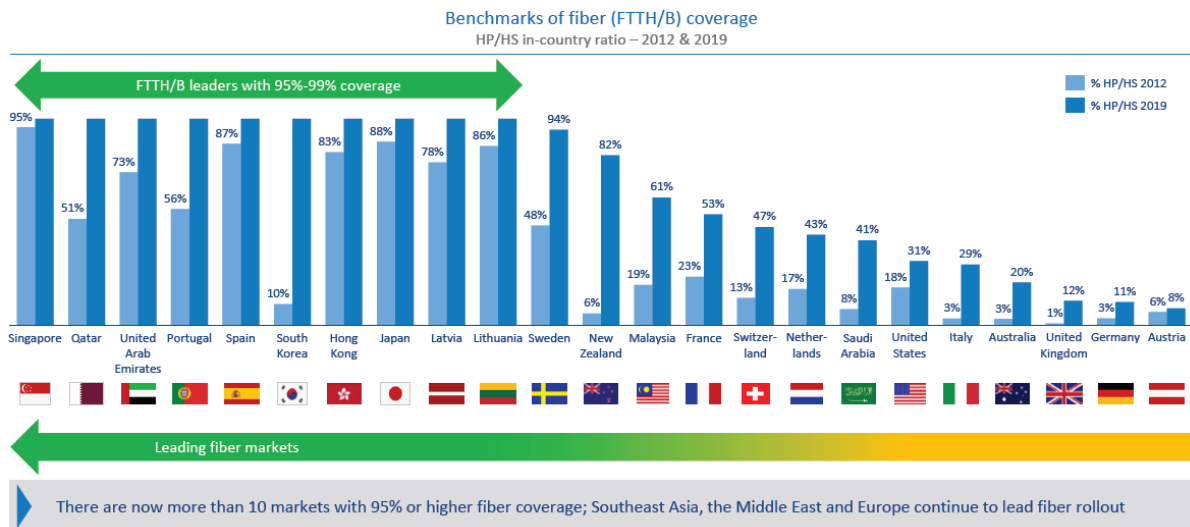
Figure 2: Summary of policy and targets

INTRODUCTION

International Context

The UK Government is pushing hard to reverse the perception that the UK is a laggard in the deployment of digital infrastructure. As recently as 2019, the OECD found that the UK was ranked only 35th out of 37 countries in the fibre broadband league table. The Government is also seeking to ensure that the similarly poor performance in 4G rollout is not repeated with 5G.

Figure 2: FTTH/B households passed



Source: Arthur D. Little, FTTH Council Europe, MENA, Asia-Pacific, regulator reports, Discussions with individual telcos, ADL past case work
HS – Households in the country, HP – Households passed by FTTH/B, HC – Households connected by FTTH/B

Figure 3: The UK relative to other national 'full fibre' performance (source: AD.Little)

Figure 3 above shows the extent to which the UK (and other notable major economies) lag behind the top ten 'full fibre' nations. It also shows that there is an argument that the comparison is not necessarily a fair one to make. Part of the reason why the UK (and Germany) lagged in full fibre is that the country had invested some £1.9Bn in public funding and had led the field in the rollout of Superfast Broadband, with over 96% of premises able to enjoy broadband speeds of 30Mbps+; a highly capable service that still meets most of today's residential requirements. Some Countries like Singapore (and Hong Kong – now part of China) have geographic advantages that favour rapid technology deployment; they are small and have highly concentrated population centres. South Korea likewise is very mountainous resulting in high levels of urban population concentration. Spain has a much higher propensity than the UK for apartment living, and it is faster and cheaper to connect a multi-dwelling unit (MDU) than individual properties. Regardless of the reasons for the performance gap the gap is significant, and the UK has much to do to catch up with the leading fibre nations.

National Context

The Government has seized on the narrative provided by the fibre industry and has also rightly recognised the wider industrial potential of 5G to galvanise a dual ambition to close the fibre gap and for the UK be a leader in 5G.

Led by the Department of Culture, Media and Sport (DCMS), Government has done much to create a positive investment climate for fibre operators, providing over £190M of funding via programmes such as 'Local Full Fibre Network.' 5G has seen a similar range of stimulus interventions, with £200M being invested in trials and testbeds across the country. DCMS created a 'Barrier Busting' team to address

the many problems that cause delays and drive costs for operators, as well as mandating Gigabit connectivity for all new developments from 2018.

In 2016, after continued pressure from the industry regulator Ofcom, BT agreed to open up access to the duct and pole infrastructure belonging to its Openreach subsidiary. This was a huge step forward for the alternative network operators ('Altnets') such as CityFibre, who could now make use of BT's existing infrastructure rather than face the cost and delays of building their own ducting. Whilst the process was difficult to use to start with, it has gradually been refined to a point where 'PIA²' now accounts for a significant part of altnet rollout plans.

BROADBAND TYPE	TYPICAL PERFORMANCE	DESCRIPTION
Full Fibre broadband	1 Gbit/s	Known variously as:- Full Fibre Fibre to the Premise (FTTP) Fibre to the Home (FTTH)
Ultrafast broadband	100Mbit/s – 360Mbit/s	Typically cable delivered services from Virgin-Media who also offer higher speed 'full fibre' services
Superfast broadband	Whilst Ofcom have a single Superfast Broadband category, for the purpose of this report we also use the following sub-divisions to provide more granular insight: 'Good' Superfast 30Mbit/s - 100Mbit/s 'Basic' Superfast 10 Mbit/s – 30 Mbit/s	Fibre to the Cabinet (FTTC) as provided by Openreach and their reseller Service Providers
Decent broadband	c10 Mbit/s	usually older 'DSL' services)

Figure 4: Broadband Taxonomy

Also worthy of note were the changes to operator Code Powers in 2017, which were designed to make it easier for operators to access sites they needed to build their networks and to make it more affordable. Whilst landlords (including the public sector) have understandably resisted these changes which are removing a lucrative and in some cases important revenue stream, rooftop and other site rentals are beginning to drop, from tens of thousands of Pounds to the hundreds for a city centre rooftop site.

The positive environment the Government has sought to create, and the driver of a 'generational shift' in technology (copper to fibre, 4G to 5G) is reflected in the £5.7Bn that operators invested in their networks during 2019³.

In its 2018 Future Telecoms Infrastructure Review⁴ the Government set out an objective of achieving full-fibre broadband coverage by 2033, with 50% to be covered by 2025. During the 2019 election campaign Boris Johnson called the 2033 target "laughably unambitious" and called for the advancement of the timetable by a full eight years. Despite some misgivings from the telecoms industry itself, the Johnson Government put its weight behind full fibre and the 2020 Budget Statement published in March of that year confirmed the Government's intention to release £5Bn of funding for fibre to 'hard to reach' rural areas. A further £1Bn (half coming from the UK's mobile operators) was made available to extend geographic coverage of 4G to 95% of the UK by 2025, encouraging operators to share existing rural sites and creating the Shared Rural Network to fill in remaining coverage gaps with new shared infrastructure.

² Passive Infrastructure Access (PIA) is the process defining how third-party operators can access Openreach duct and pole infrastructure.

³ Source: Ofcom Connected Nations Report 2020 published 17th December 2020

⁴ Produced by Department of Culture Media and Sport

From an informed local authority perspective, the emphasis has gradually shifted from seeking to participate directly in the telecoms value chain (i.e. deriving rental revenues from rooftop assets or creating a telecoms Joint Venture) to performing an enabling role to capitalise on fibre and mobile operator investment in new networks and to seek indirect social and economic benefit from the resulting infrastructure.

However, by November 2020 and after eight months of the Covid-19 pandemic, the Government reconsidered its full fibre vision objective. The new target was set out in the much-delayed National Infrastructure Strategy⁵ :-

*“The government is working with industry to target a minimum of 85% gigabit capable coverage by 2025 **but** will seek to accelerate roll-out further to get as close to 100% as possible. The government will continue to implement an ambitious programme of work to remove barriers to broadband deployment and maximise coverage in the hardest to reach areas of the country.”*

Whilst the headline target reduction from 100% to 85% grabs the attention, the subtle shift from ‘full fibre’ to ‘Gigabit-Capable’ broadband is a much more significant (albeit it very rational) move of the goalposts. Whilst ‘full fibre’ effectively specified that only ‘fibre-delivered’ broadband would qualify for the target, the new definition opened the door to including any technology that could deliver the required Gigabit performance; so upgraded cable TV networks and 5G wireless could now both count towards the 85% target. Given that Virgin-Media are in the middle of upgrading their extensive national network to be Gigabit-capable (to be completed by 2024), the implications are obvious. Instead of starting from a baseline of 18% full fibre coverage⁶, with over 44% of UK homes having access to the Virgin-Media network, the reset will deliver over half of the new 85% national target when Virgin’s upgrade is complete. This figure that will be more like 60% in those urban areas with a strong Virgin Media presence.

Mobile operators have been pushing ahead with their commercial 5G network rollout, with c3,000⁷ of their radio sites upgraded as of September 2020. As with previous generations of mobile technology, the initial build has been focussed in urban areas where customer demand is greatest, in part to relieve pressure on 3G and 4G networks by providing additional capacity where its most needed. The need to remove existing Huawei equipment and to find alternative 5G suppliers has added some complexity, cost and delay to 5G. Whilst 5G coverage will gradually expand, as with preceding generations of technology, it is designed to work in combination with 4G (‘carrier aggregation’ in operator speak) which will remain the primary coverage offering from operators for many years to come. The Shared Rural Network being funded by Government and mobile operators to take *geographic* coverage up to 95% is exclusively using 4G technology, 5G will largely be focussed in urban areas where its unique capabilities will be put to best effect.

It is worth noting that the Government’s digital infrastructure targets have almost exclusively been defined in terms of geographic coverage; Local Full Fibre Network was primarily aimed at closing urban coverage gaps and the current DCMS ‘Project Gigabit’ programme is attempting to do the same for ‘hard to reach’ rural areas. But universal geographic coverage cannot overcome the challenges of digital poverty where affordability, the lack of affordable broadband, access to an appropriate device and the prerequisite digital skills can be just as significant barriers for those affected.

The pandemic reinforced the importance of digital connectivity, enabling 46% of the UK workforce to work exclusively from home during lockdown. The Royal College of General Practitioners reported that face to face consultations had dropped from 75% pre-pandemic to only 25% by July 2020 presenting

⁵ <https://www.gov.uk/government/publications/national-infrastructure-strategy>

⁶ Source: Ofcom Connected Nations Report December 2020

⁷ Source: information provided to Ofcom by the MNOs in September 2020 for Connected Nations report

an opportunity and requirement for digital technology to enable health services to continue to be provided virtually to fill this accessibility gap.

The switch to online lessons allowed education to continue for pupils from schools that had invested in technology and parents who could provide broadband, devices and oversight for their offspring. Many were not so fortunate as according to the Children's Commissioner 9% of families do not have access to a PC or tablet. A £100M fund provided by Government only managed to provide devices to 37% of the 540,000 children eligible for the fund. Covid-19 therefore created a landscape of behaviours that could and should be locked in for the future but has also starkly illuminated the digital divide that existed before the pandemic and highlighted inequalities that demand attention.

Local Context

The Strategic Economic Plan (SEP) considers the total economic impact of full fibre and 5G to potentially be as high as £2.8Bn over the next fifteen years and has set out a clear digital ambition for the region and how this benefit is to be realised; *'Sheffield City Region [South Yorkshire] will be recognised as one of the best-connected city regions in the country where coverage, choice, and speed of communication stays ahead of demand and where there is an abundance of multi-skilled, digitally mature individuals to cater for every industry's business needs. Enhanced digital connectivity and skills enable people to use digital applications and solutions to improve their lives and to sustain, grow, and create new businesses.'*

The SEP identifies five key intervention areas:

- Creating the enabling conditions for a digital future through the accelerated roll-out of full fibre and 5G across South Yorkshire and supporting 'SMART cities' interventions.
- Ensuring South Yorkshire is an attractive place to invest in the digital sector and encouraging the private and public sector to adopt cutting edge digital technology and innovate.
- Maximising digital's contribution to economic growth by nurturing commercial and entrepreneurial successes and increasing businesses' digital capability, adoption and access.
- Boosting digital skills development by connecting talent with employers, connecting the digital community and maximising opportunities from digital skills development programmes.
- Focus on digital skills and collaboration to support individuals and organisations in tackling digital inequalities.

South Yorkshire's Digital Infrastructure Strategy will build to this vision and will be built on the strong foundations to seek to enable Gigabit Broadband and 5G whilst at the same time seeking to leverage the infrastructure for better social and economic outcomes for the region:

- Superfast South Yorkshire has delivered an excellent foundation of 96%+ availability of 30Mbps 'Fibre to the Cabinet' broadband.
- Fibre build by CityFibre is in progress and Openreach have committed to fibre upgrade more of its exchange areas by 2024. Virgin are upgrading their cable network to fibre speeds and operators new to the region are indicating a willingness to invest.
- DCMS have indicated that they will fund fibre investments in at least two areas of the Region as part of their 'Project Gigabit' rural fibre programme.
- Ofcom report near 99% availability of 4G and there are already all four operators supporting 5G in Sheffield and are on track for regional 5G coverage to be in line with other major conurbations.
- There are significant clusters of digital businesses in Sheffield and beyond, and the success of Barnsley's Digital Media Centre (DMC) points to the digital potential of the region. Innovation clusters such as Advanced Manufacturing Innovation District (AMID) are well positioned to exploit the enterprise features that are key to 5G.

Purpose and Scope of the Digital Infrastructure Strategy

Whilst this Strategy is focussed on digital infrastructure (referred to as 'hard' infrastructure in the SEP), the purpose is very much to reflect on the enabling capability of digital because, ultimately, coverage is an enabling metric and what is more important is that the people and businesses of South Yorkshire can benefit from that coverage.

This Digital 'Infrastructure' Strategy is part of, and covers, one of three key areas of activity critical to providing a strategic approach to addressing the digital agenda across South Yorkshire in an integrated way. The other areas are digital 'skills' and digital 'innovation and business support.' The strategies and actions for delivering them will be developed by the MCA over the next 12-18 months in liaison with partners and stakeholders, and together will form the three component parts of the holistic approach for driving digital innovation and inclusivity to deliver the SEPs digital ambitions.

The telecoms market rarely stands still and even by its own dynamic standards the confluence of the rollout of fibre and the beginning of the 5G era is creating huge change dynamics, and commensurate opportunities and risks. The Strategy frames the policy interventions that will deliver the first part of the SEP's digital ambition.

Having set out the policy framework for how to ensure the 'hard' Gigabit Broadband and 5G infrastructure is put in place by leveraging the natural momentum of fibre and 5G investment, the Strategy also provides policy guidance on how to maximise the benefits of these new connectivity layers for the social and economic benefit of the region.

The Strategy highlights the areas where the MCA could have the greatest impact, which include the SEP Growth Areas and Innovation Clusters. Providing the leadership to enable our regional manufacturers to benefit from the early adoption of 5G and in the exploration of new ways to build our digital skills base and tackle digital poverty head on. There are also times when we will need our partners to take the lead and the MCA will provide a supporting role, for example by creating the consistent 'barrier busting' policy environment that will make it easy for telecoms operators to build.

The strategy's 'place' priorities will also be embedded in related strategic approaches such as the Economic Blueprints being prepared with partners for each of the SEP Growth Areas.

There will inevitably be complexity in building and leveraging this new digital infrastructure. The resulting programme will require close collaboration with our local, regional, and national partners and particularly focussed and informed approach to Governance. We will need to make more effective use of data to inform the associated decision making and prioritisation. The Strategy recommends the required changes so that South Yorkshire's digital infrastructure will play its full part in turning the SEP digital ambitions into reality.

VISION AND GOALS

Vision

For South Yorkshire to have:

A Gigabit digital infrastructure that accelerates new social and economic possibilities for all the people and businesses of South Yorkshire

Goals

1. Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G.
2. Support the social and economic priorities set out in the SEP.
3. Form an inclusive platform that enables better outcomes for all sections of society.
4. Be supported by the Governance and data-driven approach needed to maximise the digital potential of South Yorkshire.
5. Position South Yorkshire as a leading centre of *applied* digital innovation and adoption.

The evidence supporting the Vision and these Goals is given in the following sections.

GIGABIT CAPABLE BROADBAND – EVIDENCE

South Yorkshire has near ubiquitous access to high-speed broadband services.

In its Connected Nations report of Spring 2020, Ofcom provided national data for broadband availability and a breakdown to Authority level. Table 1 below summarises the data for the four authority areas in South Yorkshire and contrasts with the aggregate data for England (which is typically slightly higher than the combined UK data which factors in Wales and Scotland).

	All Premises	All Matched Premises	SFBB availability (% premises)	UFBB availability (% premises)	Full Fibre availability (% premises)	% of premises unable to receive 2Mbit/s	% of premises unable to receive 5Mbit/s	% of premises unable to receive 10Mbit/s	% of premises unable to receive 30Mbit/s	% of premises below the USO	% of premises with NGA	% of premises able to receive decent broadband from FWA	% of premises able to receive SFBB from FWA
BARNSELY	117029	116965	98	61.6	19.9	0.1	0.3	0.4	2	0.5	99.3	0	0
DONCASTER	145903	145805	96.8	45.5	9.2	0.1	0.4	0.7	3.1	0.9	98.7	14.7	13.9
ROTHERHAM	123995	123883	98.2	58.5	8.3	0	0.3	0.6	1.7	0.7	99.3	0.4	0.2
SHEFFIELD	271375	271143	95	44.9	3.1	0	0.1	0.5	5	0.8	96.1	0	0
SOUTH YORKSHIRE	658302	657796	96.5	50.6	8.4	0	0.2	0.5	3.4	0.7	97.8	3.3	3.1
ENGLAND			96	59	13								

Source: Ofcom Connected Nations Spring 2020

Table 1: Broadband coverage and performance in South Yorkshire

The Superfast South Yorkshire (SFSY) programme has performed well but as with the rest of the country, there remain areas where broadband services still fail to meet expectations.

96% availability of Superfast Broadband reflects positively on the efforts of Superfast South Yorkshire (SFSY) in driving the delivery of two BDUK contracts with Openreach, which saw a combined £40.1M of public and private sector funding invested in the region. But as shown in figures 5 and 6 there are still parts of the region where broadband speeds are still poor by today's standards, with users still struggling to get 30Mbit/s or even 10Mbit/s broadband.

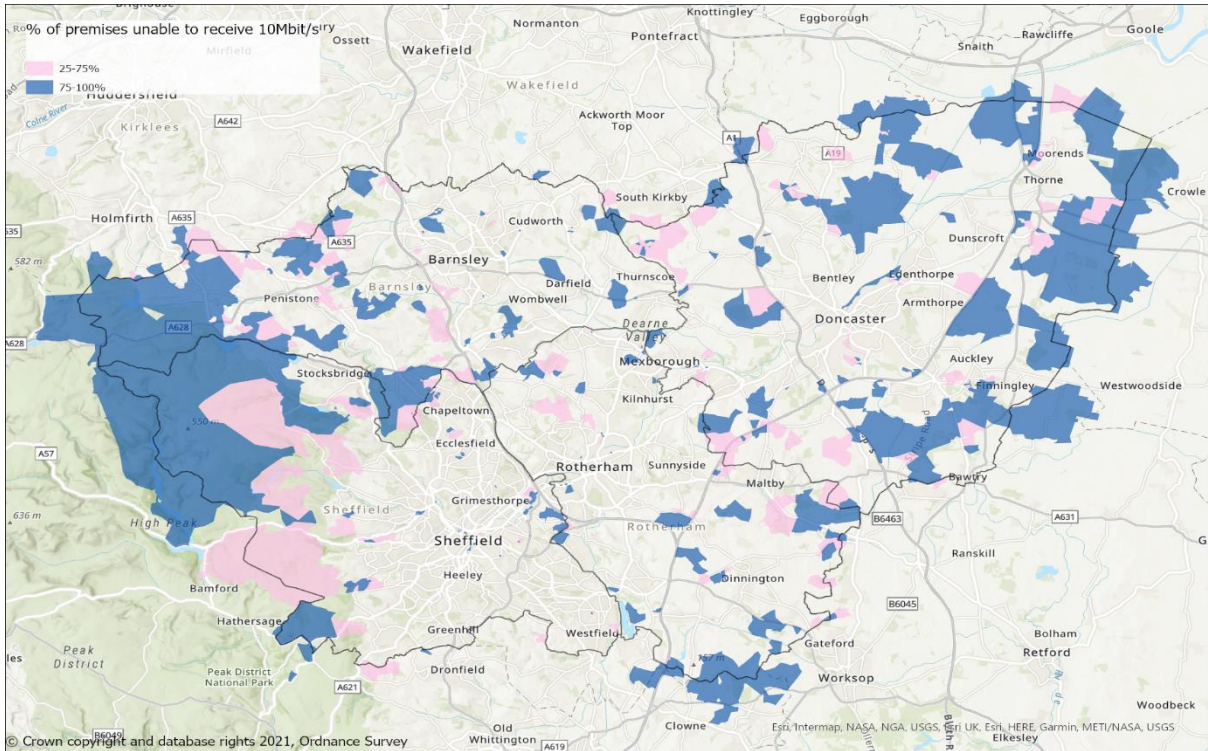


Figure 5: Areas currently unable to get 10Mbit/s broadband (Source: Arcadis analysis)

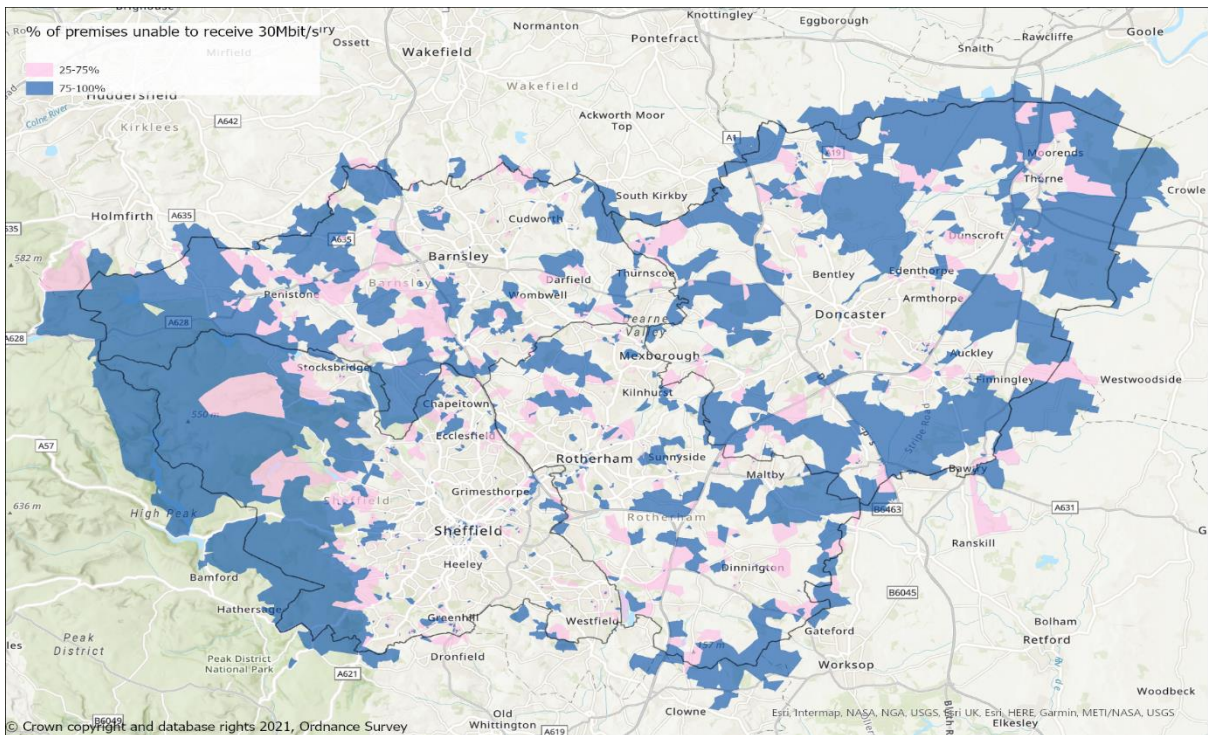


Figure 6: Areas currently unable to get 30Mbit/s broadband (Source: Arcadis analysis)

The 'full -fibre' coverage is currently only at c4% and would require significant investment from the public and private sector to get anywhere near the 96% availability benchmark that was set for Superfast Broadband.

Full fibre availability across South Yorkshire only covers around 4% of the region compared to 15% nationally, although CityFibre is now active in the four urban centres and Openreach have committed to fibre upgrades to nine exchange areas in the region. Figure 7 shows the limitation of current full fibre build in the region.

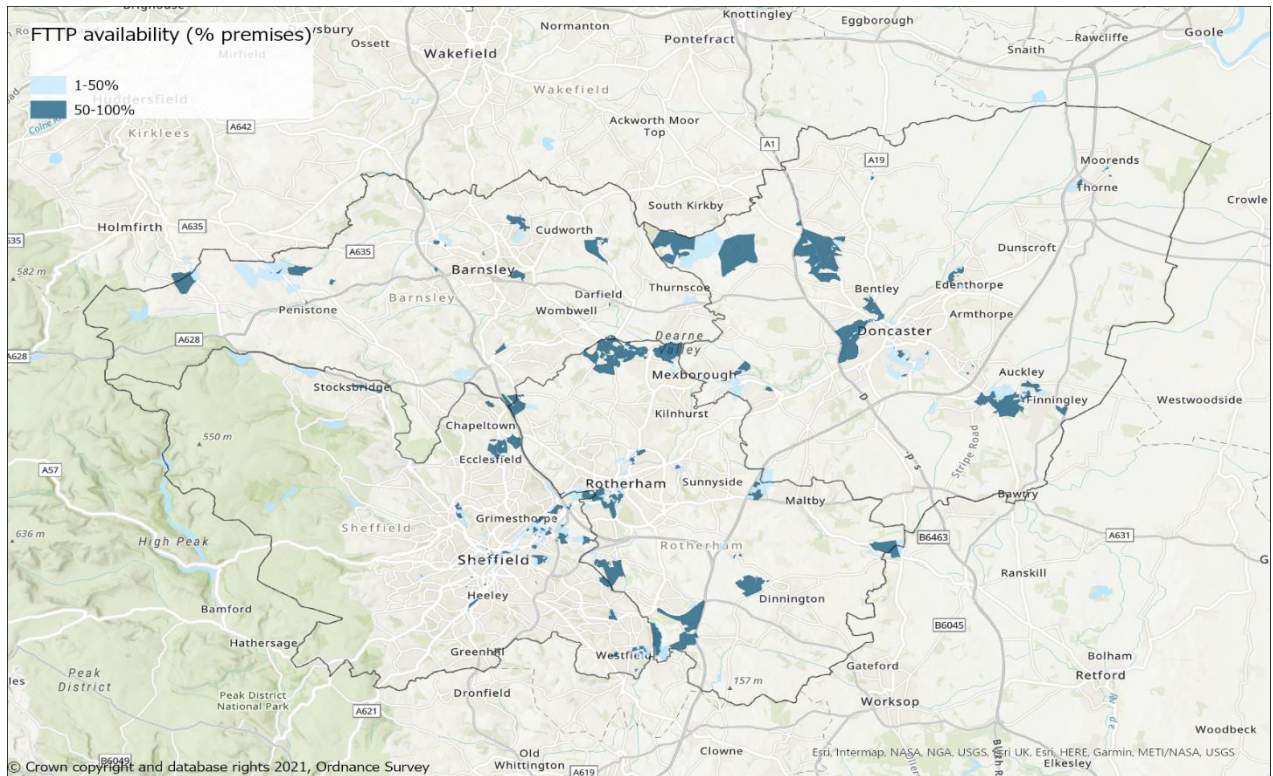


Figure 7: Only c4% of premises in South Yorkshire have 'full-fibre' access today, although with the Government now shifting focus to 'performance rather than technology, Virgin-Media's upgraded cable network will boost this number significantly.

Virgin Media already have a significant Ultrafast footprint in the Region which is in the process of being upgraded to Gigabit speed⁸. So will mean South Yorkshire has a much-enhanced gigabit capability once the upgrades are complete.

Virgin-Media are in the process of a national upgrade of their cable TV network to the DOCSIS 3.1 standard which should be completed by the end of 2024. Virgin have tested their upgraded network to speeds of over 2 Gbit/s but will initially offer 1 Gbit/s services.

Given Virgin-Media's extensive urban footprint in South Yorkshire (see figure 8) the company will become a major contributor to the SEP's gigabit-speed ambitions. Virgin also have a 'full fibre' network build programme (Project Lightning) that is rolling out fibre-optic broadband in areas not already covered by its cable TV network. South Yorkshire has some 'Lightning' activity although Virgin have not released detailed information yet.

⁸ Openreach also started to roll out its own 'Gfast' Ultrafast broadband in Barnsley and Sheffield from 2018 before eventually dropping it in favour of full-fibre. Openreach have stated that because of the recent investment in GFast, these areas are not likely to be prioritised for full-fibre upgrade.

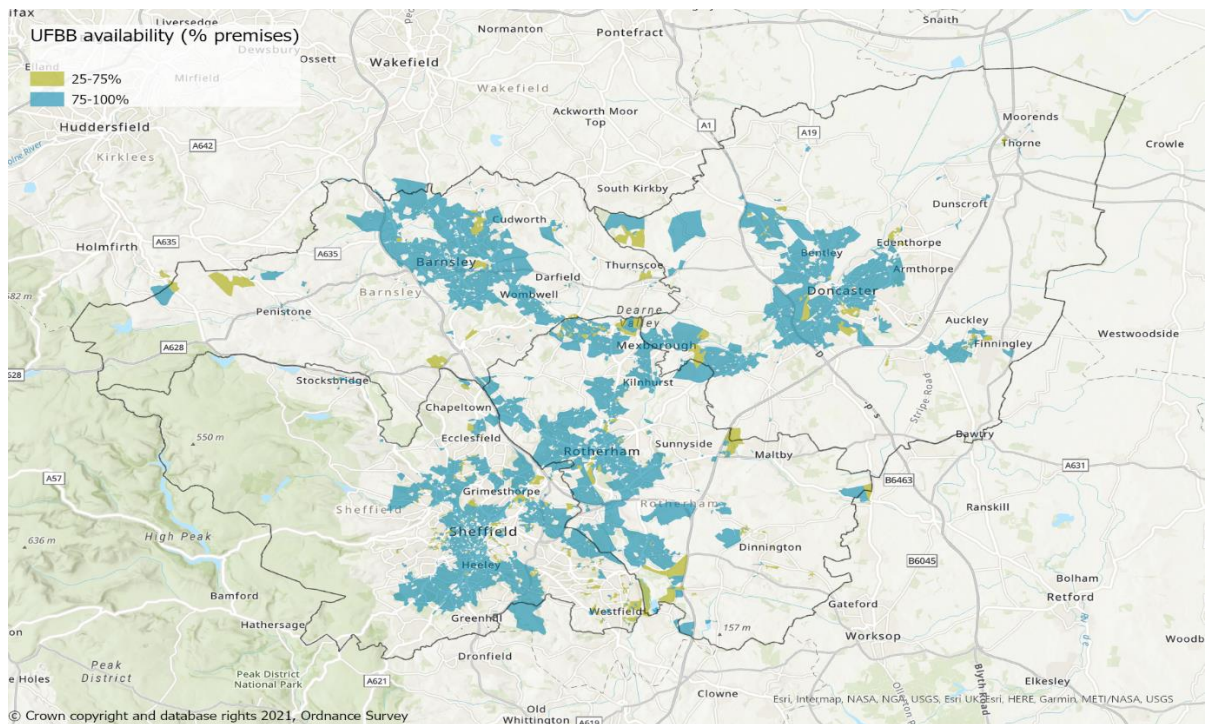


Figure 8: Ultrafast Broadband coverage in South Yorkshire. Whilst a small amount of this is Openreach GFast, the bulk is Virgin-Media cable TV footprint which is in the process of being upgraded to support Gigabit speeds.

CityFibre and Openreach are also currently adding to full fibre availability in the Region with Cityfibre active in the four urban centres and BT committed to nine exchange areas in South Yorkshire by 2024

Figure 9 shows Openreach’s committed fibre exchange upgrade across South Yorkshire overlaid on the largely Virgin ‘Ultrafast’ Broadband which will be upgraded to fibre-like Gigabit speeds by 2024. This starts to give a picture of the currently emerging gigabit future of the region, with the challenge areas with sub-30Mbit/s and even 10 Mbit/s to the West and Eastern edges (‘% of premises unable to receive 30Mbit/s’) clearly visible.

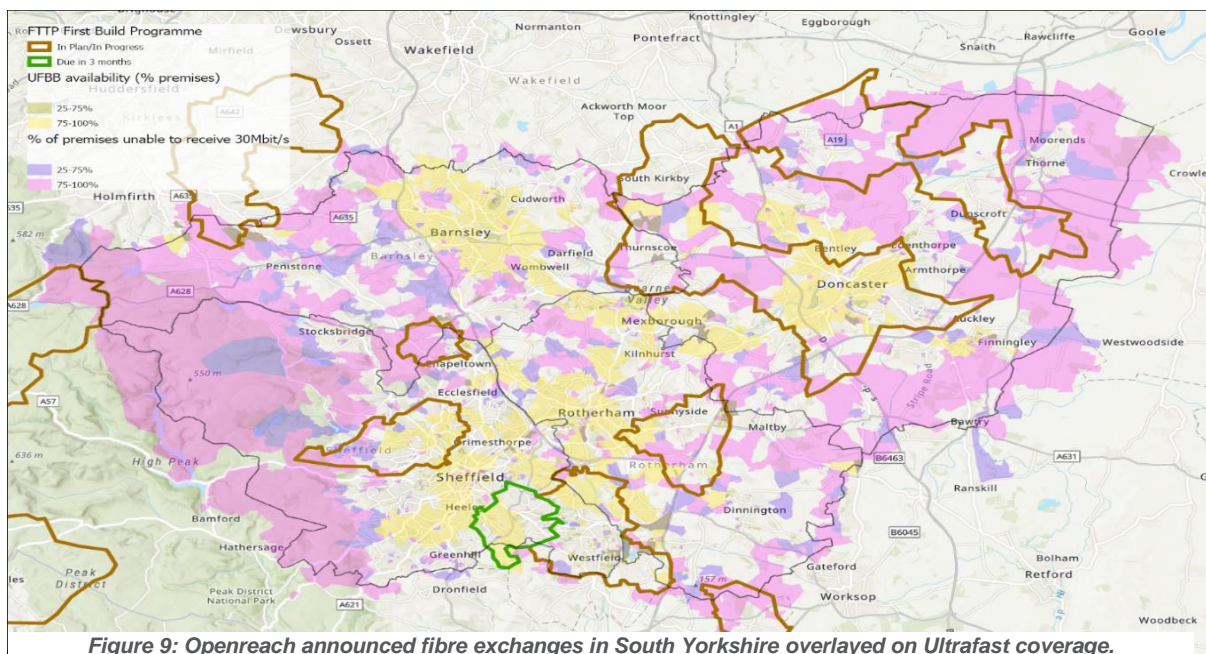


Figure 9: Openreach announced fibre exchanges in South Yorkshire overlaid on Ultrafast coverage.

The DCMS 'Project Gigabit' rural fibre programme will also contribute to South Yorkshire's Gigabit Capable footprint and a new 'Rural Gigabit Connectivity voucher scheme should go live in April 2021 releasing 'over £250M'⁹ for further targeted intervention.

DCMS have identified areas nationally where it considers there to be no viable commercial case for fibre deployment and has devised the 'Project Gigabit' programme to provide subsidies to interested fibre operators selected through a procurement process to provide gigabit capable connectivity in these areas of market failure. The procurement phase is due to commence in Spring 2021 with actual construction forecast to begin at the end of 2021 or early 2022. The average subsidy is expected to be in the region of £1,000 per premise passed. 'Large' and 'small' procurement areas have been identified, with the large ones more likely to attract large scale fibre operators like Openreach and CityFibre whilst smaller procurements are designed to attract smaller operators and new entrants who may be better able to tailor a more bespoke solutions to the specific needs of a locality.

The expected replacement for the Rural Gigabit Connectivity voucher scheme which ended in March 2021 has also been announced, although the speculated £250M investment in the new scheme has yet to be confirmed. The new scheme is expected to run concurrently with the old scheme it replaces which offered up to £3,500 to small businesses and £1,500 for residential users to fund a Gigabit speed connection, and vouchers could be pooled to attract operator interest.

Figure 10 below shows the large and small procurement area in South Yorkshire. DCMS are also consulting on two procurement areas in South Yorkshire. The colours are used by DCMS to illustrate separate but adjacent procurements, so the Penistone area and the Maltby – Tickhill – Bawtry area are part of a single proposed 'large' procurement area, whilst the Lowedges area South of Sheffield is a standalone 'small' procurement.

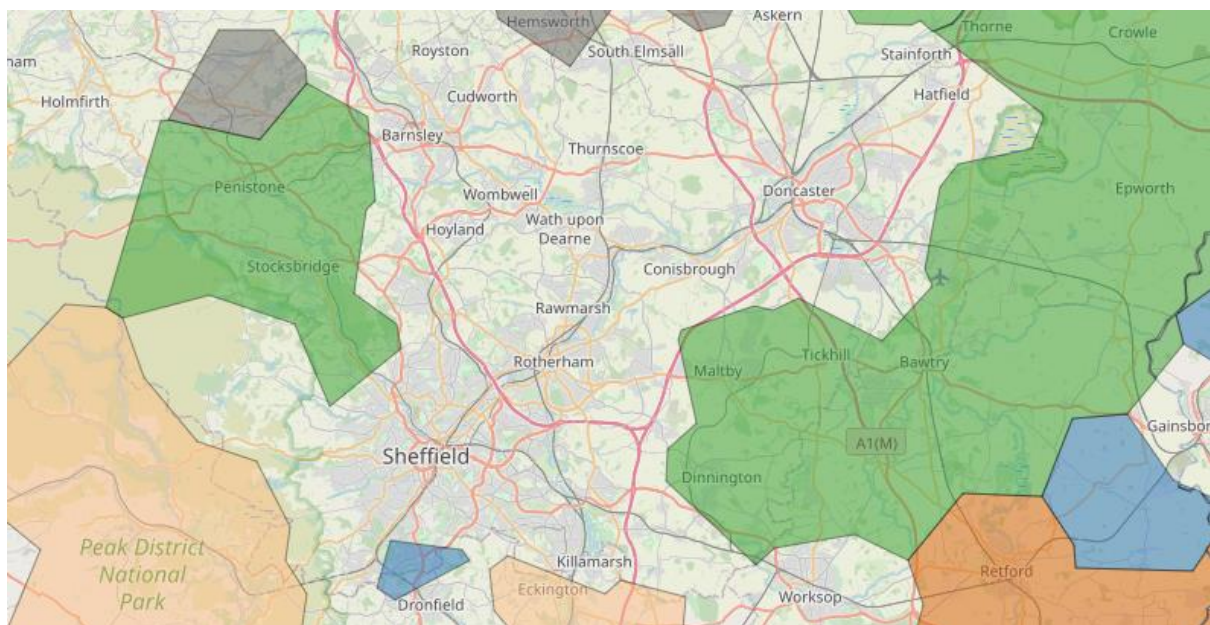


Figure 10: Proposed DCMS 'Project Gigabit' rural fibre procurements aimed at fibre connecting hard to reach locations across the UK

⁹ This figure has not yet been confirmed and was a notable omission from the 3rd March budget statement

By supporting all active Gigabit operators with enabling 'Barrier Busting' policies South Yorkshire should expect to achieve Gigabit availability of over 75% by 2025 (and set itself an even more ambitious target)

There is real momentum in the fibre and gigabit-capable broadband market in South Yorkshire and the task of the MCA will be to ensure that consistent and supportive policies are in place and that public sector assets such as ducting and other site assets are made available to accelerate build :-

- + Virgin-Media will complete upgrades to its existing cable network to run at higher Gigabit speeds by 2024 and is also carrying out new 'full fibre' Project Lightning FTTP build in the Region.
- + Openreach have committed to fibre upgrade a number of its exchange areas in South Yorkshire.
- + CityFibre is actively building in the four urban centres.
- + 'Carrier' operators like Zayo and SSE Telecoms (who typically sell wholesale service to other operators - both have national and international fibres running through the region.)
- + Other new commercial entrants have expressed interest in fibre build in South Yorkshire.
- + Government interventions in poorly served areas (DCMS's 'Project Gigabit' rural fibre and voucher schemes, for example.)

Figure 11 shows the consolidated impact of the combined publicly announced activities by the operators listed above, so is a reasonable representation of what Gigabit coverage in the region might look like in or shortly after 2025.

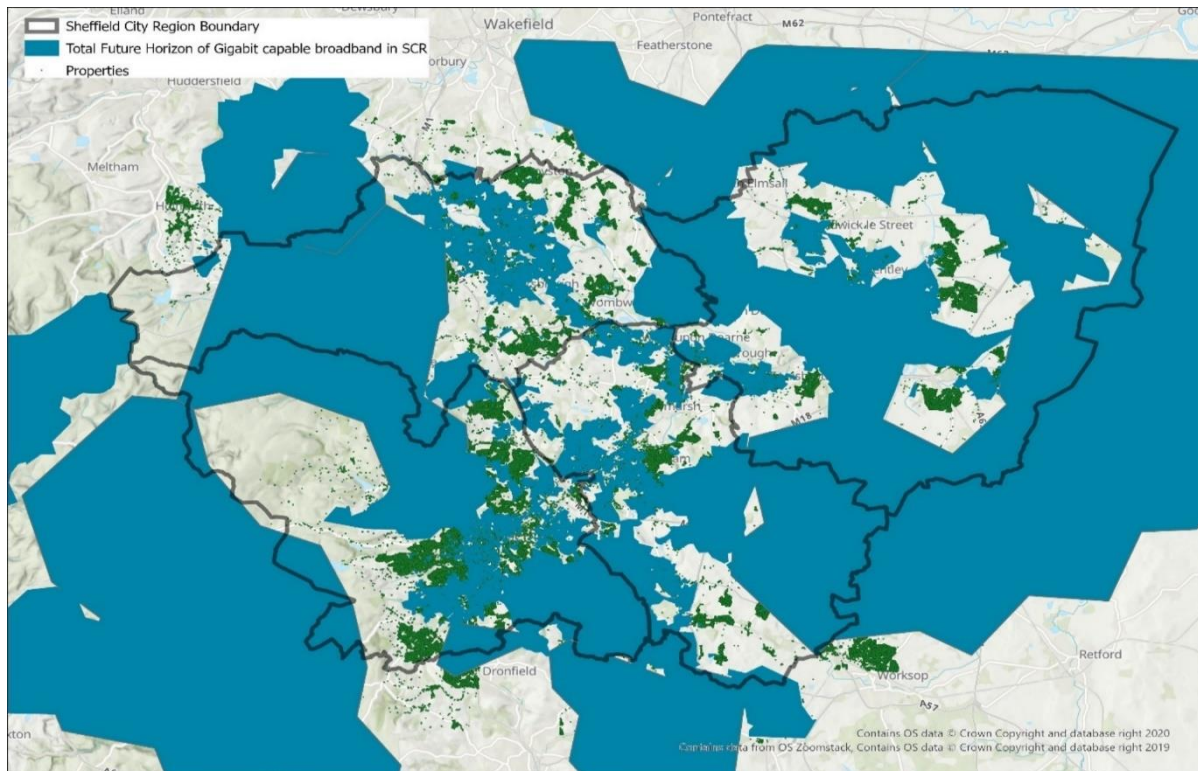


Figure 11: Estimated combined Gigabit-Capable broadband footprint in South Yorkshire by 2025 and properties where further commercial expansion and voucher interventions will be necessary.

So, just based on publicly committed activities, there will be an estimated 160,000 of the total c650,000 premises in South Yorkshire that are not covered by these known interventions. However, it is likely that many of these premises that are in clusters close to committed fibre build areas will be attractive adjacent build opportunities for fibre operators. This assumption is borne out by the data released by DCMS identifying areas where no further state intervention is deemed necessary. When DCMS published its proposed 'Project Gigabit' procurement areas (Figure 10) it also published areas where it believed no intervention was required. To reach this conclusion, DCMS have engaged with all interested operators, asking them where they were likely to provide commercial service in the next five years. By

identifying those areas of commercial interest, DCMS were then able to design the 'Project Gigabit' procurements to address the remaining areas where there was no commercial case and subsidy would be required. Figure 12 combines the DCMS 'no intervention required' data (the pale blue colour) with the publicly committed gigabit-capable data (dark blue). It would appear that DCMS have been given assurances by operators that they will collectively deliver a high level of coverage in South Yorkshire, although there is still the risk that the operators are not committed to these pale blue areas so some areas could be left without gigabit broadband well beyond 2025.

The MCA could have a leadership role in seeking to leverage the Rural Gigabit Voucher Scheme and anchor tenancy options in 'at risk' areas to deliver the ambitious targets set out in this Strategy.

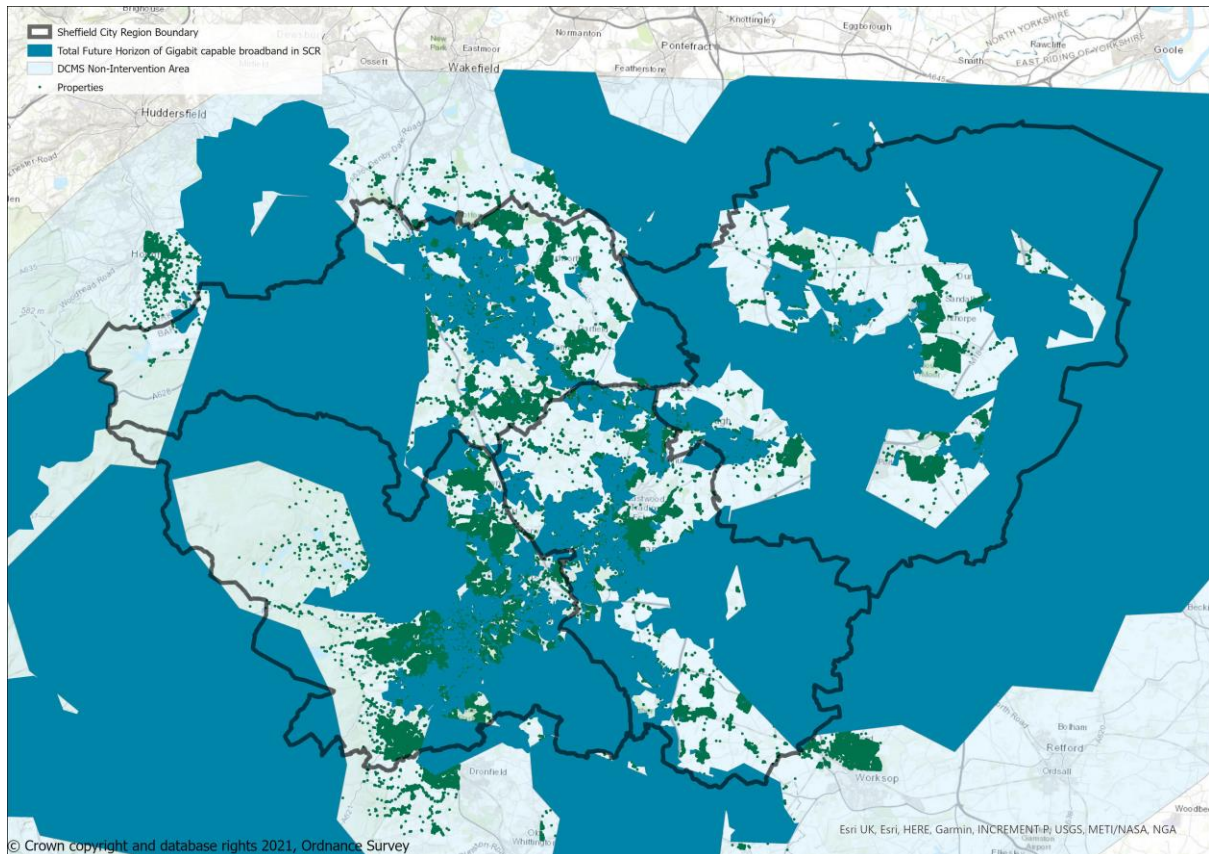


Figure 12: Dark blue areas are the consolidated gigabit-capable predictions for 2025 (as per figure 11) but with the pale blue overlay if areas where DCMS think no state intervention will be required; code for "a commercial operator has told us privately they intend to build."

Business connectivity and access to fibre for the business community is a commonly cited problem. New business parks on the edge of towns can often experience poor connectivity (and has consequently been a successful focus of SFSY intervention)

Starting in 2016, SFSY rolled out fibre based Ultrafast broadband to key enterprise zones and business parks with Openreach to make sure that over 1500 business properties in these areas have access to broadband speeds in excess of 100Mbps.

The SFSY Connection and Innovation Programme enabled 154 SMEs to access a variety of support packages and benefit from connectivity improvements. Of particular note was the significant demand for Innovation Vouchers highlighted the growing recognition of the business benefits that technology and digital connectivity can deliver. The SFSY Business Programme successfully led to the programme achieving its target for 501 additional businesses to take up broadband access of at least 30Mbps. The second key element of the programme was the delivery of over 150 events to increasing awareness and understanding of the benefits of digital technology enabled by faster broadband.

Although becoming less of an issue with changes to planning requirements that mandate connectivity for new developments (including commercial developments), it is anticipated that within the next 18 months that secondary or potentially primary legislation will be introduced which will place an obligation on developers and planning authorities to ensure that digital infrastructure and Fibre To The Premise (FTTP) will be part of the planning application.

Most broadband providers that serve the SME market offer businesses a variant of their residential broadband service, usually only distinguishable by dedicated customer service and improved reliability and resilience (for example often bundled with a mobile data connection to restore service if the fixed line fails). Pricing is higher than the residential broadband offering to reflect these value-added elements but is still affordable. Superfast speeds (with near 96% availability in South Yorkshire) are already suitable for all but the most digitally-focussed businesses, so the headroom created by the path to regional Gigabit connectivity that has been noted earlier should provide greater certainty for the SME community.

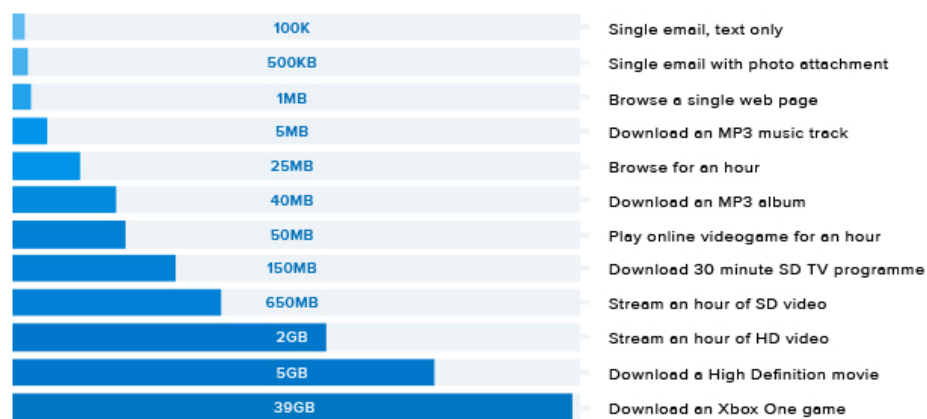


Figure 13: Typical SME user-cases (email, web browsing etc) have much lower performance requirements than typical residential applications, meaning Superfast broadband is sufficient for many smaller businesses

It is also important to note that many larger businesses use specific connectivity offering designed for the business market, such as Ethernet ‘leased lines.’ In the case of Openreach, Ethernet is delivered over a network that was kept completely separate¹⁰ from ‘standard’ broadband infrastructure and could

¹⁰ Openreach are gradually integrating the Ethernet and broadband networks so that broadband can be offered efficiently within the ethernet footprint and operational efficiencies can be made

be economically delivered into areas with poor broadband coverage. The implication is that at least for larger businesses, good connectivity is not completely dependent on the availability of Superfast or Full Fibre, but these options may not be affordable for SME's.

The success of leased line solutions like Ethernet also have wider counter-intuitive implications for the availability of Openreach fibre; the large businesses that could in theory anchor fibre investment into business parks are effectively taken out of the equation because they use an overlay Ethernet network, effectively removing demand and impacting the overall viability and relative priority for a business park. This will again become less of an issue as Openreach unifies its fibre and ethernet networks.

SOCIAL CONNECTIVITY - EVIDENCE

Central and Local Government broadband interventions are typically framed by the objectives of either plugging geographic gaps in coverage or increasing performance to Gigabit speeds where current service offerings are underwhelming. The current DCMS ‘Project Gigabit’ rural fibre programme is a good example of this geographic availability focus.

However, there is another more complex perspective to broadband access that is not resolved when a new fibre network fills a geographic gap. The stark reality is that even if the new fibre network runs by your front door, if you cannot afford broadband, don’t have a device, and don’t have even foundation digital skills (the three components of ‘digital poverty’) the you will not be able to use or benefit from enhanced broadband connectivity. These three issues need to be addressed in a coordinated manner to achieve the desired outcome. The distribution of devices to low-income families with children as has happened over this Covid19 crisis, is a positive move, but if there is no internet connection at home, the value of the device is much reduced.

Figure 35. Proportion of those aged 15+ who can do all of the Foundation tasks, split by nation and region, 2020

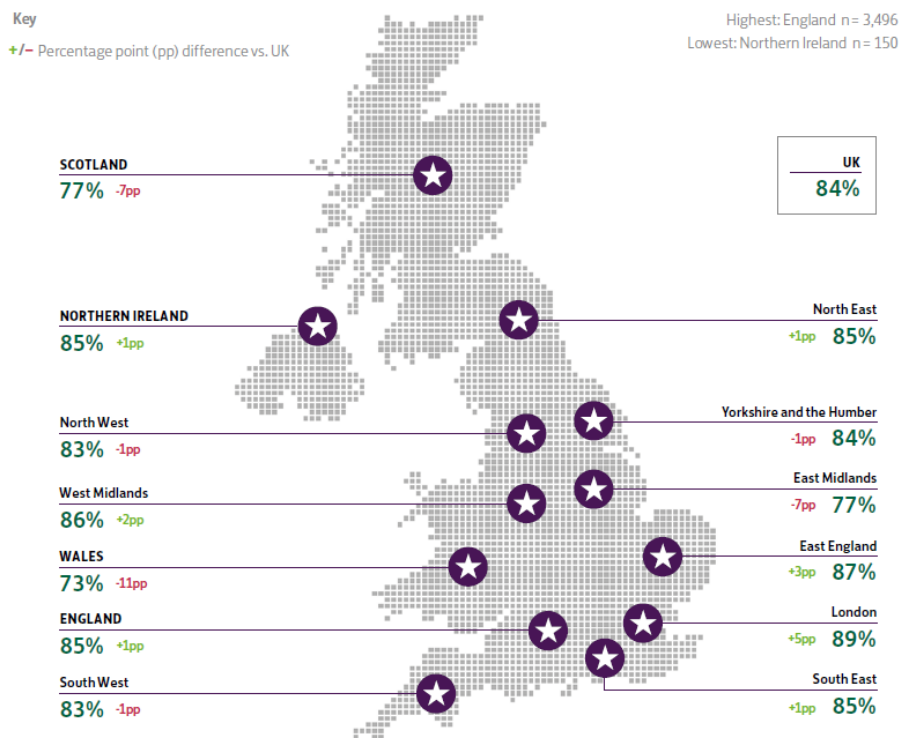


Figure 14: Yorkshire and Humberside are in line with national digital skills averages
(Source: Lloyds Bank UK Consumer Digital Index 2020)

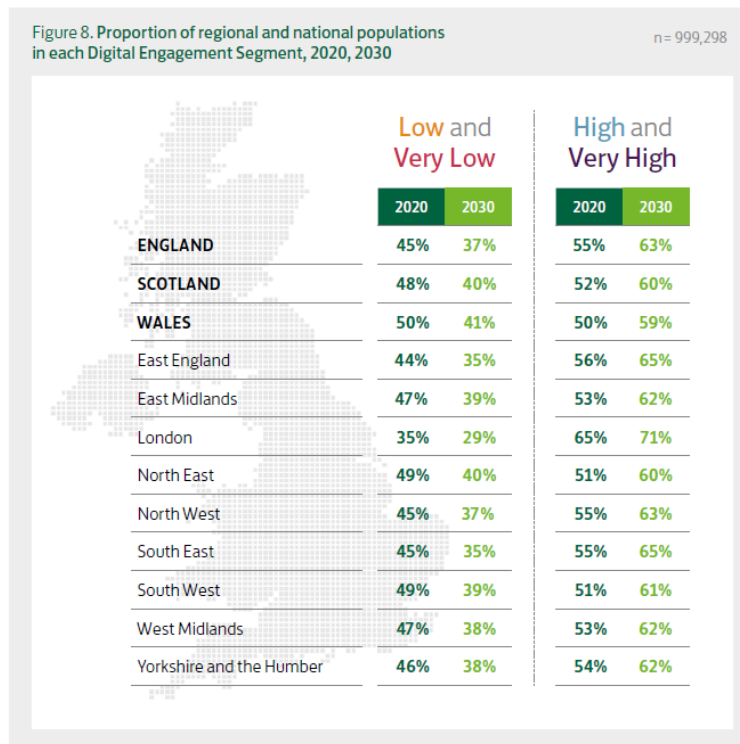


Figure 15: Yorkshire and Humber digital skills averages are moving in the right direction but there is more to do (Source: Lloyds Bank UK Consumer Digital Index 2020)

ONS have recently published some more granular 'low geographic level' data on internet usage; Table 2 contrasts the performance of the four South Yorkshire districts with both Yorkshire and Humber and the UK national average. Whilst Sheffield out-performs the Yorkshire and Humber regional average, the other three South Yorkshire districts do not, and all are below the national average. There is clearly a need to address this shortfall and ideally moving ahead of the national average if the SEP's ambitions of upskilling local communities for economic growth and the social betterment are to be realised.

RECENT AND LAPSED INTERNET USERS AND INTERNET NON-USERS, BY LOW LEVEL GEOGRAPHICAL LOCATION, UK, 2014 TO 2020															
Persons aged 16 years and over															
NUTS Code		Used in the last 3 months							Used over 3 months ago/Never used						
		2014	2015	2016	2017	2018	2019	2020	2014	2015	2016	2017	2018	2019	2020
UK		85.0	86.2	87.9	88.9	89.8	90.8	92.1	14.8	13.5	12.0	10.9	10.0	9.1	7.8
UKE	Yorkshire and the Humber	83.6	85.3	85.9	86.8	87.9	89.8	90.7	16.3	14.4	13.6	12.6	12.0	10.1	9.2
UKE21	York	86.8	83.3	87.1	85.9	88.6	92.7	91.8	13.2	14.5	10.5	9.3	11.4	7.3	8.2
UKE22	North Yorkshire CC	84.6	89.0	84.2	85.8	85.3	90.0	91.4	15.3	10.6	14.1	12.4	14.6	10.0	8.5
UKE31	Barnsley, Doncaster and Rotherham	82.2	81.9	78.3	88.0	85.1	88.6	90.0	17.8	17.9	21.7	12.0	14.8	11.4	10.0
UKE32	Sheffield	83.1	83.4	88.4	86.6	89.7	89.2	91.7	16.9	16.7	11.4	13.4	10.3	10.8	8.3
UKE41	Bradford	82.2	87.3	84.8	87.3	87.3	90.5	91.8	17.8	12.5	15.0	12.7	12.0	9.5	8.2
UKE42	Leeds	86.9	87.0	87.8	87.1	91.1	94.9	90.6	13.0	13.0	11.2	12.0	8.9	4.7	9.4

Table 2: Internet usage in Sheffield, Barnsley, Doncaster and Rotherham contrasted with Yorkshire

Poorer households with low digital skills spend over £500 more a year on utility bills than those with higher levels of digital engagement

Digital Segment	Annual Salary	Average spend* per month
Very High	£0	£162
	<£20,000	£143
	£20,000+	£221
High	£0	£174
	<£20,000	£168
	£20,000+	£239
Low	£0	£198
	<£20,000	£207
	£20,000+	£276
Very Low	£0	£207
	<£20,000	£203
	£20,000+	£268

*Bills include water/council tax/tv licence/energy

Average monthly spend on utility bills split by digital engagement segment and annual salary

(source: Lloyds Bank UK Consumer Digital Index 2020)

Over 20% of lower income households with children cannot access the internet with anything other than a mobile phone

	All DE Households with children	Number of DE children affected estimate (lower)	Number of DE children affected estimate (upper)
No access to the internet at home	6%	110,000	390,000
Smartphone only access to the internet	9%	219,000	571,000
No home access to laptop or desktop or tablet or smartphone	4%	52,000	281,000
No home access to laptop or desktop or tablet	21%	649,000	1,182,000

(source: Ofcom Technology Tracker 2020)

Figure 16: National averages for connectivity and implications

Telecoms operators also exacerbate (and obfuscate) the problem of affordable connectivity. Some fibre companies were quick to recognise that blocks of flats – or MDU’s (Multi-Dwelling Units) – presented an attractive market opportunity, being much cheaper and faster to connect as a cluster of homes than the complexity and cost of the more traditional model of digging up a street to lay new fibre and connect individual houses. The MDU market also offers more opportunity to be the exclusive broadband provider, protected by landlord agreements and even physical space in the buildings cable risers. As a consequence, fibre companies have increasingly targeted both private and social MDU’s.

The fibre company and the Authority will announce that an MDU has been connected to fibre broadband and the fibre company will give a small number of 12-month free service vouchers to the Local Authority, but the reality is that the vouchers are of transient value only and take-up of fibre broadband (constrained by affordability, device and skills) will be relatively low. How low is difficult to ascertain given the paucity of data on digital poverty, but market intelligence suggests that take-up in MDU's may be below 30%, meaning 70% will not be connected.

Obfuscation extends to how access to the internet is defined; having a mobile phone with a data service can allow a household to be considered as having internet connectivity. This might allow some services to be accessed (for example reporting faults to the Housing Association or accessing Local Authority services) but mobile data is expensive, and a mobile phone may not be suitable for other more complex but no less important user cases like children's school work or accessing training resources.

Covid-19 has not created a digital divide, it has simply exposed and amplified what was there already.

The pandemic has necessitated an accelerated shift to distance learning, primary healthcare delivery by phone or online and home working. There are 25,000 individuals across South Yorkshire who were furloughed from their jobs as a result of the Covid-19 lockdown and national estimates are that 40% of those on furlough will not have a job to return to; so there will be a need for scale retraining programmes which are unlikely to all be delivered in a physical environment.

The pandemic has brought with it a further wave of operator obfuscation. Undoubtedly the operators do want to deliver social value and play their part in the national response to Covid-19. But, they also want to be seen to make positive moves to avoid mandated action (Operators have, for example, been resistive of calls to allow their customers to donate unused data allowances to a social pool that can be accessed by those who can't afford internet access). Covid-19 has seen a flurry of free WiFi vouchers, mobile SIM cards and 'zero rating' of data usage to connect to socially valuable websites like NHS and educational resources, but these are all temporary measures that will not change the underlying digital poverty challenge once we have moved beyond Covid-19.

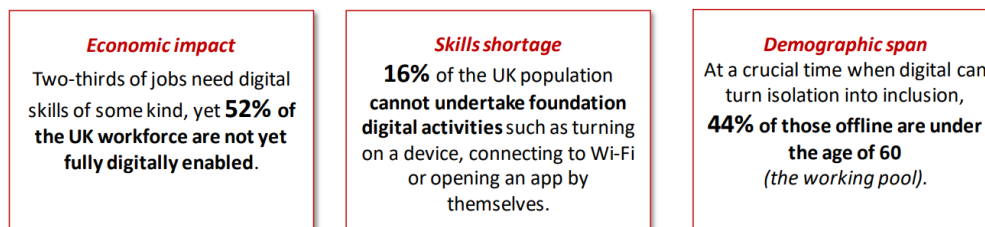


Figure 17: The motivations for addressing digital inclusion and digital poverty are not just about addressing inequality; it's equally about creating the skilled workforce South Yorkshire will need

The case for a more structured approach to social [infrastructure] connectivity and the wider digital poverty challenge should not be built entirely on a response to the systemic issues highlighted by Covid-19. Recovery and sustainable growth will need a digitally skilled and connected workforce so there are positive incentives to respond in the right way to the stimulus provided by the pandemic, making sure that the people of South Yorkshire are able to fill the new jobs that will be created as a result of the SEP.

4G AND 5G MOBILE COVERAGE AND CAPACITY - EVIDENCE

Mobile Operator commercial rollout of 4G has resulted in 4G being available at close to 99% of premises in South Yorkshire and there is similar commercial momentum behind 5G, with operators competing on number of towns and cities covered and network speed.

	Outdoor coverage				Indoor Coverage				
	Prem count	No 3G coverage	No 4G coverage	3G four operator coverage	4G four operator coverage	No 3G coverage	No 4G coverage	3G four operator coverage	4G four operator coverage
Barnsley	115599	0	0	99.67	99.76	0.02	0.1	90.86	78.77
Doncaster	141890			98.81	99.7	0	0.09	80.46	80.03
Rotherham	122070			99.31	99.63	0.01	0.17	84.59	79.45
Sheffield	260876	0	0.05	99.86	99.85	0.07	0.16	94.7	89.15

Source: Ofcom Connected Nation Report 2020

Figure 18: The mobile operators' commercial rollout of 4G has served South Yorkshire well, with Ofcom reporting 99% coverage, although we believe that the rural coverage figures (which are based on mobile operator calculations) are an over-statement.

5G is not a replacement for 4G; the two will work together with 4G providing coverage and 5G a focussed capacity boost where it is needed. As a result, 5G will not be available everywhere and an alternative to a 'coverage' metric is required.

It is important to note that mobile operators are using 'carrier aggregation' technology which allows 5G to combine with the underlying 4G network to offer very high performance, so effectively 4G is used to create a foundation of coverage and 5G provides an additional performance layer where it is needed. 4G is the technology currently being rolled out into remote rural areas by the £1Bn Shared Rural Network initiative funded by the mobile operators and Central Government to extend mobile coverage to 95% of the UK landmass¹¹ 5G is likely to remain a largely urban phenomena, providing the extra capacity layer where it is needed, so will probably be unlikely to hit more than 60% coverage.

Geographical coverage in [%]

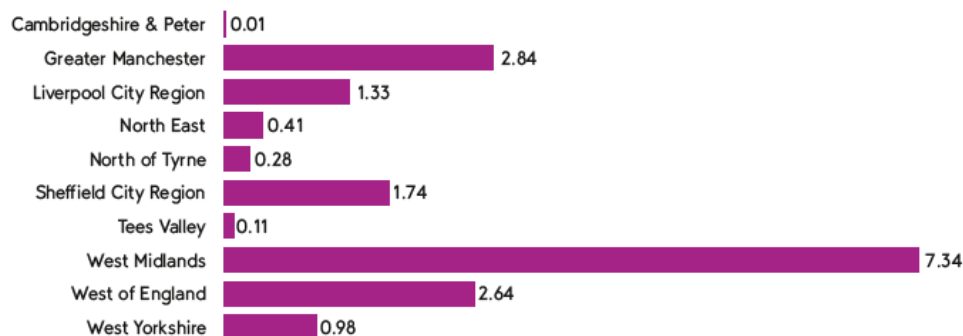


Figure 19: 5G Geographic Coverage by Combined Authority; SCR performing well at the early stage of national rollout (Source: Ofcom 5G Coverage in the UK 2020)

¹¹ It is important to note that the ambition for the Shared Rural Network is 95% of geographic coverage, which looks lower than the 99% availability reported for South Yorkshire by Ofcom. This is because the 99% is the percentage of premises in South Yorkshire rather than 99% of the geography of the region, which is a much harder target to achieve.

But evidence from a recent Ofcom study (Figure 19 above) suggests that South Yorkshire is performing well against its peers in 5G rollout, with only West Midlands (the location of the Government's £24M 5G Urban Connected Communities programme) and Manchester performing better than South Yorkshire ('Sheffield City Region') in a league table of Combined Authority areas; although the actual coverage figures remain very low.

The temptation for some Local Authorities has been to directly intervene in mobile coverage provision, particularly when 5G prestige is at stake. The Strategy considers that operator support rather than direct 5G 'value chain' intervention is the right course of action.

The Mobile Operators are typically reluctant to share rollout plans with Local Authorities given the commercial sensitivities surrounding their activities. This can be a barrier to progress as Local Authorities can be very supportive of operators looking to enhance coverage, or better still, introduce new technologies like 5G. An example of this is in a North London Borough, where one of the operators was trying to secure a Council owned rooftop for a very early 5G deployment but had not told the Council what the site was for. After much delay the operator told the Council why it needed the site and the Council responded positively making their rooftop one of the first 5G sites in the Country.

Apart from commercial confidentiality, one of the other obstacles to mobile operator / Local Authority relationships are the use of agents to manage access to public sector rooftops. Whilst these agents take away the burden from the Local Authority of working with operators, they may not necessarily be as focussed as local authorities on maximising the indirect social and economic value that good network coverage delivers.

The gap created between mobile operators and Local Authorities by operator confidentiality and the action of agents working on behalf of a Local Authority has been filled by third-party Wireless Infrastructure Provider (WIPs) companies offering to build mobile network infrastructure on Local Authority site assets (typically street furniture). The resulting networks (often referred to as 'neutral host networks') are offered to the mobile operators on a shared basis, the theory being that the streetscape is kept relatively clutter free (attractive to the Local Authority), the operators only pay a share of the costs (attractive to the operator) and in return the WIP will give a share of revenues to the Local Authority partner who can generate revenue and can claim a proactive position on 5G deployment (obviously both attractive to the Local Authority). In practice there are few working examples of neutral hosts (Aberdeen has one, for example and Sunderland are progressing a similar solution) and those that do are pilots with typically only one operator active on the 'shared' network. The reality is that there are technical and commercial challenges which makes this approach unattractive to many operators.

The Strategy seeks to make it easy for mobile operators to build their commercial networks and address some of the relationship barriers, rather than pursuing the more radical interventionist options, focussing energy on driving adoption of 5G

There are behaviours that South Yorkshire Authorities should adopt to speed up build and make it easier for operators to construct their networks.

The West Midlands Combined Authority secured the Governments £24M 5G Urban Connected Community fund because it offered a range of 5G innovation opportunities and signalled its willingness to innovate in developing the 'barrier busting' policy and process framework to support operators rolling out their networks. Wolverhampton have taken the leadership role in developing a viable open commercial model for operators to access public site assets that has been well received by the operators and has been adopted across the eight WMCA authorities as part of a wider harmonisation of policies towards telecoms operators. WMCA are currently leading an asset mapping and commercialisation project for DCMS which should result in a national template and toolkit for other Authorities to adopt. The Strategy seeks to adopt best practices and learning from other Authorities.

5G was designed primarily to fill in the enterprise capability gaps that were not addressed in 4G. The real 5G opportunity for South Yorkshire is helping our manufacturing sector benefit from early adoption.

5G has the speed, reliability and security features required for controlling vehicles, precision machinery and robotics and can support huge volumes of Internet of Things sensors and applications ranging from remote surgery to augmented reality and autonomous vehicles. It is this 'Industry 4.0' potential of 5G that is critical to supporting delivery of the wider economic ambitions of the SEP, given the continued strength of the region's manufacturing sector and the industrial heritage that is an important part of the identity of South Yorkshire.

There have been well over forty 5G innovation projects running in the UK over the last five years, attracting over £100M of funding and addressing opportunities ranging from connected factories to drone delivery services and everything in between¹². The formula for success is typically a combination of strong academic input and investment from an engaged Local Authority. Neither of these elements have yet fallen fully into place in South Yorkshire. To date the region's only success has been through the AMRC, but an £8.5M 5G factory of the future project is largely focussed on the BAe factory in Preston and a 5G rail project at London St. Pancreas station.

The success rate of the region in bidding for innovation funding could be increased by proactively identifying projects and building consortia that can be taken 'off the shelf' when an appropriate funding opportunity presents itself as many Government innovation competitions have very short turnaround times (sometimes as short as eight weeks) which leaves little time to move from concept to business case and sign off to financial commitments by consortia members.

Whilst the rollout of commercial 5G networks is now progressing and there are many active regional innovation projects already complete or in progress, there are still opportunities for a well-considered strategy.

The emergence of the private 5G opportunity is more to do with opportune changes in the mobile network equipment vendor ecosystem than 5G standards. The release of 5G has seen an upsurge in start-up challenger vendors offering open-source low-cost network equipment to challenge the established players like Nokia, Ericsson and Cisco. Motivated by the need to remove Huawei equipment and to drive lower costs, even the big four operators are starting to use this 'plug and play' equipment.

At the same time, telecoms industry regulator Ofcom (and other regulators around the world) has made unused and expensive licenced spectrum owned by the mobile operators (of which there is a surprising amount if you know where to look) available to organisations interested in building their own mobile radio networks for their factory or campus. These two factors together are stimulating a surge in interest in private 5G networks.

The industrial potential of 5G and the historically poor indoor coverage of 3 and 4G networks means that for factories or hospitals the only way of getting a ubiquitous reliable and secure 5G network will be to build a private solution.

¹² Only one of the forty-plus 5G innovation programmes with a South Yorkshire component was AMRC's involvement in the £8.5M 5G Factory of the Future programme, funded by DCMS. But this project is centred at the BAe factory in Preston, so there will be no direct 5G upside for South Yorkshire.

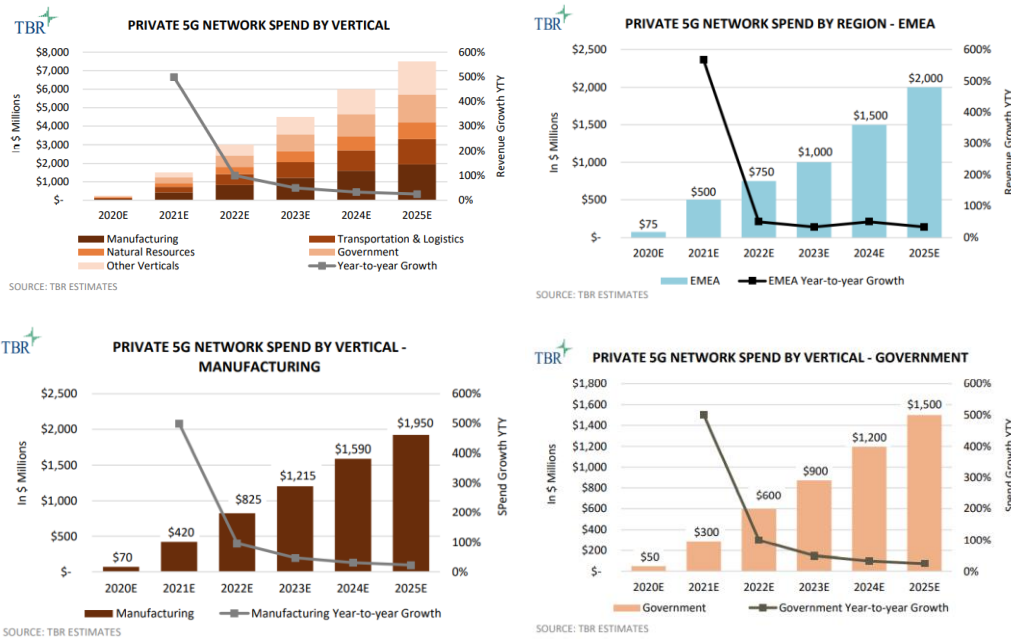


Figure 20: Projected Growth in Private 5G Networking spend by region and selected key sectors (Source: TBR Research 2020)

A 4G coverage ambition might still be valid, despite what the Ofcom statistics would suggest

Whilst Ofcom suggest that there is near-99% 4G availability across South Yorkshire, this is a percentage of premises with 4G coverage so the sparsely populated rural areas of the region will have much poorer coverage than the Ofcom figures would suggest. Rural coverage is still a challenge for many, which might be experienced as loss of signal for someone driving in the countryside or a farm industrial unit with very poor coverage.

Understanding where coverage challenges exist is further complicated by the way rural coverage is reported. The data used is the operators’ own predictive coverage modelling (which can result in overstatement) report on a postcode basis, which can be a large area in rural constituencies resulting in a distorted picture.

Norfolk County Council faced a similar gap between reported coverage and the real-world experience and funded a drive-by mapping exercise to plot the actual performance of each individual operator on every rural B-Road in the County. This data was used to engage with the operators and has led to a quantifiable improvement as operators have reacted positively to the information and have added new sites to close gaps. Norfolk County Council have also adopted innovative ‘Barrier Busting’ approaches to offer public sector assets like fire training towers to the operators and successfully secured Local Full Fibre Networks funding to bring fibre to these sites that the operators could potentially use to connect their new radio sites.

DATA CENTRES - EVIDENCE

Data centres are an increasingly important part of the digital ecosystem.

Whilst fibre connectivity can offer high speed global connectivity, proximity to the physical sites where data is processed and stored can be significant; this is because data takes time to travel but people want access to data instantaneously. Data almost never travels in a straight line between sender and recipient. Instead, it meanders through networks, routers, and switches, each of which can add delay. The delay (or latency) problem is doubled by the ‘round trip delay’ where first of all the request has to travel to the data centre and then the data requested has to travel back to the user. Whilst this is not such an issue where ultrafast fibre is used, the consensus is that over 25 miles you do start to get a noticeable effect.

Businesses tend to operate hybrid data storage solutions, with ‘hot’ data required for immediate access stored on servers in the equipment room of their own facility. But the economies of scale of cloud data centres have won the ‘build or buy’ argument and industry analyst Gartner¹³ predicts that by 2025 80% of businesses will shut down their in-house data centres.

The arrival of 5G will also shape data centres demand, driving the construction of smaller ‘edge’ data centres taking processing and storage close to users.

One of the key features of 5G is its support for ultra-low latency, which is why mobile operators and digital businesses are interested in the ‘Edge’ data centres which take the processing power and storage closer to the application – effectively decentralising the data centre to a larger number of smaller sites. While centralised data centres still have a crucial role to play as they are the hubs of data distribution networks, it is Edge data centres that will act as the local depots of data. Gartner predicts that Edge computing will account for 75% of enterprise-generated data by 2025.

South Yorkshire would appear to have limited provision of data centres relative to neighbouring urban centres, which might be of future concern as businesses turn towards cloud services instead of ‘in-house’ solution managed from equipment rooms on site. Distance from data centres may then become an issue, with ‘round trip’ network delays impacting user experience.

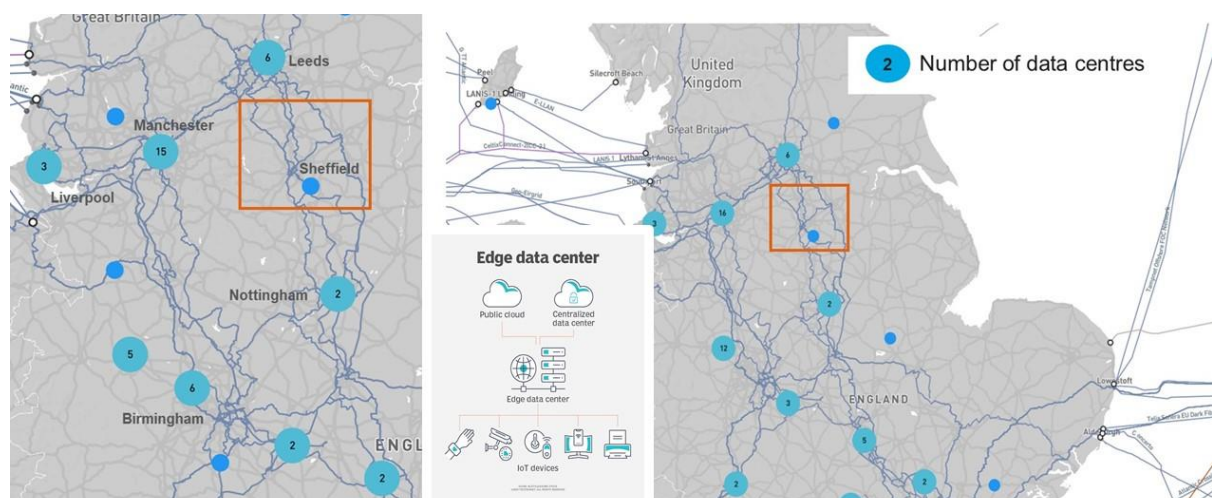


Figure 21: Whilst South Yorkshire is well connected to the national and international fibre routes (right) it is lacking in data centre capability compared to other nearby urban centres (source: Infragraphics)

¹³ Gartner – Strategic roadmap for Edge Computing (2021)

INTERNET OF THINGS – EVIDENCE

IOT uses low-cost low power radios embedded in sensors to send data back (typically over a radio link) to a central application that analyses the data to create insight and the opportunity for action. An IOT network can be provided by a commercial organisation like a mobile network operator (e.g. Vodafone or EE), a dedicated IOT network operator (e.g. Connexin or WND) or organisations can take advantage of the low cost of equipment and free to use radio spectrum and build their own.

IOT has been made possible by the development of low cost and very efficient radios that can be installed in sensors and run for years without any maintenance. These sensors are now so efficient that they can run for over ten years on just three 'AAA' batteries. Radio connections from the sensor are cheap (the radio spectrum used by LoRAWAN and Sigfox¹⁴ technologies favoured by independents like Connexin is free to use, for example)

Attracted by the low cost to build, an increasing number of public sector bodies (including neighbouring LEP areas) are actively building or planning to build regional IOT networks. The Scottish Government are building a national IOT network and innovative rural authorities like Norfolk CC have also built innovation platform IOT networks (the latter funded by the LEP).

There are already a number of IOT related pilot activities across South Yorkshire:-

- Sheffield are using a LoRA network provided by Amey (which uses the Connexin network) for smart city pilots
- Barnsley's Digital Media Centre (DMC) has built a local IOT network and has attracted IOT start-up businesses to its campus. Barnsley MBC are considering a self-build local IOT network.
- Doncaster has expressed interest in trial with applications potentially aimed at a diverse range of applications from flood controls to better informing road gritting decisions in winter.

The isolated applications may appear small in scale, but the same network can support multiple applications, and each can drive cost savings and performance improvements. In just one South Yorkshire Local Authority the cost of a gritting run is c£90,000 and there are three runs on a very cold night. IOT temperature sensors can provide real-time and localised road surface temperature data which can be used to determine if a gritting run is required, and even tailor the gritted area to those with greatest ice risk. There are many more user cases such as:

- Smart parking
- Ditch and gully water level monitoring
- Footfall counting
- Building management systems
- Telecare/telehealth
- Housing and building management
- Air quality – environmental systems
- Asset tracking
- Traffic monitoring

Key private sector stakeholders such as the region's utility providers are actively testing IOT networks for applications such as smart metering, so the MCA could consider working with these private sector organisations to create a single solution for a regional IOT network, which could be based on a commercial operator network offering or be a self-build solution piloted by other similar local authorities. The resulting regional IOT network could form part of the growing IOT narrative for the Barnsley DMC campus and create opportunities for new business growth, education and digital skills.

¹⁴ LoRAWAN (Long Range Wide Area Network) and SigFox are two ultra-efficient radio technologies used to create IOT networks. LoRAWAN is considered to be the more open standard option so is favoured by sensor developers over SigFox which is a more closed and proprietary solution.

KEY CHALLENGES

Digital Infrastructure Challenges:

1. Need to replicate Superfast South Yorkshire broadband success with Gigabit Broadband; starting from a low point of 4% which is lagging behind the national average of 15%.
2. There are c160,000 premises in South Yorkshire that are not covered by the Virgin Media 'gigabit-capable' upgrade or the various publicly announced fibre initiatives. Closure of this gap will require careful stewardship by the MCA.
3. No meaningful agenda for 5G which is significant given the Region's manufacturing capability and the Industry 4.0 focus of 5G technology.
4. Whilst having 4G available at 99% of South Yorkshire's c650K premises is a strong achievement it hides a rural coverage problem that needs quantifying and addressing.
5. Despite some commendable local initiatives (ranging from free connectivity vouchers to free laptops) digital poverty remains a barrier that needs to be addressed and will not be resolved simply by making fibre available.
6. Whilst there is growing aspiration there is no clear IOT strategy for South Yorkshire.
7. The region is underweighted in terms of local data centre capacity which will become increasingly important as business dependency on cloud services increases.
8. Growth of South Yorkshire's promising digital sector is compromised by lack of a clearly articulated narrative and identity.

Organisational and structural challenges:

9. Despite earlier efforts a fragmented 'four authorities' approach persists, making South Yorkshire harder to work with for operators and Government than better aligned Authorities, with the risk that investment goes elsewhere.
10. With the notable exception of SFSY and the Superfast programme, digital governance lacks the controls and specialist knowledge to make informed strategic choices and drive delivery.
11. Poor track record of digital thought leadership and ability to secure digital-related funding investment bids.
12. Data strategy is poor, compromising the ability to generate insight and consequently make informed and evidence-based interventions; critical when state aid is used to fund digital interventions.
13. Lack of academic anchor point for 5G innovation and as a catalyst of 5G adoption into the region's manufacturing sector.

OBJECTIVES OF THE DIGITAL INFRASTRUCTURE STRATEGY

Introduction

The National Infrastructure Committee estimated that the vision of Full Fibre Britain would require up to £30Bn of investment. Whilst the revised Gigabit Capable ambition will be able to build from a foundation of the Virgin Media cable network so will come with a reduced financial demand, the investment community has a seemingly limitless interest in investing in companies' intent on contributing to national fibre rollout. There are now over fifty fibre companies actively building or raising capital to fund fibre build, many of which are very small operators building in confined geographies. Six are active in South Yorkshire. The mobile operators are similarly committed to rolling out new 5G networks having only just put the finishing touches to their 4G networks.

Against this backdrop, the MCA and Local Authorities have two primary related objectives. Firstly, this is to ensure that both fixed and wireless operators disproportionately invest in South Yorkshire by adopting supportive policies and opening up public sector assets to make it easier for operators to build. This needs to be happening now given the wave of public and private sector investment going into digital infrastructure.

However, at the same time the MCA and Local Authorities need to have a clear view of how it will turn these new networks to economic and social advantage for local communities. Possibilities can range from enabling local businesses to leverage the transformative potential of 5G, to adopting new digital service delivery models for health, education and training and social services and extending these benefits to all sections of the community.

This plan for utilisation of new digital infrastructure cannot wait until the new networks are in place; indeed, there are opportunities to leverage support for operator network build into acceleration of some of the digitally enabled social and economic objectives set by the SEP and local strategies and plans. Rather than simply seeking to generate revenue from rooftop rentals (no longer a viable strategy given changes to operator statutory rights), authorities could seek subsidised access or skills training to drive direct social value.

The purpose of the South Yorkshire Digital Infrastructure Strategy is to set out the policy framework that will allow South Yorkshire to address the two parallel tasks of encouraging operators to provide ubiquitous Gigabit broadband and mobile services, and at the same time harness the social and economic potential these technologies bring; ideally creating a sustainable differentiator for the Region.

Accordingly, the Strategy's Vision is to deliver:

'a Gigabit digital infrastructure that accelerates new social and economic possibilities for all the people and businesses of South Yorkshire.'

This Vision is underpinned by five key goals:

1. Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G
2. Support the social and economic priorities set out in the SEP.
3. Form an inclusive platform that enables better outcomes for all sections of society.
4. Be supported by the Governance and data-driven approach needed to maximise the digital potential of South Yorkshire.
5. Position South Yorkshire as a leading centre of applied digital innovation and adoption.

POLICIES

ENSURE SOUTH YORKSHIRE'S SUPERFAST BROADBAND AND 4G SUCCESS IS REPEATED FOR GIGABIT BROADBAND AND 5G

To achieve this: -

- We will encourage and where appropriate enable all the commercial operators to deliver their planned network upgrades and new build in the South Yorkshire.
- We will work closely with DCMS to maximise the investment of 'Project Gigabit' in rural broadband programme spend in South Yorkshire.
- **4G:** We will work with mobile infrastructure providers to promote good mobile coverage across our rural communities.
- **5G:** We will work with the region's businesses and Leaders in the adoption of 5G to drive sustainable advantage and competitiveness.
- We will open up our public sector assets based on a robust due diligence process and make it easier for operators to build their networks with our consistent 'barrier busting' policies.

SUPPORT THE SOCIAL AND ECONOMIC PRIORITIES SET OUT IN THE SEP

To achieve this: -

- As a foundation layer we will work with digital infrastructure providers to achieve ubiquitous Gigabit Broadband and 4G coverage across South Yorkshire and 5G where it is needed.
- We will seek to close the datacentre gap, reinforcing the success of the Region as a place to do digital business and 'future proofing' the region to cater for the anticipated growth in businesses utilising cloud infrastructure.
- We will seek to leverage 5G's unique enterprise capabilities (low delay, reliability, security, support for scale sensing networks) to the advantage of South Yorkshire's significant manufacturing sector.
- We will engage with South Yorkshire's major private sector organisations to leverage their digital know-how and seek mutually beneficial public-private sector outcomes.
- We will augment the growing narrative around the region's digital sector, business start-ups, innovation, and creation of 'lighthouse' innovation projects.

FORM AN INCLUSIVE PLATFORM THAT ENABLES BETTER OUTCOMES FOR ALL SECTIONS OF SOCIETY

To achieve this: -

- We will address the data gap to better understand the specific digital poverty challenges in South Yorkshire.
- We will drive and leverage social value upside from our digital activities and as a bi-product of our support for operators building their new networks.
- We will explore new models for social connectivity, exploring new service delivery options (digital health and government services) and seeking to quantify the better outcomes that digital connectivity can deliver.

- We will explore digital infrastructure opportunities to support the growth of digital health and welfare, linking back to other regional initiatives.
- We will consider how our site assets can better serve our communities to either anchor operator builds into less commercially attractive areas or to provide digital centres/hubs in their own right, offering connectivity and help.

GOVERNANCE AND DATA-DRIVEN APPROACH TO MAXIMISE THE DIGITAL POTENTIAL OF SOUTH YORKSHIRE

To achieve this: -

- We will build on the success of the Superfast South Yorkshire programme, creating the necessary governance structure to ensure that our infrastructure agenda is effectively coordinated and compliments the delivery of the wider SEP digital agenda and ambitions.
- We will create a centre of digital excellence for the region, allowing South Yorkshire to respond in a co-ordinated way to Government initiatives and to engage consistently with operators and other private sector stakeholders.
- We will make use of wider public and private sector specific digital and technology skills to advise and add depth and challenge to our digital infrastructure programme.
- We will make it easy for operators to build their networks with consistent 'barrier busting' policies adopted across the region, drawing on best practice from Local Authorities both within and beyond South Yorkshire.

POSITION SOUTH YORKSHIRE AS A LEADING CENTRE OF APPLIED DIGITAL INNOVATION

To achieve this: -

- We will seek to integrate and ensure that our digital infrastructure activities contribute to supporting the development of the SEP innovation clusters such as by creating 'lighthouse' projects reflective of our growing digital capability.
- We will seek to secure Government innovation funding awards by pre-preparing bids related to the SEP and our Digital Infrastructure Strategy.
- We will work with public and private sector partners to promote the development of Internet of Things network(s) across South Yorkshire to support public and private sector 'sensing' network ambitions and as a platform for innovation in our growing digital sector.

DELIVERY OF THE STRATEGY

The digital infrastructure agenda for South Yorkshire is complex, and is one part of the three elements, the other two being digital skills and digital innovation and business support, that will need to be progressed simultaneously to deliver the digital ambitions of the Strategic Economic Plan. This will require strong leadership by the MCA, in liaison with local authority partners and others, to implement this holistic approach and align all activities across these three elements.

The digital infrastructure agenda, delivering this Strategy, will involve creating a consistent enabling policy structure that makes it easy for operators to build their fibre and mobile networks in the region, taking best practice from other authorities who have already begun this journey. It will require the MCA and local authority partners to closely monitor progress in the specific areas identified in this Strategy to make sure that the 160,000 premises outside of the current predicted Gigabit-Capable coverage area are not left behind. There is also still a job to do in mobile, working with the mobile operators to understand rural coverage challenges which are known to still exist.

At the same time steps need to be taken to make sure that the new Gigabit Capable broadband and 5G networks deliver social and economic value for the region and align with the ambitions of the SEP. It will be important to make sure our enterprise sector is quick to seize the benefits of 5G and that our digital communications are deeply embedded within the narrative of our emerging innovation hubs and growing digital confidence.

We also need to make sure that the benefits of connectivity are available to all sections of our communities and that we have the digitally skilled workforce required to sustain economic growth. The digital narrative for South Yorkshire must run much wider than the confines of an infrastructure debate and clear leadership and sponsorship of this agenda is required, as set out in the diagram below. Our Superfast South Yorkshire programme has provided a template for collaboration to deliver regional success in the digital sphere.



Figure 22: MCA Digital Leadership Responsibilities

Steps are already being taken to develop this Leadership approach and will seek to bring together focussed public and private sector skills to advance the regional agenda, building on the foundations of this forward-looking Digital Strategy.

Consideration is being given to the opportunities of the 'clawback' funding from the Superfast South Yorkshire broadband programme, which will provide a significant secure funding source over the next 5 years to support the implementation of not only this Digital Strategy but also the activities related to the digital skills and digital innovation and business support agendas.

The MCA will determine how the 'clawback' funding will be deployed, informed by the MCA Housing and Infrastructure Board, MCA Education, Skills and Employability Board and MCA Business Recovery and Growth Board in relation to the digital infrastructure, digital skills, and digital innovation and business support agendas respectively. This funding will therefore provide the resource to enable the MCA to implement a holistic and integrated digital approach across these three interrelated activities.

The Governance arrangement is set out below:

Insert draft Governance diagram

The MCA will be appointing an Innovation Project Director to drive the innovation and business support activities, a key element of which will be digitally related. A key aim of the work of the Project Director will be to develop and implement a strategy for enabling the roll-out of digital innovation opportunities to businesses as part of maximising the benefits of 'innovation clusters' across South Yorkshire. Responding to these opportunities will take into account the related innovation and business support proposals highlighted in this Digital Strategy.

The MCA is also preparing a Skills Strategy for South Yorkshire where digital skills will feature strongly, with the aim to enable the transition to a more digitally competent workforce in South Yorkshire and addressing the digital exclusion issues highlighted in this Digital Strategy. Discussions are already taking place with local universities around better understanding the digital poverty issues and inclusion impacts in South Yorkshire as a result of the Covid19 epidemic.

In terms of the digital infrastructure agenda work, the Superfast South Yorkshire (SFSY) Board continues to oversee the successful SFSY broadband programme to completion by Summer 2022. The Board has also already been working with Government in preparation of the Government's 'Project Gigabit' that will supersede the SFSY programme. This has culminated in Government announcing in July 2021 that between £61m - £103m funding has been allocated to South Yorkshire to provide gigabit capable digital infrastructure and connectivity to 64,000 premises which the 'Market' would otherwise not be providing over the next 5 years.

Consideration is also being given with a range of public and private sector partners to the development of the type of 'lighthouse' digital infrastructure projects referred to in this Digital Strategy, as well as obtaining and setting up processes to collate and analyse standardised 'real-time' data as part of the wider MCA/LEP Data Observatory initiative.

Significant activity is therefore already underway to both implement this Digital Strategy and develop the other two key elements of the wider digital agenda. Importantly, a significant resource in the form of the SFSY clawback will enable this positive progress to be enhanced and accelerated so that there is a coordinated and effective holistic digital approach being adopted by the MCA and partners to deliver the digital ambitions of the SEP.

Delivering and measuring success: Targets and Monitoring

In setting out this Digital Strategy, the MCA is seeking to deliver a mixture of outcomes that are relatively straightforward to measure (for example Gigabit-capable broadband availability) and some that are not; tackling digital poverty falls into the latter category.

As described earlier in this Strategy, there is a national paucity of local evidence about digital exclusion, so measuring and even setting meaningful local goals is a challenge. There is enough evidence available at the supra-regional level (Yorkshire and Humberside) to support the need for digital inclusion interventions in the short term, but the objective we set ourselves is be about building a better understanding of the local challenges, which will then allow the intervention strategy to be refined (and new targets to be set, if appropriate).

Likewise, we consider the implementation of a strong governance model as outlined in the previous section above and the adoption of a meaningful data strategy to be a key part of the Digital Infrastructure Strategy even though they are enablers rather than deliverables.






	POLICY PRIORITY	TARGETS
	Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G	<ul style="list-style-type: none"> 95% availability of Gigabit Broadband by 2025 95% mobile coverage, closing rural gaps
	Support the social and economic priorities set out in the SEP	<ul style="list-style-type: none"> Data centre parity with other equivalent urban centres in place by 2025 Establish a South Yorkshire Digital Forum to support and advise on implementation of the Strategy
	Form an inclusive platform that enables better outcomes for all sections of society	<ul style="list-style-type: none"> A local solution in place for tracking levels of digital poverty and impact of interventions across South Yorkshire To develop and implement social value pilot projects
	Governance and data-driven approach to maximise the digital potential of South Yorkshire	<ul style="list-style-type: none"> Identify appropriate resources to implement the Digital Infrastructure Strategy Put in place comprehensive digital data provision and monitoring by end 2022
	Position South Yorkshire as a leading centre of applied digital innovation	<ul style="list-style-type: none"> Establish South Yorkshire as a centre of digital excellence to pilot new digital infrastructure innovations and models Roll out 5G pilots with South Yorkshire businesses by 2025 Promote a South Yorkshire IoT network

Figure 23: Indicative targets to track the successful delivery of South Yorkshire's digital strategy.

GLOSSARY

Wireless mobile telecommunications technology:

3G	Third generation wireless mobile telecommunications technology meeting IMT-2000 technical standards, which includes providing peak data rates of at least 144 kbit/s.
4G	Fourth generation wireless mobile telecommunications technology providing a substantial level of improvement in performance and capabilities compared to 3G.
5G	Fifth generation wireless mobile telecommunications technology which delivers higher peak data speeds, ultra-low latency, greater connectivity and increased network capacity.

Broadband speeds:

Decent broadband	Defined by Ofcom and the UK Government as a connection capable of delivering a download speed of at least 10 Mbps and an upload speed of at least 1 Mbps.
Gigabit capable broadband	Gigabit-capable broadband is an internet connection that offers a download speed of at least 1 gigabit-per-second (1 Gbps or 1000 megabits per second, Mbps). This can be delivered by a range of technologies, including: full-fibre connections, high-speed cable broadband and potentially 5G networks.
Superfast broadband	There is no single definition of superfast broadband. The UK Government's targets for superfast broadband coverage were based on download speeds above 24 Mbps. However, the EU and Ofcom define superfast broadband as download speeds greater than 30 Mbps. This Strategy also defines two sub-categories: <ul style="list-style-type: none"> • 'Basic' superfast: 10 - 30 Mbit/s • 'Good' superfast: 30 – 100Mbit/s
Ultrafast broadband	Broadband connection with download speeds usually over 300Mbps but less than 1Gbps (one gigabit per second, or 1000Mbps). Typically delivered via fibre optic cables between the exchange and the premises (see Fibre To The Premise / Full Fibre Broadband above).

Other terms:

Cloud infrastructure	The infrastructure required to deliver computing services over the Internet, encompassing hardware and software components such as servers, storage, databases, networking, and software tools.
Data centre	A building or a dedicated space within a building, housing computer systems and associated components, such as telecommunications and storage systems.
Digital infrastructure	The physical resources needed to enable the use of technologies such as digital communication, computing, or data storage.
Digital poverty	Lack of ability to access digital services (including by internet and/or mobile telecommunications). Causes include lack of access to equipment (i.e. laptops, tablets, mobile phones), services (i.e. speed or availability of broadband provision) and costs associated with services and equipment.
Digital social value	Ensuring that opportunities for delivering social value are sought in digital investment and infrastructure deployment, contributing to the long-term wellbeing and resilience of individuals, communities, and society in general.

DOCSIS 3.1	Data Over Cable Service Interface Specification (DOCSIS) 3.1 is an international telecommunications standard used by cable television operators to provide internet access.
Fibre To The Cabinet	Provision of high-speed broadband services via fibre optic cable to a cabinet and then by copper cable to the end user.
Full Fibre Broadband / Fibre To The Home / Fibre To The Premise	Provision of broadband access through fibre optic cables which extend all the way to the end-user premises, rather than to a cabinet that services the area. High data speeds are possible due to the absence of copper-based telephone lines. In the UK this also encompasses fibre to the building (FTTB) where in apartment blocks a fibre runs to each floor and Gigabit Ethernet cable is then run to each apartment.
Internet of Things (IOT)	A network of physical objects which have sensors, software, and other technologies embedded allowing connection to, and exchange of data with, devices and systems over the Internet
Latency	The time it takes for data to go from source to destination in milliseconds (ms).

A further glossary of broadband terminology is available at:

<https://www.thinkbroadband.com/faq/broadband-glossary>



Mayoral Combined Authority Board

20 September 2021

Programme Approvals

Is the paper exempt from the press and public?	No
Purpose of this report:	Funding Decision
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

Sue Sykes – AD Programme and Performance Unit
Sue.sykes@sheffieldcityregion.org.uk

Executive Summary

This paper requests: progression of twelve schemes, early release of development cost funding subject to conditions to be set out in the Assurance Summaries; and approval of 2 project change requests. The paper also requests delegated authority to enter into legal agreements for the Community Renewal Fund with the Local Authorities and partners due a delay in the decision announcement by government and the acceptance of grant from the Superfast South Yorkshire programme with delegation to the thematic boards to develop programme ideas for their respective areas and approve programme ideas in line with agreed board delegation limits.

What does this mean for businesses, people and places in South Yorkshire?

This report is seeking approval to progress business cases and enter into contract for a number of investment proposals which will support the MCA's aspirations.

Recommendations

The Board consider and approve –

1. Progression of "iPort" project to full approval and award of £5.46m grant to South Yorkshire Passenger Transport Executive subject to the conditions set out in the Assurance Summary attached at Appendix A1

2. Progression of “Stations Access Package” to full approval and award of £6.17m grant Doncaster Borough Council subject to the conditions set out in the Assurance Summary attached at Appendix A2;
3. Progression of “Gene Therapy Innovation and Manufacturing Centre” to full approval and award of £1.5m grant funding to the University of Sheffield (UOS) subject to the conditions set out in the Assurance Summary attached at Appendix A3;
4. Progression of “Project D0001” to full approval and award of £2m loan and £5.16m grant subject to the conditions set out in the Assurance Summary attached at Appendix A4;
5. Progression of “Magna Tinsley OBC” to FBC and the release of development cost funding of up to £845k to Sheffield City Council subject to the conditions set out in the Assurance Summary attached Appendix B1
6. Progression of “Unity OBC’ to proceed to FBC and the release of development cost funding up to £50k to Doncaster Metropolitan Borough Council subject to the conditions set out in the Assurance Summary attached at Appendix B2
7. Progression of “Nether Edge Wedge OBC” to proceed to FBC and the release of development cost funding up to £1.38m to Sheffield City Council subject to the conditions set out in the Assurance Summary attached at Appendix B3
8. Progression of “Broom Road Cycleways OBC’ to proceed to FBC and release of development cost funding up to £211k to Rotherham Metropolitan Borough Council subject to the conditions set out in the Assurance Summary attached at Appendix B4
9. Progression of “Doncaster Housing Retrofit SBC” to proceed to OBC subject to the conditions set out in the Assurance Summary attached at Appendix C1;
10. Progression of “Glassworks – Enhanced Capital Contributions SBC” to proceed to OBC for Gainshare funding to BMBC (Barnsley Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix C2;
11. Progression of “Fargate Future High Street Fund SBC” to proceed to OBC for Gainshare funding to SCC (Sheffield City Council) subject to the conditions set out in the Assurance Summary attached at Appendix C3;
12. Progression of “Sheffield Heart of the City 2 SBC” to proceed to OBC for Gainshare funding to SCC (Sheffield City Council) subject to the conditions set out in the Assurance Summary attached at Appendix C4
- 13.2 Project change requests as detailed in Appendix D
14. Acceptance of grant of £7.7m of which £1.18m to be returned to the MCA this financial year and delegated Authority to Thematic Boards to approve programme ideas for their respective area, in line with the agreed board delegation limits with regards to the Superfast South Yorkshire broadband programme.
15. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes 1 – 13 covered above and enter into the necessary legal grant agreements with the Local authorities and other delivery partners for the delivery of the Community Renewal funded projects.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Assurance Panel	01 July 2021
Assurance Panel	12 August 2021
Assurance Panel	13 August 2021
Transport and the Environment Board	02 September 2021

1. Proposals and Justification

1.1 This report seeks approval for the progression of schemes funded from multiple funding streams. The paper also requests delegated authority to enter into legal agreements for the named schemes and the schemes submitted within the Community Renewal fund bid.

1.2 Progression of schemes to full approval and award of funding

The paper is seeking progression to full approval and award of funding for 4 projects which are detailed in Appendix A. The total amount of funding requested is £18.29m grant and £2m loan and include 2 Transport schemes funded from the Transforming Cities Fund 2 (TCF2) and 2 Business Projects funded from £13m uncommitted, recycled Local Growth Fund (LGF). The projects are located within Doncaster and Sheffield. The assurance summaries include conditions of funding which must be met before contract execution.

Full details of the schemes and risks are included in Appendix A

1.4 Progression of schemes to from OBC to FBC with release of development costs

The paper is seeking progression from OBC to FBC with the release of development costs for 4 projects which are detailed in Appendix B. The total amount of funding is £2.49m grant and are Transport Projects located in Sheffield, Doncaster and Rotherham. The assurance summaries include conditions of funding which must be met before contract execution.

Full details of the schemes and risks are included in Appendix B

1.5 Progression of schemes to from SBC to OBC

The paper is seeking progression from SBC to OBC for 4 projects which are detailed in Appendix C. The schemes are Gainshare funded schemes which cover housing and infrastructure. Projects are located in Barnsley, Doncaster and Sheffield. The assurance summaries include conditions that will need to be addressed in the OBC submission

Full details of the schemes and risks are included in Appendix C

1.6 Project Change Requests

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

1.7 Community Renewal Fund

The UK Government announced £220m investment in the UKCRF in its budget on 3rd March 2021. The UKCRF aims to support people and communities most in need across the UK to pilot programmes and new approaches and will invest in skills, community and place, local business and supporting people into employment. The MCA has been designated as a Lead Authority by the UK Government. As Lead Authority, the MCA submitted a c£10m bid to Government (£3m per local authority). Barnsley, Doncaster and Rotherham have been identified in the Government's top 100 places as priority areas; however, this did not preclude Sheffield from bidding and receiving funding, but its chances of success are lower. The submission to government was made on 18th June 2021 and a decision was due to be communicated in July 2021

At the time of writing no formal grant offer letter has been received by the MCA, though a response is expected imminently. The key risks associated with this report are potential conditions of grant award that may impact upon programme deliverability by March 2022. If the grant offer does not align with the bid submitted the acceptance of the bid and the projects to be funded will be discussed with the Districts/Leaders before any grant is accepted should delegated authority be approved.

1.8 The Superfast South Yorkshire (SFSY) Programme

The programme has been delivered over the past 6 years, raising superfast broadband coverage across South Yorkshire from 81.3% to 98.7% of premises. The initial investment of LEP LGF into this programme was £10.4m, which was 53.4% of the project funding.

To comply with State Aid the SFSY contracts with BT Openreach included a clause which requires the supplier to return part of the public investment as customer adoption of the new superfast service rises. The forecast of this returned funding is predicted to be approximately £14.4m by 2025/26, of which £7.7m would be returned to the MCA. There is the option for the first tranche of £1.18m to be returned to the MCA this financial year.

This paper is seeking acceptance of the return of this grant and that work continues to develop the digital programmes that this surplus can be allocated to, potentially considering programmes aligned to digital infrastructure, digital skills and the digital innovation and business support agendas. The relevant Thematic Boards overseeing the development of ideas and options within their remit.

2. Options Considered and Recommended Proposal

2.1 Do not approve the recommendations in this report.

2.2 Option 1 Risks and Mitigations

Inability to approve the projects presented or release development costs may result in a slower pace of delivery and loss of activity/spend to the programmes.

Community Renewal Fund – Inability to approve will have an adverse impact on delivery and will result in a loss of funding and activity in the region. The programme has funding which must be delivered upon within the 2021/22 financial year

2.3 **Option 2**

Award projects a smaller amount of grant funding.

2.4 **Option 2 Risks and Mitigations**

All funding awards associated with the projects have been fully appraised in line with the MCA Assurance Framework to ensure value for money. Funding for these projects is timebound by the funding bodies and any deliverability issues will be managed via alternative funding sources

2.5 **Option 3**

Approve all recommendations

2.6 **Option 3 Risks and Mitigations**

By approving the recommendations, the available programme funding will reduce with funding beyond the original allocations secured from alternative funding sources. However, the projects were included in the bids submitted to the funding bodies and/or are considered a strong strategic fit in line with investment aims.

The Community Renewal Fund programme has funding which must be defrayed within the current financial year and the timescales for award means the programme will not start delivery until well into the final quarter of the year. Planning activities are underway with partners to ensure delivery can be achieved within the timescales

2.7 **Recommended Option**

Option 3

3. **Consultation on Proposal**

- 3.1 Once a project has been accepted onto a programme pipeline, the Value for Money Statement is published on the MCA website alongside a summary of the activity. This is updated periodically to include links to the key documents for each project and a record of progress. The MCA Executive Team collects any external comments on these schemes, and these are considered as part of the appraisal process. Project sponsors are also required to publish business cases on their own websites (or an appropriate summary of the submission) and must consider all comments received and reflect this in the next stages of the application process.

4. **Timetable and Accountability for Implementing this Decision**

- 4.1 Subject to the approval of the recommendations, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into legal agreements with each promoter.

- 4.2 The promoter is responsible for the further development of projects that have gateway approval to the next stage of the MCA Assurance process

5. Financial and Procurement Implications and Advice

- 5.1 The projects presented for approval today are profiled to drawdown up to £13.9m from the TCF2 allocation of £166.3m and up to £0.21m from the ATF2 allocation of £7.70m
- 5.2 This report proposes two business investment opportunities that can be supported by a combination of grant and loan funded from the residual balance of recycled, uncommitted Local Growth Fund resource held in capital receipts unapplied.

Work to-date has supported an approach to review the most efficient means of supporting the businesses to secure their growth ambitions. This has focussed principally in considering where loan funding may be more appropriate than grant, enabling further recycling of the MCA's resource to other priorities without prejudicing the ability of the companies to achieve their targets.

In line with previous awards, loan funding would be provided at subsidy control compliant rates, with the revenue generated covering the opportunity cost of the investment and being available for reinvestment into service.

The report highlights that following the final external review of these proposals the opportunity may exist to further consider the balance between loan and grant in the context of forecast financial performance.

An increase in the amount of loan offered would allow for greater future investment opportunity from the finite resource available to the MCA

- 5.3 Community renewal fund - Further information on the terms and conditions of the grant is awaited. The key risks associated with this report are potential conditions of grant award that may impact upon programme deliverability by March 2022. This will be mitigated by robust consideration by the Section 73 officer should delegated authority be approved

6. Legal Implications and Advice

- 6.1 The legal implications of the projects have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed within the Assurance Summaries as presented in the Appendices.
- 6.2 Prior to awarding the grants, the MCA shall ensure contracts are put in place to ensure the recipients comply with the grant conditions

7. Human Resources Implications and Advice

- 7.1 N/A

8. Equality and Diversity Implications and Advice

8.1 Appropriate equality and diversity considerations are taken into account as part of the assurance of the project business cases

9. Climate Change Implications and Advice

9.1 A number of the programmes include new and/or enhanced active travel initiatives and improved infrastructure availability thereby shifting private vehicle use to more sustainable modes of transport. This aims to deliver huge benefits for health and the prosperity of cities, positively contributing to the MCA's climate change aspirations.

10. Information and Communication Technology Implications and Advice

10.1 N/A

11. Communications and Marketing Implications and Advice

11.1 The approvals provide positive opportunities to highlight the difference the MCA's investments will make to people and passengers, businesses and places across South Yorkshire and how Members are taking action to support the region's recovery from COVID

List of Appendices Included*

A	Progression of schemes to full approval and award of funding
A1	Assurance Summary - iPort Bridge (TCF2 FBC)
A2	Assurance Summary - Stations Access Package (TCF2 FBC)
A3	Assurance Summary - GTMC
A4	Assurance Summary – Project D0001
B	Progression of schemes from OBC to FBC with release of development cost funding
B1	Assurance Summary - Magna Tinsley (TCF2 OBC)
B2	Assurance Summary - Unity (TCF2 OBC)
B3	Assurance Summary - Nether Edge Wedge (TCF2 OBC)
B4	Assurance Summary - Broom Road Cycleways (ATF2/Gainshare/TCF2 OBC)
C	Progression of schemes from SBC to OBC
C1	Assurance Summary – Doncaster Housing Retrofit (Gainshare SBC)
C2	Assurance Summary – GlassWorks - Enhanced Capital Contribution (Gainshare SBC)
C3	Assurance Summary – Fargate Future High Street (Gainshare SBC)
C4	Assurance Summary – Sheffield Heart of the City 2 (HOTC2) (Gainshare SBC)
D	Change Requests

Background Papers

Click or tap here to enter name of background paper(s)

Appendix A - Progression of schemes to full approval and award of funding

A.1 iPort Bridge (TCF2 FBC)

Appendix A1 provides a summary of the project assurance and the suggested conditions of award.

This investment is for £5.45m from TCF2 towards total project costs of £5.79m to SYPTTE.

The project will deliver a new 0.5km bus and active travel link between New Rossington and the Iport to make PT a viable option for workforce and visitors.

The Benefits and Outcomes –

The project will deliver the following outcomes-

- Increased walking and cycling journeys
- Reduce public transport journey time
- Increase bus patronage
- Improvements in air quality and health and wellbeing

The project has a clear strategic rationale, demonstrating strong linkage to transport strategy goals, mayoral commitments and policies, the SEP, the RAP and TCF2 objectives. There is a key risk concerning access rights to the site however the risk is considered manageable at this stage. The Assurance Summary notes some conditions of approval that will need to be resolved prior to contract execution, these are detailed in full within Appendix A1.

A.2 Stations Access Package (TCF2 FBC)

Appendix A2 provides a summary of the project assurance and the suggested conditions of award.

This investment is for £6.17m from TCF2 to DMBC.

The Stations Access package aims to enhance accessibility to/from and at rail stations within Doncaster, including Adwick, Bentley, Conisborough, Kirk Sandall, and Thorne North and South, and deliver interventions that support connectivity to future High Speed Rail 2/Northern Powerhouse Rail touchpoints so that the rail network can become a viable alternative to the private car.

The project complements other TCF intended works including a package focused upon rail station improvements including enhanced signage, CCTV and lighting, and a package of improvements to cycle parking at each of the stations.

The Benefits and Outcomes

The project will deliver the following outputs -

- 10.1km of improved walking and cycling infrastructure
- 10.9km of new walking and cycling infrastructure
- 30 junction improvements to benefit non-car modes

The project will also contribute to the following outcomes -

- More walking and cycling journeys across the Sheffield City Region
- Increased rail patronage
- Increased satisfaction with public transport

The project aligns well with local and national policies and is considered good value for money. A number of conditions were outlined to be resolved during the assurance of the FBC, which have been addressed. The Assurance Summary notes some conditions of approval these are detailed in full within Appendix A2.

A.3 **Gene Therapy Innovation & Manufacturing Centre**

Appendix A3 provides a summary of the scheme assurance and the suggested conditions of award.

The Project

The project is seeking to establish the Gene Therapy Innovation & Manufacturing Centre (GTIMC) which will include provision of new facilities to conduct cutting-edge gene therapy, innovation, bespoke skills and training provision and a state-of-the-art gene therapy manufacturing facility within the University of Sheffield Innovation District.

The Benefits and Outcomes

The project will deliver:

- • 35 Jobs
- • 132 new learners assisted in courses leading to a full qualification
- • 780m2 Innovation floorspace

The GTIMC will facilitate the production of a talent pipeline through new training and skills provision (attracting skilled graduates to South Yorkshire and retaining these people in a high growth industry), provide manufacturing capacity for academic-led products, and act as a de-risked environment for the development of complex and underdeveloped treatments which may otherwise struggle to reach the clinic and provide patient benefit (translation stage). It will also create a number of new high-quality jobs, whilst providing opportunities for venture capital and international pharmaceutical investment that will significantly enhance SCR's innovation ecosystem.

The project aligns well with a range of local and national strategies and objectives. The assurance summary notes some conditions of approval, that will need to be resolved before an FBC can be submitted. These are detailed in full within Appendix A3.

A.4 **Project D0001**

Appendix A4 provides a summary of the scheme assurance and the suggested conditions of award.

The Project

This inward investment project seeks £7.13m capital funding in the form of a grant and loan as part of a wider £17.5m scheme at an intervention rate of c. 42%. Following initial discussions, the company have proposed a funding package of £5.16m grant and £1.97m loan. However, following external appraisal of the business case members are asked to consider whether consideration should be given to the current mix of grant and loan particularly in relation to the project demonstrating value for money.

The project will deliver a manufacturing facility and cement the company's footprint here in South Yorkshire. The project will be located within one of the key growth areas identified in the Strategic Economic plan (SEP). The project is expected to deliver against all three of the MCA's core strategic outcomes (Stronger, Fairer, Greener) and the SEP's overarching policy objectives (Growth, Inclusion and Sustainability).

The MCA is being asked to fund the establishment and fit-out of the Smart Factory (including equipment purchase), and R&D activities.

The Benefits and Outcomes

The project will deliver –

- 300 jobs

The project supports the strength of the region in leading edge technology and has significant opportunities to grow beyond the initial scheme. The technology being developed is likely to be a significant part of many product lines. The investment is due to create 300 jobs (gross) the standard way of calculating the value for money of jobs works on net jobs and estimates are that the scheme will create c139 net jobs after factoring in deadweight and displacement. However, this could potentially rise to 236 FTE's in the central case scenario. Utilising the worst-case net figure, the cost for job is high, albeit other cases could be more positive in terms of cost per job. The former estimate represents a worst-case scenario and depending on the actual levels of leakage and displacement could be much better. GVA is estimated at £7.4m per annum once full capacity reached.

The assurance summary notes some conditions of approval, including the concerns regarding cost per job, that will need to be resolved before a contract award can be made. These are detailed in full within Appendix A4.

For information:

The estimate of cost per net job, as a value for money indicator, takes account of key additionality factors. In particular, the following are always considered

- **displacement** - which is the extent to which an increase in economic activity or other desired outcome is offset by reductions in economic activity or other desired outcome in the area under consideration or in areas close by. For example, where a supported business takes market share from an unsupported business),
- **leakage** - which is the extent to which effects “leak out” of a target area into others, in this case out of South Yorkshire
- **substitution** - where firms substitute one type of labour for another to benefit from an intervention but do not increase employment or output.
- **deadweight** - which is the extent to which the impact would have happened anyway,
- **multiplier effect** - which is the extent to which the project will generate further indirect impacts e.g. through the supply chain and increased spending in the local area.

These considerations are applied proportionally for every proposed investment and the applicant has an opportunity to submit their own estimate, backed by assumptions, rationale and evidence. This is then assessed objectively to provide an independent cost per net job estimate.

Please note that this is only one of the indicators in assessing value for money. Other indicators like net present social value, cost benefit ratio, and several quantifiable, monetised, non-monetised and non quantifiable benefits are assessed based on the information provided. The principles are set out in the HM Treasury Green Book

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938046/The_Green_Book_2020.pdf).

Assurance Summary



Scheme Details

Project Name	T0018 IPort Bridge	Type of funding	Grant
Grant Recipient	SYLTE	Total Scheme Cost	£5,798,291
MCA Executive Board	TEB	MCA Funding	£5,458,141
Programme name	TCF	% MCA Allocation	100%

Appraisal Summary

Project Description	
<p><i>Is it clear what the MCA is being asked to fund?</i> Yes. As described in the OBC, it is proposed to install a new 0.5km bus and active travel link between New Rossington and the Iport to make PT a viable option for workforce and visitors. Design changes since OBC include a slight lengthening of the bridge span, addition of verges on the western approach and verge widening between cycle and footway, addition of a footway link to the north-east, additional planting and green bus shelters. This has not changed the overall scheme cost cited at OBC.</p>	
Strategic Case	
<i>Scheme Rationale</i>	<p><i>Does the scheme have a clearly stated rationale and provide a strong justification for public funding?</i> Yes, there is a clear strategic rationale, demonstrating strong linkage to transport strategy goals, mayoral commitments and policies, the SEP, the RAP and TCF objectives.</p>
<i>Strategic policy fit</i>	<p><i>How well does the scheme align with the strategic objectives of the SEP and RAP?</i> As above</p>
<i>Contribution to Carbon Net Zero</i>	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i> Yes</p>
<i>SMART scheme objectives</i>	<p><i>State the SMART scheme objective as presented in the business case.</i></p> <ol style="list-style-type: none"> 1. To improve public transport and active travel connectivity to the iPort by November 2022, through the delivery of a new public transport and active travel bridge link over the River Torne. 2. To achieve 9% bus mode share for employee journeys to iPort by November 2023. 3. To increase the walking and cycling mode share for shorter journeys to the iPort for employees and visitors by 27%, by November 2023. 4. To reduce public transport journey time by 4 minutes for employees and visitors to the iPort by November 2022. 5. To increase bus patronage on the 55/56 bus service in Doncaster by 9% by November 2023. 6. To achieve improvements in air quality and health and wellbeing, to be measured through objectives 3, 4 & 5. <p>The response to clarification questions raised by the assessor at OBC stage confirm that:</p> <ol style="list-style-type: none"> 1. The baseline position against which changes cited in objectives 3,4 and 5 will be measured is that at September 2019. 2. 'Shorter journeys' in objective 3 will be those of less than 5km. 3. Air quality improvements will not be quantified directly in the monitoring and evaluation plan, but will be inferred from measured changes in mode share.

	<p>Ideally, these clarifications should have been made explicit in this FBC.</p> <p><i>Is there a 'golden thread' between the strategic objectives (see 3.2) and the scheme objectives (see 3.6)?</i></p> <p>Yes</p>		
<i>Options assessment</i>	<p><i>Is there a genuine Options assessment and is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p> <p>Yes. Three 'Do Something' options for meeting the objectives have been considered: two different alignments for a bus & active travel bridge (south, north); and one active travel only bridge option (north). These appear to be all the realistic options for addressing the current limited green connectivity of iPort with the community to the east. Two of the options have been sifted out through a structured process of considering strengths and weaknesses, with the preferred option (bus & active travel bridge) taken through to the economic, commercial, management and financial case assessments.</p> <p>This appears to be a reasonable and proportionate approach given the nature of the scheme.</p>		
<i>Statutory requirements and adverse consequences</i>	<p><i>Does the scheme have any Statutory Requirements?</i></p> <p>Yes:</p> <ul style="list-style-type: none"> • Planning consent (expected imminently). • TROs are required (for the bus gates to restrict parking). 3 months. • Licence agreement with Harworth for construction of the scheme. • Licence agreement with Verdion for construction of the scheme. • Rights of access agreement with Verdion. • S.38/S.278 Agreement (Highways Act 1980) for adopted highway. • Environment Agency agreement for construction of a bridge over a Main River and discharge of surface water. <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p> <p>The main potential adverse consequence of the bridge going ahead is localised noise disbenefit to the rear of properties on Heatherfields Crescent, which has been recognised by the promoter in the design. The main potential adverse consequence of the scheme not going ahead is continuing poor green connectivity between iPort and the residential area to the east. This will lead to poorer employment prospects for residents of that area (particularly for non-car-owning households) and a constrained labour market for iPort businesses.</p> <p>The potential adverse consequences of the scheme not going ahead appear to significantly outweigh those of going ahead.</p>		
Value for Money			
Core monetised Benefits	<p><i>[Core BCR – table 4.22]</i></p> <p>2.71 (down from 2.89 at OBC due cost increase net of OB reduction to 4%)</p> <p>Low growth – 2.63</p> <p>High Growth – 2.79</p>	Non-monetised and wider economic benefits	<p><i>[Values/description – supplementary form]</i></p> <p>Slight Beneficial:</p> <p>1. Enviro and Social Noise, LAQ, GHG, Landscape,</p> <p>2. Distributional User benefits skewed to poorer communities Accidents – reductions to benefit cyclists (Moderate) Security – improved for vulnerable Severance Accessibility</p> <p>Slight adverse: Water environment (to be mitigated)</p>
<i>In your view do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i>			<i>Do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i>

No, there appear to be no shortfalls that would threaten the robustness of the appraisal. The approach adopted appears proportionate, reasonable and in line with webTAG guidance. It is noted that the benefit estimate for bus users may be slightly conservative as the additional two-minute time saving for bus services serving the south of iPort from 2025-26 was omitted from the benefit calculation.

Sensitivity testing has been carried out to understand the impact of lower and higher bus demand on net present value (NPV) and benefit/cost ratio (BCR). The sensitivity testing has been carried out under low growth and high growth scenarios as recommended in Section 4.2 of TAG Unit M4, yielding values of 2.63 and 2.79 (values that are still in the 'high' value-for-money category).

No sensitivity testing has been carried out on walking and cycling demand, although it is recognised that such fluctuations in walking and cycling demand are unlikely to have a significant impact on the forecast overall BCR given that the majority of calculated benefits relate to bus operation improvement.

No

Value for Money Statement

Taking into consideration the monetised and non-monetised benefits and costs, does the scheme represent good value for money?

Yes, the scheme represents high value for money.

Risk

What are the most significant risks and is there evidence that these risks are being mitigated?

Risk	Mitigation	Owner
1. Volume of Peat encountered is larger than estimates resulting in time and cost impact	Additional boreholes sunk to assess ground conditions to estimate volumes. Disposal off site has been reduced through agreement to reuse as part of Harworth enabling works.	Scheme promoter (DMBC/SYPTE)
2. Ground conditions encountered during piling operations not what are envisaged	Further boreholes sunk to assess ground conditions	Scheme promoter (DMBC/SYPTE)
3. Working in winter/adverse weather causes programme delays and productivity reductions		Scheme deliverer up to 1 in 10 weather event. Scheme promoter above this level.
4. Design issues result in additional costs being incurred.	Scheme design checked/assessed and approved.	Scheme promoter (DMBC/SYPTE)
5. Steel price fluctuations could add greater cost than envisaged previously.	Project QS has undertaken an assessment of risk against potential price fluctuation.	Scheme promoter (DMBC/SYPTE)

Do the significant risks require any contract conditions? (e.g. clawback on outcomes)

No.

Are there any significant risks associated with securing the full funding of the scheme?

No. However, the scheme is reliant upon Verdion (the Iport operator, which has to date been fully engaged in the process) being willing to allow buses ongoing access to the private iPort road network on completion. A draft Head of Terms (HOT) has broadly been agreed. It is expected that the HOT will be signed off by all parties imminently. Verdion is currently drafting the licence and deed of dedication documents. It is expected that these draft documents will be issued to DMBC / SYPTTE within the next week for review and comment. Likewise the scheme is dependent on commercial bus services being diverted into the iPort and using the new link. First has been engaged with throughout the scheme. First is supportive of the project, provided a letter of support as part of the planning application, and intend to divert their 55/56 buses into the iPort.

Are there any key risks that need to be highlighted in relation to the procurement strategy?

No.

Delivery

Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?

Yes.

Is the procurement strategy clear with defined milestones?

Yes. The procurement strategy has involved using the MHA+ framework, under which it is understood that Eurovia has been selected as contractor. The latest project programme provided in Appendix L to the FBC appears to have clear milestones for the procurement process.

What is the level of cost certainty

85%, based on detailed design and independently of contractor. The cost estimate includes a 26% allowance for inflation (above 5% p.a.) and risks at the 80% confidence level. If steel prices rise by 5% p.a. the inflation allowance will be used up, leaving 16% for other risks, which is comparable to other schemes in the programme.

and is this sufficient at this stage of the assurance process?

Yes.

- Prior to tendering there will be a further update to the cost plan. The applicant states (5.2) *“The target cost will be reviewed, and value engineering meetings held to see if savings can be achieved through the duration of the project. As works are progressed defined costs are tracked against the target cost. The contractor will also provide predicated outturn costs on a monthly basis to review against budget/target cost. The above should enable costs to be tracked through the construction phase and decisions taken if overspend is being predicted.”*
- The risk of capital cost overruns or benefit reduction is ultimately the MCA's.

Has the promoter confirmed they will cover any cost overruns without reducing the benefits of the scheme?

No,

- but applicant confident the residual risk pot and their and their stakeholders experience in cost and risk management is adequate.
- DMBC say they will meet the required ongoing maintenance costs for this scheme, although the strains this (and other schemes) will put on the council's budget are likely to be significant in future.
- **N.B. The maintenance of four bus shelters will cost the PTE/MCA approximately £22K p.a.**

Has the promoter demonstrated clear project governance and identified the SRO?

Yes. Yes.

Has the SRO or other appropriate Officer signed off this business case?

No

Has public consultation taken place and if so, is there public support for the scheme?

Yes, this took place in August 2020 : “A statement of community involvement is included as **Appendix S**. For the people that completed a questionnaire survey, approximately 69% of respondents support or strongly support the scheme.” (1.3)

Are monitoring and evaluation procedures in place?

Yes. It is stated that SYPTE will be responsible for monitoring and SCR for evaluation, within the overall TCF programme Monitoring and Evaluation Plan. The proposed monitoring procedures appear reasonably well thought through.

Legal

Has the scheme considered Subsidy Control compliance or does the promotor still need to seek legal advice?

Yes, No

Recommendation and Conditions

Recommendation	FBC Approval
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	
Prior to contract execution –	
<ul style="list-style-type: none">• Planning consent to be confirmed by SYPTE/DMBC• Heads of Terms for construction/access rights into the site in perpetuity, signed by SYPTE, Harworth and Verdion• Written confirmation that DMBC will meet ongoing highway and bridge maintenance costs• DMBC to provide a MCA appendices A• Final project costs to be confirmed	
To be included in contract –	
<ul style="list-style-type: none">• Clawback on outputs	

Assurance Summary



Scheme Details

Project Name	T0016 Doncaster Access to Stations Package FBC	Type of funding	Grant
Grant Recipient	DMBC	Total Scheme Cost	£6,172,638
MCA Executive Board	TEB	MCA Funding	£6,172,638
Programme name	TCF	% MCA Allocation	100%

Appraisal Summary

Project Description

Is it clear what the MCA is being asked to fund?

Yes. This scheme is unchanged in coverage from the OBC approved by TEB 24/5 /21. The main change is to the width of lanes and the benefits arising.

Outputs remain:

- 10.1km of improved walking and cycling infrastructure
- 10.9km of new walking and cycling infrastructure
- 30 junction improvements to benefit non-car modes.

Costs requested have increased from £6,015,550 to £6,172,638 (+£157,088) of which:

Preparation +£195,147
 Fees +£79,520
 Construction -£73 523
 Risk -£44,055

Clear rationale for these changes is not given, although the following new text is provided in the FBC:

With many of the schemes now designed to LTN 1/20 standards more width has been needed to accommodate the new standards. This additional width of footway and cycleways has meant an increase in costs. This was due to many schemes needing a new kerblineline to reallocate road space for active travel users.

Original designs were drawn before the new Sheffield City Region design standards were rolled out across the region. Therefore, costs have increased due to the extra width needed to meet design standards. Most schemes were designed to a standard of 3m shared use, this has increased to a minimum width needed of 4m. This is then separated to create a 1.5m footway and a 2.5m bi-directional cycleway. This change has led to cost increases.

So clearly in-house and consultancy design costs/fees have risen by more than construction costs, with the rise in the latter outweighed by more accurate costings and the consequent reduction in the OB factor.

The profile of spend has slipped slightly, which, together with the reduced level of Optimism bias allowance (15% to 4%) improves the BCR, assuming completion dates unaffected.

	OBC	FBC	Diff
2021/22	£3,057,958	£2,941,022	-£116,936
2022/23	£2,957,952	£3,231,616	£273,664
Total	£6,015,910	£6,172,638	£156,728

A number of conditions were set for FBC:

- 3.8 - single tick, not 3.
- Appraisal results for the 'Do Less' option;
- final scheme costs based on the completed detailed scheme design and an agreed price with the successful contractor/value contained on the supplier brief.
- a brief exploration of wider benefits;
- final appraisal results using the latest version of AMAT;
- fuller DIA as set out in section 7 of the Economic Assessment Report;
- procurement strategy in more detail;
- clarity on timescales and key milestones for delivery;
- reconciliation of residual risk claimed with total expected value of remaining risks in the risk register;
- an organogram.

The following reports on the extent to which these conditions have been met.

Strategic Case	
Scheme Rationale	<p><i>Does the scheme have a clearly stated rationale and provide a strong justification for public funding?</i></p> <p>Yes. Unchanged from OBC</p>
Strategic policy fit	<p><i>How well does the scheme align with the strategic objectives of the SEP and RAP?</i></p> <p>Good alignment. Unchanged from OBC</p> <p><u>Conditions of OBC approval to be satisfied:</u></p> <ul style="list-style-type: none"> • 3.8 - single tick, not 3. <p>Response from promoter: Scheme is primarily designed to improve public transport efficiency</p>

Contribution to Carbon Net Zero	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i></p> <p>Yes. Unchanged from OBC</p>		
SMART scheme objectives	<p><i>State the SMART scheme objective as presented in the business case.</i> <i>Is there a 'golden thread' between the strategic objectives (see 3.2) and the scheme objectives (see 3.6)?</i></p> <p>Yes. Unchanged from OBC</p> <p><u>Conditions of OBC approval to be satisfied:</u></p> <p>For the FBC, the applicant should include the further detail on how it intends to measure uplifts in Active Mode transport along the route (counters). The clarifications response confirms that is the intention, but the FBC should include this along with links to the wider TCF monitoring plan.</p> <p>Assessor's comment: Further clarifications were sought on the use of automatic counters to monitor usage and uplift in active modes and how these would support wider TCF M&E activity. This approach to using counters has now been confirmed by the applicant in the FBC.</p>		
Options assessment	<p><i>Is there a genuine Options assessment and is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p> <p>Yes. Unchanged from OBC, reinforced by introduction of LTN 1/20</p>		
Statutory requirements and adverse consequences	<p><i>Does the scheme have any Statutory Requirements?</i> <i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p>		
Value for Money			
Core monetised Benefits	4.41	Non-monetised and wider economic benefits	[Values/description – supplementary form] Noise, LAQ and GHG – Slight Positive
<p><i>In your view do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i></p> <p>No. The various sensitivity tests performed in AMAT shows that the BCR remains above 3 in all scenarios</p>	<p><i>Do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i></p> <p>No</p>		
Value for Money Statement			
<p><i>Taking into consideration the monetised and non-monetised benefits and costs, does the scheme represent good value for money?</i></p> <p>Yes. Unchanged substantially from OBC.</p> <p><u>Conditions of OBC approval to be satisfied:</u></p> <ul style="list-style-type: none"> • final appraisal results using the latest version of AMAT <p>The applicant has provided an updated EAR (10th June) which presents a revised PVB, PVC and BCR for the project drawing on the latest AMAT outputs. The same approach is taken to presenting the preferred scheme, while a lower cost scheme with varying degrees of uptake (90% and 50% uplift) are also presented, along with appropriate sensitivity testing again. However, as set out in the FBC, lower cost schemes do not meet the required SCR design standards.</p>			

- Appraisal results for the 'Do Less' option;

AMCB table has been provided including both the preferred and the Low Cost option

- fuller DIA as set out in section 7 of the Economic Assessment Report;
a screening proforma and a mapping of impacts on disadvantaged groups has been carried out.
- a brief exploration of wider benefits;
Not done but no land use change involved and monetised benefits considered substantial enough.

Risk

*What are the most significant risks and is there evidence that these risks are being mitigated?
Do the significant risks require any contract conditions? (e.g. clawback on outcomes)
Are there any significant risks associated with securing the full funding of the scheme?
Are there any key risks that need to be highlighted in relation to the procurement strategy?*

Unchanged from OBC.

Conditions of OBC approval to be satisfied:

- reconciliation of residual risk claimed with total expected value of remaining risks in the risk register;

Sum of mean values of risk events in risk register totals £821,650 whereas risk element in 6.1 is £819,547. This is close enough but the total still includes £187,500 for delays to approval beyond September 2021. The risk log should be updated on the assumption that the FBC is approved in the timescale laid out.

Delivery

*Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?
Is the procurement strategy clear with defined milestones?
What is the level of cost certainty and is this sufficient at this stage of the assurance process? Has the promoter confirmed they will cover any cost overruns without reducing the benefits of the scheme?
Has the promoter demonstrated clear project governance and identified the SRO? **PENDING**
Has the SRO or other appropriate Officer signed off this business case?
Has public consultation taken place and if so, is there public support for the scheme?
Are monitoring and evaluation procedures in place?*

Unchanged substantially from OBC.

Conditions of OBC approval to be satisfied:

- clarity on timescales and key milestones for delivery;

The FBC provides greater clarity on start and completion timescales, as well as the order in which the station schemes will be progressed. It is also clearer on the DLO process for implementation.

- procurement strategy in more detail;

The FBC provides a clear update on the proposed procurement strategy the applicant will deploy. Procurement will not arise, with the works being undertaken by Doncaster as part of a 'DLO' approach

- final scheme costs based on the completed detailed scheme design and an agreed price with the successful contractor/value contained on the supplier brief.

Cost certainty has improved since the OBC, but is judged to be 75% now that Bill of Quantities for each scheme within the package have been developed following detailed design work. SCR should confirm with the applicant when greater cost certainty (95%) will be achieved and provided, given the works will be undertaken under the DLO approach.

- an organogram.

Supplied.

Legal

Has the scheme considered Subsidy Control compliance or does the promotor still need to seek legal advice?

Yes, No. Unchanged from OBC.

Recommendation and Conditions

Recommendation	Authorisation to proceed to Contract
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	

Full approval and award of contract is recommended, subject to the following conditions being satisfied prior to contract execution -

1. MCA Appendices to be populated in full
2. Applicant should confirm when the detailed DIA assessments will be completed and any implications for the project.
3. FBC to be signed by Applicant
4. Breakdown of costs per station to be provided by DMBC and included within the contract

The conditions above should be fully satisfied by 30th October 2021. Failure to do so could lead to the withdrawal of approval.

The following conditions must be included in the contract -

5. Clawback on Outputs

6. Grant allocated to Thorne Station to be ring fenced and managed via change control if it's inclusion needs to be amended at a future date. This may result in deduction of grant.

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Assurance Panel Summary



Scheme Details

Project Name	Gene Therapy Innovation & Manufacturing Centre – Phase 1	Type of funding	Grant and Loan
Grant Recipient	The University of Sheffield	Total Scheme Cost	£14.2m
MCA Executive Board	Business Investment	MCA Funding	£1.5m
Programme name	Business Support	% MCA Allocation	10.5%

Appraisal Summary

Project Description	
<p>The UoS is seeking £1.5m from the MCA to cover the shortfall in capital expenditure. The FBC states that the MCA's funding contribution will “enable the immediate and critical purchase of all specialist technical equipment for the GTIMC's R&D laboratory and cleanrooms, costed at £1.5m”. Alternative funding avenues have been explored but the project team has demonstrated that these are not viable.</p>	
Strategic Case	
<i>Options assessment</i>	<p>Estimates of the financial cost and benefits associated with each option would have allowed for a more meaningful comparison with the preferred option. Overall, the rationale behind the preferred option appears to be reasonable. The alternatives, while theoretically possible, appear highly likely to result in a reduction of outputs/outcomes.</p>
<i>Statutory requirements and adverse consequences</i>	<p>The scheme has already received Sheffield City Council Planning permission (26th May 2021).</p> <p>One active risk is that the GTIMC will need to gain a manufacturing licence for its Good Manufacturing practices (GMP) compliant cleanrooms from the Medicines and Healthcare products Regulatory Agency (MHRA) prior to any commercial activity being undertaken. Without this, the facility cannot become operational and project outcomes/impacts would not be achieved. To mitigate this, the applicant is in discussions with MHRA and has also commissioned Exmoor Pharma Ltd, a leading technical consultancy specialising in cell and gene therapies, to prepare the submission (Autumn/ Winter 2022).</p> <p>The GTIMC will also have to agree regulatory processes to cover operational activities undertaken in the production of medicinal products. However, this has been mitigated through transferring existing (accredited) processes from CGT Catapult to the Sheffield facility.</p> <p>In summary, the project team has clearly thought through the legal risks which may threaten delivery of the project – all of which have been addressed appropriately. It is unclear whether the MCA's funding would be required prior to securing a manufacturing license from the GMP. If it is only required after, this would greatly reduce the risk posed to the MCA.</p>

<p><i>Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i></p>	<p>The FBC states that the GTIMC will increase in GVA of £28m by 2027 (£85m by 2036), generate three ‘high value’ spinouts by 2027 (10 by 2036), and create 35 direct net ‘high value’ new jobs by 2024 (after completion of Phase I). These outcomes align with the RAP’s ‘stronger’ aspiration to ‘<i>create not just a bigger economy but a better one: higher-tech, higher skill, and higher-value</i>’.</p> <p>The FBC also states that interaction between GTIMC, manufacturing and pharma businesses will lead to increased inward investment creating a higher density and growing innovation cluster. This will result in a favourable and high-value dynamic ecosystem. Again, this is well aligned to the RAP’s ‘stronger’ aspiration, and also to the SEP’s desired outcome of increasing investment in R&D and innovation.</p> <p>The GTIMC will establish an ‘Advanced Therapies’ training programme in collaboration with Advanced Therapies Apprenticeship Community (ATAC) and Advanced Therapies Skills Training Network (ATSTN) and recruit 12-15 taught students per annum on the MSc in Advanced Therapies. This activity aligns with the SEP’s desired outcome to improve skills and education progression and to see a higher proportion of working-age residents possess higher qualifications.</p> <p>The project will have an average wage 46% higher per annum than the SCR average. This outcome supports the RAP’s ‘fairer’ aspiration particularly in relation to ‘widening opportunity’ and SEP’s desired outcomes relating to raising average wages and to increase the number of higher level jobs.</p> <p>Finally, the project is located within the Advanced Manufacturing Innovation District (AMID) which is one of the MCA’s strategic growth areas (as identified in the Strategic Economic Plan).</p> <p>The FBC could be strengthened by making more explicit the link to the ‘greener’ theme.</p>	
<p>Value for Money</p>		
<p>Monetised Benefits:</p>		
<p>VFM Indicator</p>	<p>Value</p>	<p>R/A/G</p>
<p><i>Net Present Social Value (£)</i></p>	<p>£18.1m</p>	<p>G</p>
<p><i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i></p>	<p>13.1 (or 8.7 with optimism bias (50%))</p>	<p>G</p>
<p><i>Cost per Job (£) (Infrastructure / Business Investment projects)</i></p>	<p>£23.2k (or £34.8k with optimism bias (50%))</p>	<p>G</p>
<p>Value for Money Statement</p>		
<p><i>Taking consideration of the monetised and non-monetised benefits and costs, and the uncertainties, does the scheme represent value for money?</i></p> <p>The GTIMC will create high-value new jobs in South Yorkshire, providing progression opportunities for local people (the average GTIMC salary will be 46% higher than the current SCR average).</p>		

The business case is supported by an Economic Impact Assessment (EIA), conducted by Steer-ED. The EIA argues that the project offers strong value for money, with a net GVA figure of £28m by 2027 – this is double the total project cost, representing good value for money, especially in relation to the 10% MCA investment. In addition to that GVA figure (which is drawn from an estimation for the jobs generated), the EIA also considers impacts to manufacturing and research. These ‘halo’ benefits are quantified at over £10m per year, although they are reported as a “low certainty” opportunity for “transformational growth” rather than being a forecast added to the main GVA figure.

Impact by 2031	£m
Annual gross GVA	9.5
Annual net GVA	3.6
Cumulative gross GVA (Over 10 years)	65.1
Cumulative net GVA (Over 10 years)	24.8
Cumulative net, discounted GVA	19.6
Net Present Value (benefit minus costs)	18.1

The benefit-cost-ratio of 13.1 (or 8.7 when taking into account optimism bias), represents a substantial, positive return on investment. The cost-per-job of £23.2k, (or £34.8 with optimism bias) also represents good value-for-money against standard benchmarks.

As noted in an update from the applicant, the difference between the do-nothing and preferred options on number of jobs is relatively slight, but the broader ‘halo’ benefits to research and manufacturing through the creation of spinouts and inward investment are largely lost if the preferred option does not go ahead. These halo benefits are not quantified and weighted for likelihood, but their impact is expected to be transformational both strategically and economically (+£10m per annum).

The MCA and the applicant will explore how the grant can be recovered (in part or in full) if any exploitable IPR generated by the Gene Therapy Innovation & Manufacturing Centre (GTIMC) is successfully exploited by the University of Sheffield or any subsidiary company, such that University of Sheffield is in a position to repay the investment in order to allow the MCA to invest in other projects.

Risk

What are the most significant risks and is there evidence that these risks are being mitigated?

The FBC (section 6.7) summarises the top five delivery risks, their impact and the mitigation measures.

- *Risk 1: Failure that the building design fulfils the requirements of the project brief. This has been mitigated through appointing external specialist consultants (Exmoor Ltd) to review and feedback during design development.*
- *Risk 2: Failure to achieve MHRA accreditation, a statutory requirement, prior to commercial activity commencing. This has been mitigated through appointing external specialist consultants (Exmoor Ltd) and inviting a specialist to join the GTIMC board to provide advice and guidance*
- *Risk 3: Viral manufacturing process not being established in Sheffield due to failure to procure equipment. This is being managed through the existing Cell & Gene Therapy Catapult platform being transferred to the Sheffield facility.*
- *Risk 4: Failure to appoint an experienced management team. This has been mitigated by engaging a specialist recruitment agency (NextPhase) to help with recruitment of staff.*
- *Risk 5: Failure to meet the Project/building programme resulting in delayed to the overall project programme. Design is moving to RIBA stage 3, planning application submitted, contractor selection in progress with projected start date on site of August 10th, 2021 and building completion May 2022.*

In summary, the project has made good progress and the project team has demonstrated they are able to manage risks effectively. The assessment indicates that while the impact of these risks occurring would be high, the steps in place to manage the risks implies that the likelihood of them occurring is low.

Do the significant risks require any contract conditions? (e.g. clawback on outcomes)

A risk log is provided in Appendix A.3. One risk identified would be failure to achieve MHRA accreditation, a statutory requirement, prior to commercial activity commencing. This would require a redesign of the building resulting in delays and further financial cost. If possible, the MCA may wish to explore the option of allocating funding but only releasing once MHRA accreditation is achieved. This would reduce the risk to the MCA. No clawback conditions are anticipated by the assessor.

Are there any significant risks associated with securing the full funding for the scheme?

There are no significant risks associated with securing the full funding. The FBC (section 5.3) indicates that, with the exception of the MCA funding, the other remaining sources of funding have largely been secured.

Are there any key risks that need to be highlighted in relation to the procurement strategy?

In the accompanying risk register, two risks are identified in relation to procurement. The first risk relates to end users of the GTIMC procuring alternative research equipment. This would have an impact on the design of the building and cost of the project. The project team will manage this risk through UoS governance structures who will be called upon to approve changes to the design. The second, and perhaps more important, risk relates to contractor and sub-contractor insolvency which would result in delays and financial implications. This risk will be managed through due diligence checks undertaken at the procurement stage.

Overall, the risks associated with the procurement strategy are being appropriately managed and the likelihood of them occurring is small.

Delivery

Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?

Overall, the delivery plan – and therefore the realisation of downstream benefits – looks tight, with almost immediate start-on-site. However, the UoS has provided reasonable evidence which indicates that it is confident that all aspects will be delivered against the plan. The senior management and the University Executive Board are fully committed to delivering this project, the University has mobilised a strong team of Estates, external contractors and experts to ensure successful completion of the project to timelines, and contractors have been made aware of the MRC/LifeArc milestones and timelines. The Assessor is satisfied that the timescales are deliverable and contingency plans are in place to mitigate any risks.

Is the procurement strategy clear with defined milestones?

Procurement on the design phase has already been completed. eXmoor Ltd to support the design, accreditation and equipment specification for GTIMC with due diligence checks completed, including financial security. Thus, minimising delays to the design, accreditation and equipment specification for GTIMC.

The FBC indicates that procurement arrangements are yet to be finalised. For example, no decision has been made in relation to what procurement procedure will be used (e.g., open, restricted, use of frameworks, use of PINs, competitive dialogue and competitive procedure with dialogue). Similarly, procurement documents are yet to be drafted. The project team indicates that contractual obligations will be agreed at the time of awarding the tender. Due diligence checks will also be undertaken at tender on main contractor and subcontractors.

As yet no equipment has been procured. However, the FBC indicates that University's terms and conditions will be in place for the purchase of all equipment. There will be no financial risk to the University or MCA. Completion of the equipment procurement will be approximately July 2022.

What is the level of cost certainty and is this sufficient at this stage of the assurance process? Has the promotor confirmed they will cover any cost overruns?

Section 5.1 in the FBC indicates the project meets the 95% cost certainty threshold. However, the project team has been unable to achieve full cost certainty due to equipment costs being based on estimates using list prices. Furthermore, given that procurement will commence in September 2021, the project team has not yet received

any formal quotes or tenders. The Assessor has identified an increase in equipment cost as a possible risk. However, the FBC indicates that the equipment budget will be managed to ensure it remains within the overall equipment budget envelope. Any overspends will be borne by the Faculty of Medicine, University of Sheffield therefore no additional liability will fall to the MCA.

Has the promoter demonstrated clear project governance and identified the SRO? Has the SRO or other appropriate Officer signed of this business case?

Overall, the promotor has demonstrated clear project governance. The FBC has identified key individuals responsible for the delivery of the project (including the SRO) as required. However, more detail could be provided in terms of how the various key individuals will engage with the successful contractor to ensure delivery. How will governance structures operate once the building is operational?

Has public consultation taken place and if so, is there public support for the scheme?

Section 6.8 in the FBC indicates that the project has undertaken various public consultation activities. Notably, Sheffield City Council led a 12 week consultation process provided the opportunity for the public to comment on the GTIMC proposal during the planning application stage. Furthermore, the SCR Strategic Business Case has also been placed on the University of Sheffield, Partnerships & Regional Engagement pages with opportunities to provide comments (Annex 4). However, the outcome of the consultations (i.e., comments received) have not been provided so the Assessor is unable to comment on whether there is public support for the project. To strengthen the case further, the Assessor recommends detailing the outcome of the consultation and providing feedback to concerns raised where necessary.

Are monitoring and evaluation procedures in place?

A management committee will maintain oversight of the work of GTIMC and its progress against its strategic aims, including delivery of the SCR contracted outputs. Furthermore, within the University a Project Executive Committee also meets monthly and has oversight of the capital project to ensure the building works remain on programme and within budget.

In terms of evaluation, the FBC indicates that an independent consultant will be engaged in 2025 to undertake an evaluation of the economic impact of GTIMC and that objectives outlined in the business case have been realised. SCR MCA will be consulted and provided with copies of all evaluation reports.

While the outputs/outcomes and milestones are clearly defined, the Assessor has identified some areas where additional information could be provided to strengthen the case. In terms of monitoring, additional information could be provided on what data will be collected to evidence progress on the outputs/outcomes/milestones. Furthermore, many of the milestones relate to project construction.

Legal

A detailed assessment of Subsidy Control is provided in Annex 13. The assessment concludes that, based on a four part test, the grant would be to the University, rather than subsidy to one or more commercial entities.

Recommendation and Conditions

Recommendation	Full approval (proposal for 50% of grant to be repaid in 2028 when the three high value spin outs will have launched successfully)
Payment Basis	Grant on defrayal
Conditions of Award (including clawback clauses)	

The following conditions must be satisfied before contract execution.

- 1. Confirmation that all other funds have been secured***

The following conditions must be satisfied before drawdown of funding.

- 2. MCA funds must not be released before full MHRA accreditation***

The following conditions must be included in the contract

- 3. Agreed schedule of inclusive and environmental commitments***
- 4. Clawback on outcomes***
- 5. Agreement that the applicant will cover any cost overruns***
- 6. Agreed percentage of grant repayment in the event of increased profits when the 3 high value spinouts have been launched.***

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Assurance Panel Summary



Scheme Details

Project Name	Lontra Smart Factory	Type of funding	Grant and Loan
Grant Recipient	Lontra Limited	Total Scheme Cost	£17.7m
MCA Executive Board	Business Growth	MCA Funding	£7.1m (applicant proposed at £1.97m loan and £5.16m grant)
Programme name	Business Support	% MCA Allocation	40%

Appraisal Summary

Project Description		
This is the second of a two-phase project, with the MCA having already provided funds for phase one. This phase will deliver a manufacturing facility and cement Lontra's footprint here in South Yorkshire. The MCA is being asked to fund the establishment and fit-out of the Smart Factory (including equipment purchase), and R&D activities.		
Strategic Case		
<i>Options assessment</i>	The FBC would have benefitted from a more detailed assessment of options showing why the shortlisted options were selected. Notwithstanding this, however, the FBC does present a clear and reasonable case for the selection of the preferred option compared to the viable alternative option. The argument is well made as to why the preferred option would be more likely to achieve project objectives, and the challenges associated with implementing the viable alternative option.	
<i>Statutory requirements and adverse consequences</i>	Given the scale of the project, approval must be subject to confirmation by the relevant local authority that there are no statutory requirements or wider impacts which need to be captured or mitigated through contract conditions.	
<i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i>	The project is well aligned overall to the SEP and RAP, and this is demonstrated strongly in the FBC. If the project is delivered as set out, it can be expected to deliver against all three of the MCA's core strategic outcomes (Stronger, Fairer, Greener) and the SEP's overarching policy objectives (Growth, Inclusion and Sustainability).	
Value for Money		
Monetised Benefits:		
<i>VFM Indicator</i>	<i>Value</i>	<i>R/A/G</i>

GVA (£)	£7.4m per annum	G
GVA per £1 of SYMCA Investment	£4.9 <i>(NB: estimates are based on assuming five years of annual discounted GVA impact from 2025/26; as noted in the appraisal report there is a higher-level of uncertainty associated with GVA estimates in the period following the end of the project, and the data should be regarded as indicative only)</i>	G
Cost per Job (£) <i>(Infrastructure / Business Investment projects)</i>	£51,169* <i>(*This represents a worst-case scenario. Depending on the actual levels of leakage and displacement cost per job may be much better).</i>	A
Value for Money Statement		
<p>The project is estimated to create circa 139 net additional jobs. However, this could potentially rise to 263 ftes in the central case scenario. The former estimate represents a worst-case scenario and depending on the actual levels of leakage and displacement could be much better. GVA is estimated at £7.4m per annum once full capacity reached. Relative to the £7.1m of MCA funding sought, this project could be estimated to provide acceptable value for money. This may improve significantly once the social and environmental impacts are explored further, quantified and monitored.</p> <p>This value for money assessment rests on a number of assumptions and uncertainties that pose significant risks. Most substantively, they relate to (i) the ability of the project to deliver the scale-up of employment as set out in the application and (ii) the ability of the Applicant to secure the match funding for the project.</p>		
Risk		
<p>There are significant risks associated with the project, notably:</p> <ul style="list-style-type: none"> the ability of the project to secure match funding (and consideration of alternative options for delivery if all match funding is not achieved) the financial viability of the business, given the information provided in the FBC (e.g. a credit rating of 35/100) risks associated with the level of employment required (and mitigations if suitable personnel are not available in the region) risks associated with procurement and ensuring value for money is achieved. <p>†These risks will need to be fully mitigated via contract conditions.</p>		
Delivery		
<p>The timetable for delivery set out in the FBC and Project Plan appears to be broadly reasonable. The Project Plan has a detailed timetable in relation to the purchase and installation of equipment, and outlines top level milestones across Stages A and B. This said, the FBC and Project Plan presents limited information on the timing of the proposed R&D activities.</p>		

Considering the scale, nature and risk-level of the project, and the significant procurement that will be required (including capital equipment) the level of detail provided in the Commercial Case related to the procurement strategy is limited. The Applicant has provided a Project Plan which sets out clearly the timing and costs associated with equipment purchase and wider project activities. However, how this procurement approach will be realised in practice is not set out in any detail.

The FBC indicates that the cost certainty is at 75%, which is insufficient at FBC stage. The Applicant has confirmed that they will fund any cost overruns from “share capital, profits and investors”.

The FBC identifies two SROs: the Chief Executive and Chief Operating Officer. The FBC presents an overarching governance structure for the project. However, limited information is provided on how project governance will be realised in practice.

The project has been publicised on the Applicant’s website and was announced in an article published by ‘The Manufacturer’.

The FBC sets out a very high-level overview of monitoring procedures, including a named responsible officer for monitoring (the Applicant’s Project Manager) and frequency of reporting. However, limited detail is provided on the expenditure, output or outcome indicators which will be monitored. Further, the FBC states that it does not have any monitoring obligations for other funders. It does not take into consideration any potential monitoring obligations for other funders once further funding has been confirmed (e.g. potential monitoring required by the British Growth Fund). Overall, proposed procedures for monitoring and evaluation could be further developed and should be revisited prior to any approval.

Legal

The project has made the case, supported with legal opinion, that the project is in line with rules on subsidy control. This is being reviewed by the MCA Exec legal team

Recommendation and Conditions

Recommendation	Approve. - Consideration should be given to the current mix of grant and loan particularly in relation to the project demonstrating value for money.
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Payment Basis	Upfront loan and grant payment on defrayal.
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Conditions of Award (including clawback clauses)

The following conditions must be satisfied before contract execution.

- 1. Confirmation that £2m of match funding is secured prior to drawdown of loan capital.***
- 2. Confirmation that loan will be used for capital expenditure.***
- 3. Confirmation from the relevant LA that there are no statutory conditions which need to be met or impacts which need to be mitigated***
- 4. Provision of current employment baseline and proposed phasing of headcount expansion, with evidence showing proportion of SY residents recruited***

The following conditions must be satisfied before drawdown of funding.

The following conditions must be included in the contract

1. ***Confirmation that all other funds have been secured***
2. ***Agreed schedule of inclusive and environmental commitments***
3. ***Clawback on outcomes***
4. Suitable overage clause to be considered for inclusion in agreement

Record of Recommendation, Endorsement and Approval

Project Name

Appraisal Panel Recommendation

Board Endorsement

MCA Approval

Date of Meeting

Date of Meeting

Date of Meeting

Head of Paid Service or Delegate

Ruth Adams
Deputy CEX

Endorsing Officer (Board Chair)

Approving Officer (Chair)

Signature

Signature

Signature

Date

Date

Date

S73 Officer or Delegate

Gareth Sutton
Finance Manager

Statutory Finance Officer Approval

Signature

Name:

Date

Monitoring Officer or Delegate

Steve Davenport
SCR CA Solicitor

Signature:

Signature

Date

Date:

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Appendix B - Progression of schemes from OBC to FBC and release of development cost funding

B.1 Magna-Tinsley (TCF2 OBC)

Appendix B1 provides a summary of the project assurance and the suggested conditions of award.

This investment is for £5.27m from TCF2, with development costs to be released of £0.84m to SCC.

This project will deliver a number of cycling and pedestrianised improvements, predominantly -

- Sheffield Road
 - New unidirectional cycle tracks on both sides of Sheffield Road between the Sheffield/Rotherham district boundary and Blackburn Meadows Way
 - Upgrade and widening of footpaths on Sheffield Road
- Blackburn Meadows Way
 - Upgrade of the existing shared use infrastructure to provide traffic-free, segregated and safe infrastructure for both pedestrians and cyclists along this road
- New toucan crossings on Sheffield Road and Meadowhall Road/Meadowhall Way
 - Provision of a two/three new toucan crossings to provide safe crossing points and reduce levels of severance resulting from the physical and built environment.

The Benefits and Outcomes

The project will deliver the following outputs -

- 0.92km of new segregated cycle track
- 0.92km of upgraded cycle track
- 0.92km of upgraded footpaths
- 2/3 toucan crossings

The project is considered a good strategic fit. Risks concerning land acquisition have been raised as part of the assurance however are considered manageable at this stage.

B.2 Unity (TCF2 OBC)

Appendix B2 provides a summary of the project assurance and the suggested conditions of award.

This investment is for £4.39m from TCF2, with development costs to be released of £0.05m to DMBC.

The project will deliver a combination of off road cycle facilities and on road quiet ways, connecting Doncaster town centre with Doncaster Royal Infirmary, employment and retail zones located north east of the town centre and a significant residential catchment area which is within 2.0km cycle of the town centre.

The Benefits and Outcomes

The project will deliver the following outputs -

- 14.1km of new segregated walking and cycling infrastructure
- 2.7km of new cycle quiet streets

The project will deliver the following outcomes -

- Increased walking and cycling journeys (68%)
- Increased percentage of population cycling to work (68%)

The project has a clear strategic rationale and risks are considered manageable at this stage. The Assurance Summary notes some conditions of approval that will need to be resolved within the submitted FBC, these are detailed in full within Appendix B2..

B.3 Nether Edge Wedge (TCF2 OBC)

Appendix B3 provides a summary of the project assurance and the suggested conditions of award.

This investment is for £13.20m from TCF2 towards total project costs of £13.30m, with development costs to be released of £1.38m to SCC.

The project will deliver enhanced transport connectivity between Sharrow, Nether Edge and Broomhall linking into the city centre while at the same time improving journeys in the local area.

The Benefits and Outcomes –

The project will deliver the following outputs –

- 2.5km improved cycle infrastructure
- 2.5km improved pedestrian infrastructure
- 6 junction improvements
- 50m of new bus lane
- 1 bus priority signal
- 4 signalised junction improvements
- 1.84km segregated cycle track
- 7 pedestrian crossings and 8 upgrades
- 100 cycle parking spaces

The project is considered high value for money.

The Assurance Summary notes some conditions of approval that will need to be resolved within the submitted FBC, these are detailed in full within Appendix B3.

B.4 O47 Broom Road Cycleways (ATF2/Gainshare/TCF2 OBC)

Appendix B4 provides a summary of the project assurance and the suggested conditions of award.

This investment is for £3m for two phases of the total project from ATF2/Gainshare/TCF2, with development costs to be released of £0.21m from ATF2 to RMBC.

The project will deliver new cycle ways along Wellgate and Broom Road and infrastructure improvements along Broom Valley Road.

The Benefits and Outcomes

Phase 1 of the project will deliver the following outputs -

- 650m of new cycleways

The project will also contribute to the following outcomes -

- Increased cycling journeys

The project is recommended for approval; however, the request is for £1.5m ATF2/Gainshare and £1.5 TCF2. The TCF2 element of the OBC was approved onto the programme pipeline in June 2021 with a condition that progression beyond the OBC stage was entirely contingent on funding being available. There is currently no grant availability within the TCF2 programme. RMBC have included the costs for phase 2 within the CRSTS bid. The recommendation is therefore to approve the phase 1 element of the project and the ATF2/Gainshare element to progress to FBC. The phase 2 element will progress if the CRSTS bid is successful or once alternative funding becomes available.

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Assurance Summary

Scheme Details

Project Name	T00082 Magna-Tinsley OBC AKA: Bawtry Road (Brinsworth to Tinsley) Waverley AMP Active Travel Scheme	Type of funding	Grant
Grant Recipient	SCC	Total Scheme Cost	£5,276,350
MCA Executive Board	TEB	MCA Funding	£5,276,350
Programme name	TCF	% MCA Allocation	100%

Appraisal Summary

Project Description	
<i>Is it clear what the MCA is being asked to fund?</i> Yes.	
<ol style="list-style-type: none"> 1. Sheffield Road cycle tracks <ul style="list-style-type: none"> ○ New unidirectional cycle tracks on both sides of Sheffield Road between the Sheffield/Rotherham district boundary and Blackburn Meadows Way ○ Upgrade and widening of footpaths on Sheffield Road 2. Blackburn Meadows Way <ul style="list-style-type: none"> ○ Upgrade of the existing shared use infrastructure to provide traffic-free, segregated and safe infrastructure for both pedestrians and cyclists along this road 3. New toucan crossings <ul style="list-style-type: none"> ○ Provision of a two/three new toucan crossings to provide safe crossing points and reduce levels of severance resulting from the physical and built environment. <ul style="list-style-type: none"> - Sheffield Road – new crossing from Tinsley Village to the canal towpath. This will allow access to a traffic free route to the opportunities at Meadowhall and accessible from Meadowhall South tram stop - Meadowhall Road/Meadowhall Way – one/two new crossings across the six traffic lanes. This will help remove a severance issue for the National Cycle Network and improve access on foot or by bicycle to Meadowhall Interchange 	
Strategic Case	
<i>Scheme Rationale</i>	<i>Does the scheme have a clearly stated rationale and provide a strong justification for public funding?</i> Yes. The strategic rationale is clear, with a lack of safe walking and cycling infrastructure acting as a deterrent to trips between Sheffield, Meadowhall, Magna and Rotherham. The scheme seeks to address that gap, in combination with others being developed through the TCF programme, by applying LTN 1/20 guidance to establish a flagship walking and cycling route under the M1 Tinsley Viaduct and improve alternatives to driving for local trips in this area as well as the continuity of the route between Rotherham and Sheffield.
<i>Strategic policy fit</i>	<i>How well does the scheme align with the strategic objectives of the SEP and RAP?</i> Yes. There is clear alignment with the growth, inclusion and sustainability objectives set out in the SEP, as well as the SCR Transport Strategy and Transforming Cities Fund objectives. The scheme forms part of a combination of interventions that seek to deliver significant components of the City Region's published LCWIP.

Contribution to Carbon Net Zero	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i> Yes, although not quantified for the strategic case.</p>		
SMART scheme objectives	<p><i>State the SMART scheme objective as presented in the business case.</i></p> <ul style="list-style-type: none"> • 0.92km of new segregated cycle track • 0.92km of upgraded cycle track • 0.92km of upgraded footpaths • 2/3 toucan crossings <p>This needs to be more focussed on outcomes than outputs – e.g. target levels of AT in this location, changes in car use if discernible, impact on safety and journey times for cyclists. The M&E plan (7.14) broadly describe the sources of data for each outcome but not the methodology for the evaluation. However, it is accepted that this will be carried out centrally..</p> <p><i>Is there a 'golden thread' between the strategic objectives (see 3.2) and the scheme objectives (see 3.6)?</i> No, this is not clearly set out.</p>		
Options assessment	<p><i>Is there a genuine Options assessment and is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i> Yes. The need for solutions to congestion in this corridor are established, and the options available for increasing active travel's share are well researched.</p>		
Statutory requirements and adverse consequences	<p><i>Does the scheme have any Statutory Requirements?</i> Only those associated with TROs. The position of SCCs boundary on Blackburn Meadows Way is unclear, and may result in a need for land acquisition. TBC for FBC. Impact on motorway junction operation has been modelled and is minimal.</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i> No. If the scheme does <u>not</u> go ahead then an opportunity to improve access to Sheffield, Rotherham, Magna, Meadowhall and local facilities/employment land uses in Tinsley/Templeborough will be missed. Identified potential for mode-shift from private car trips, and releasing capacity on local bus/tram-train services, will not be realised if the scheme is not delivered. If the scheme <u>is</u> implemented there may a minimal impact on the operation of J34N and J34S as a result of the new pedestrian crossings close to Meadowhall. This was not found to be significant through junction assessment using appropriate modelling tools, and has been discussed with Highways England (as key stakeholders).</p>		
Value for Money			
Core monetised Benefits	<p><i>[Core BCR – table 4.22]</i> 1.07</p>	Non-monetised and wider economic benefits	<p><i>[Values/description – supplementary form]</i> Enviro/Social Slight beneficial: LAQ, GHG, Townscape</p> <p>Distributional Positive Accidents (Stage 2 DIA required for FBC)</p>
<p><i>In your view do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i> Base demand is appropriately estimated, based on a combination of local count ped/cycle data and background growth uplifts since the counts were completed (October 2019) in line with default AMAT assumptions. As with all AT schemes there are uncertainties on the demand side, which the promoter has tested for. Increases in cost are covered by the OB assumed (24% - higher than usual for this stage). High growth (50% increase) = 1.79</p>		<p><i>Do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i> No, these are all likely to eventuate</p>	

Low growth (33% red'n) = **0.78**
 Optimistic COVID (+34% cycling; +38% more walking) = **1.59**
 Pessimistic COVID (-19% cycling; -21% walking) = **0.83**

In all tests, toucan crossing benefits are excluded. Separate modelling indicates accident savings worth £1.05m PVB. This would increase BCRs for all tests to above 1.

Value for Money Statement

Taking into consideration the monetised and non-monetised benefits and costs, does the scheme represent good value for money?
Yes, probably conservative as ignores weekends and underestimates increasing attractiveness of Meadowhall.

Risk

What are the most significant risks and is there evidence that these risks are being mitigated?

Risk	Mitigation	Owner
1. Widening behind bus stop on Blackburn Meadows Way may require additional land take – 50% likelihood	Investigation into SCC land boundaries ongoing. Alternative design to be investigated if not.	SCC PM/Designer
2. Change in legislation resulting from Brexit may result in materials and supply chain issues – 50% likelihood	Suppliers to be approached in advance, advance orders placed and/or alternative materials sought	SCC PM
3. Condition of existing services (lighting standards) may not be adequate and may need moving to accommodate new works – 50% likelihood	Lamp standards that require moving to be identified. Light plot of proposed scheme required.	SCC PM/Designer
4. Location of existing services may result in unexpected utilities' costs – 50% likelihood	C2 stats complete show minimal disruption required. C2s to be shared with cost manager to allow some initial costing work to be done for contingency purposes. Contingency to also be factored into the potential programme	SCC PM
5. SCR are proposing to hold 10% of the funds for contingency, to be used on a first come first served basis. If delays are experienced in the release of contingency funds the project will experience delays – 30% likelihood	Confirm the timescales and process for release of funds from SCR. Maintain relationship with SCR contact Monitor and review scheme costs regularly.	SCC PM

Some risks identified are considerable (top 4 have 50% likelihood), and bring the possibility of cost escalation / need for alternative scheme designs, but are duly priced within the scheme risk register. SCR's retention of 10% of funds for contingency purposes also helps to mitigate some of this risk.

Do the significant risks require any contract conditions? (e.g. clawback on outcomes)

No
Are there any significant risks associated with securing the full funding of the scheme?
No, a contribution from Highways England (not assumed) is being requested – to be confirmed pre FBC
Are there any key risks that need to be highlighted in relation to the procurement strategy?

Delivery

Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?
Slightly optimistic overall. Note that Stage 2 work commences on site in May 2023, which may not fall within the TCF programme delivery timescales (but may be fine on the basis that Stage 1 work is due to commence in 2022).
Is the procurement strategy clear with defined milestones?
Yes, Yes
What is the level of cost certainty and is this sufficient at this stage of the assurance process?
60%. Higher would be better – but risk provision (p50= 7% base costs) excludes inflation which increases the joint provision to 12%. OB higher than normal, to reflect.
Has the promoter confirmed they will cover any cost overruns without reducing the benefits of the scheme?
No – cost overruns would result in delay to completion whilst other funding sought.
Has the promoter demonstrated clear project governance and identified the SRO?

Yes, a clear plan for project and programme management is laid out
Has the SRO or other appropriate Officer signed of this business case?

No

Has public consultation taken place and if so, is there public support for the scheme?

Yes, but will continue, with all local interest groups involved.

Are monitoring and evaluation procedures in place?

Yes, broadly. More detail will be required for FBC

Legal

Has the scheme considered Subsidy Control compliance or does the promotor still need to seek legal advice?

Yes.

Recommendation and Conditions

Recommendation	Proceed to FBC
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	
<p>Required before a stage 2 contract can be executed -</p> <ul style="list-style-type: none">• Submission of the MCA Appendices A <p>The following issues should be covered at FBC -</p> <ul style="list-style-type: none">- Confirmation of number of toucan crossings proposed- How outcomes will be measured, in detail, with reference to AMAT and central M&E plan- Potential contribution from HE with any obligations- Need for land/other statutory requirements and impact on project- Update of risk register/QRA and correction of small inconsistency between MC11 and 6.1/Appendix F1- Sign-off by SRO	

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Assurance Summary

Scheme Details

Project Name	T0028 Unity AT	Type of funding	Grant
Grant Recipient	DMBC	Total Scheme Cost	4,391,562
MCA Executive Board	TEB	MCA Funding	4,391,562
Programme name	TCF	% MCA Allocation	100%

Appraisal Summary

Project Description	
<p><i>Is it clear what the MCA is being asked to fund?</i></p> <p>Yes:</p> <ul style="list-style-type: none"> • 14.1km of new segregated walking and cycling infrastructure • 2.7km of new cycle quiet streets 	
Strategic Case	
<i>Scheme Rationale</i>	<p><i>Does the scheme have a clearly stated rationale and provide a strong justification for public funding?</i></p> <ul style="list-style-type: none"> • Improved connectivity for pedestrians and cyclists along the two key corridors into Doncaster leading to 68% uplift in the number of walking and cycling trips. • Segregated cycle facilities to enable more cycle journey stages • Better connectivity for cyclists throughout the entire length of the routes • More space for people to feel safe from vehicles.
<i>Strategic policy fit</i>	<p><i>How well does the scheme align with the strategic objectives of the SEP and RAP?</i></p> <p>The scheme has a clear strategic rationale shown in section 3.1 which aligns well with SCR's objectives, including improving businesses and lives of residents, key to the SEP objectives, and aligning to TCF objectives.</p>
<i>Contribution to Carbon Net Zero</i>	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i></p> <p>Yes</p>
<i>SMART scheme objectives</i>	<p><i>State the SMART scheme objective as presented in the business case.</i></p> <p>The package will contribute to the following outcomes:</p> <ul style="list-style-type: none"> • More walking and cycling journeys across the SCR (68% increase) • Increased percentage of population cycling to work (68%). <p>These outcomes will be expected to be realised between one and five years after completion of the works, are linked to the Mayor's Transport Strategy outcomes and are in accord with the approved SCR programme monitoring and evaluation plan. In order to measure these outcomes a survey will be carried out to collect data on the number of cyclists using the scheme. The survey will be carried out on a weekday in June, both one and five years following completion of the works. The data will feed into the two evaluation reports. Traffic counts will be undertaken at the following locations:</p> <ul style="list-style-type: none"> • Thorne Road (between Coventry Grove and Thornhill Avenue) • Leger Way (north of Bennetthorpe / Leger Way/ Bawtry Road roundabout) <p><i>Is there a 'golden thread' between the strategic objectives (see 3.2) and the scheme objectives (see 3.6)?</i></p>

	Yes.		
<i>Options assessment</i>	<i>Is there a genuine Options assessment and is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i> Yes. 3.9 describes the previous work done to generate, sift and identify the preferred corridor option that best meets the overall objectives whilst taking account of feasibility, geographic “fit” and local aspirations. The DfT’s EAST tool was used.		
<i>Statutory requirements and adverse consequences</i>	<i>Does the scheme have any Statutory Requirements?</i> No <i>Are there any adverse consequences that are unresolved by the scheme promoter?</i> The scheme aims to improve the physical environment for pedestrians and cyclists, and whilst there are no significant changes planned for vehicles in any of the elements of the package, there may be some resistance to the priority given to active travel modes from car users given recent publicity around active travel. There may be some short-term disruption to local businesses and the transport network during construction of the elements of the package. This will be managed by using a phased approach to the areas of construction, ensuring businesses can operate during normal working / operating hours, and any social distancing measures required by the guidance at the time can be managed and adhered to by the public and contractors.		
Value for Money			
Core monetised Benefits	[Core BCR – table 4.22] 1.55	Non-monetised and wider economic benefits	[Values/description – supplementary form] Enviro: Slight Positive – Noise, LAQ, GHG Distri. Positive - Accidents. Severance, Accessibility
<i>In your view do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i> No , the scheme drawings provide confidence that the costings are reasonably accurate. Costs in the appraisal include 15% Optimism and 15% residual risk and inflation to 2023, the main risk to the BCR is assessed to be demand. However, the AMAT appraisal was based on local recent counts and is considered robust. There may also be net benefits for car users, which have not been calculated.		<i>Do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i> No	
Value for Money Statement			
<i>Taking into consideration the monetised and non-monetised benefits and costs, does the scheme represent good value for money?</i> Medium VfM			
Risk			
<i>What are the most significant risks and is there evidence that these risks are being mitigated?</i>			
	Risk	Mitigation	Owner
	1. Delays in funding and SCR MCA approval and Funding Agreement sign-off: Potential delay to start of works as cannot order materials at risk 25% probability - High risk	Work with SCR to prepare draft FA documents to reduce approval timescale	Major Projects

<p>2. Failure to consult, engage and inform stakeholders (internal and external) in a timely and effective manner: Negative impact on the proposals - lack of buy-in and support from stakeholders for the package requires re-design and/or removal of package elements 20% probability - High risk</p>	<p>Engagement will be continuous with key stakeholders, and undertake early consultation with those most directly affected with revised scheme design Corporate Communications team will be involved</p>	<p>Major Projects / Corporate Communications</p>
<p>3. Traffic Regulation Orders: Objections to TROs will delay the start of the package and completion dates. Significant objections could result in the scheme being revised downwards and not achieving the desired outputs 25% probability High risk</p>	<p>TROs will be prepared and submitted for each individual element of the package. Any objections will be for specific location and minimise the impact of delay of delivery of the package</p>	<p>Major Projects</p>
<p>4. Delays due to ongoing COVID-19 restrictions: Impact on site management while delivering package adhering to social distance rules for workers 50% probability Medium risk</p>	<p>Workers maintain social distancing Limited measures can be undertaken due to proposed site and works involved</p>	<p>Contractor</p>
<p>5. Increased competition for resources across SCR TCF programme: Lack of available resources means a reduced ability to deliver within TCF timescales and potentially additional cost 25% probability Medium risk</p>	<p>Early contractor engagement</p>	<p>Major Projects / Contractor</p>

Do the significant risks require any contract conditions? (e.g. clawback on outcomes)

No.

Are there any significant risks associated with securing the full funding of the scheme?

No – 100% SCR funding

Are there any key risks that need to be highlighted in relation to the procurement strategy?

No – decision on DLO or commercial will be taken pre FBC (September 2021) and 5.2 states that cost overruns will be covered by the Council.

Delivery

Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?

Yes. Surveys and planning including public consultation will start before Start on site, which will occur as soon as TRO's are confirmed to minimise risk of abortive spend.

Is the procurement strategy clear with defined milestones?

Not finalised. The scheme milestones are mapped out in section 7.1 and are realistic for a scheme of this scale.

What is the level of cost certainty and is this sufficient at this stage of the assurance process?

60%. Ideally higher but FBC will be based on detailed designs and procurement route will be known.

Has the promoter confirmed they will cover any cost overruns without reducing the benefits of the scheme?

Yes

Has the promoter demonstrated clear project governance and identified the SRO?

Yes (per 6.3)

Has the SRO or other appropriate Officer signed of this business case?

No

Has public consultation taken place and if so, is there public support for the scheme?

Yes (per 7.3)

Are monitoring and evaluation procedures in place?

Yes (per 3.6)

Legal

Has the scheme considered Subsidy Control compliance or does the promoter still need to seek legal advice?

Yes, No.

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Recommendation and Conditions

Recommendation	Proceed to FBC
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	
Required before a stage 2 contract can be executed - <ul style="list-style-type: none">• Submission of the MCA Appendices A	
The FBC to include - <ul style="list-style-type: none">• A Stage 2 DIA• Procurement route finalised• 95% cost certainty	

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Assurance Summary



Scheme Details

Project Name	T0023 Nether Edge Wedge	Type of funding	Grant
Grant Recipient	SCC	Total Scheme Cost	£13,307,585
MCA Executive Board	TEB	MCA Funding	13,207,585
Programme name	TCF	% MCA Allocation	99%

Appraisal Summary

Project Description	
<p><i>Is it clear what the MCA is being asked to fund?</i></p> <p>Yes:</p> <ul style="list-style-type: none"> • improved cycle infrastructure: 2.5km • improved pedestrian infrastructure: 2.5km • junction improvements: 6 • new bus lanes: 50m • Bus priority signals : 1 • Signalised junction improvements (ITS): 4 Length of segregated cycle track: 1.84km • Traffic calming measures: 6 • pedestrian crossing upgrades: 8 • segregated cycle crossings: 7 • school streets :1 • Cycle parking: 100 spaces including an allocation for non-standard bikes (number determined by destination) 	
Strategic Case	
<i>Scheme Rationale</i>	<p><i>Does the scheme have a clearly stated rationale and provide a strong justification for public funding?</i></p> <p>Yes. The applicant is seeking to enhance transport connectivity between Sharrow, Nether Edge and Broomhall linking into the city centre while at the same time improving journeys in the local area. The Nether Edge scheme proposal phase 1 is to construct an active travel route connecting the fringes of Nether Edge into the city centre via Sharrow, and on toward the university and hospital campus via Broomhall.</p>
<i>Strategic policy fit</i>	<p><i>How well does the scheme align with the strategic objectives of the SEP and RAP?</i></p> <p>Yes. 3.1 and 3.2 set out strong strategic rationale as to why a scheme is needed, and what benefits the pursuance of a scheme could deliver. 3.3. outlines a number of ways in which the scheme has alignment with SCR and other regional policies. Section 3.3 refers not just to SCR policies, but also to recent national policies and policies adopted at the city council level</p>
<i>Contribution to Carbon Net Zero</i>	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i></p> <p>Yes - the applicant states in 3.1 that measures which encourage use of active modes for journeys to / from / within Sheffield will help to manage transport related emissions.</p>
<i>SMART scheme objectives</i>	<p><i>State the SMART scheme objective as presented in the business case.</i></p> <p>These are summarised from 6.1:</p> <ul style="list-style-type: none"> • Enable more travel by active modes • To provide safe, direct and attractive active travel routes from Nether Edge to the City Centre.

	<ul style="list-style-type: none"> • Improve the health of local residents • Increase the use of pedestrian and cycling facilities in the city • Reduce severance between Nether Edge/Sharrow and the city centre • Improve the environment for residents along the route • Enhance road safety by all modes • Increase footfall in the city centre and HOTC2 area • Improve access to key city centre destination for all modes including walking and cycling <p>Some of these are “outputs” others “outcomes”. More detail on how and when outcomes will be measured, is required for the FBC. <i>Is there a ‘golden thread’ between the strategic objectives (see 3.2) and the scheme objectives (see 3.6)?</i> Yes. The scheme objectives derive clearly from SCR objectives, although there is no mention made of if and how local air quality impacts will be monitored.</p>		
<i>Options assessment</i>	<p><i>Is there a genuine Options assessment and is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i> Alternative routes could have been considered but they would be less direct.</p>		
<i>Statutory requirements and adverse consequences</i>	<p><i>Does the scheme have any Statutory Requirements?</i> No, apart from TROs and associated public consultation required. <i>Are there any adverse consequences that are unresolved by the scheme promoter?</i> 3.11 indicates that the principal negative implications relate to reduced operational performance at two junctions, plus reduction in car parking. Limited detail is presented. Modelling has been carried out and reports will be provided by the applicant.</p>		
Value for Money			
Core monetised Benefits	[Core BCR – table 4.22] BCR = 2.21	Non-monetised and wider economic benefits	[Values/description – supplementary form] Enviro: Slight beneficial: LAQ, Townscape, biodiversity, water Distributional: Positive/slightly positive: Residents (Users, Noise, LAQ, Acc., Security, severance, accessibility)
<i>In your view do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i>		<i>Do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i>	
<p>BCR</p> <p>Low traffic growth (-60%) 1.88 High traffic growth (+100%) 2.69 No pandemic impact 2.43 No pandemic + low growth 2.06 No pandemic + high growth 2.99</p>		No	
Value for Money Statement			
<i>Taking into consideration the monetised and non-monetised benefits and costs, does the scheme represent good value for money?</i> Yes. High VfM.			
Risk			
<i>What are the most significant risks and is there evidence that these risks are being mitigated?</i>			
Risk	Mitigation	Owner	

1.Increased build costs	Elements of the scheme reduced or removed , the route length would stay the same, to clarify this would be around planting, cycle stands, changes to surfacing colour etc -there would be no change to the scope and thus to the benefits	Sheffield City Council
2.Unexpected Utilities' costs.	Early involvement with cost manager	Project manager
3.Road Safety Audit issues	RSA team appraised of developing design	Project manager
4.Core Works Interface	Forward planning with relevant parties	Project manager
5.Traffic Regulation issues	Early identification of TRO requirements	Project manager

Do the significant risks require any contract conditions? (e.g. clawback on outcomes)

No

Are there any significant risks associated with securing the full funding of the scheme?

No. 99% SCR funding

Are there any key risks that need to be highlighted in relation to the procurement strategy?

No Design and Build contract with defined stages in 7.1

Delivery

Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?

Yes, Milestones are provided at 7.3, but with a scheme of this size it is recommended that a programme is prepared, with construction and design broken into sections

Is the procurement strategy clear with defined milestones?

Yes, Design and Build contract with defined stages in 7.1

What is the level of cost certainty and is this sufficient at this stage of the assurance process?

60%. Yes. Risk provision of 15% of base costs included

Has the promoter confirmed they will cover any cost overruns without reducing the benefits of the scheme?

Yes and has indicated that monetised benefits do not depend on some elements of the scheme which can therefore be cut without impact. Clarity is required at FBC regarding funding for works likely to occur beyond the end of the TCF programme.

Has the promoter demonstrated clear project governance and identified the SRO?

Yes, Yes.

Has the SRO or other appropriate Officer signed of this business case?

Yes

Has public consultation taken place and if so, is there public support for the scheme?

Yes, it has commenced. General support, with some concerns

Are monitoring and evaluation procedures in place?

Yes, but targets need to be refined for FBC.

Legal

Has the scheme considered Subsidy Control compliance or does the promoter still need to seek legal advice?

No evidence that the applicant has consulted a solicitor but it is reasonable to conclude that the scheme would not be deemed a subsidy.

Recommendation and Conditions

Recommendation	Approval to proceed to FBC
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Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	
Prior to contract execution – <ul style="list-style-type: none">• SCC to provide MCA appendices A The FBC should include: <ul style="list-style-type: none">• More detail on how objectives will be monitored/evaluated• More detail on impacts on car traffic at two junctions (3.11)	

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Assurance Summary



Scheme Details

Project Name	O0047 Broom Road cycleways and associated traffic management OBC	Type of funding	Grant
Grant Recipient	RMBC	Total Scheme Cost	£3,000,000
MCA Executive Board	TEB	MCA Funding	£3,000,000
Programme name	ATF2/TCF/Gainshare	% MCA Allocation	100%

Appraisal Summary

Project Description	
<p><i>Is it clear what the MCA is being asked to fund?</i></p> <p>Yes, but Phase 2 is not adequately defined, with no drawings provided:</p> <ul style="list-style-type: none"> • Phase 1 - Wellgate and Broom Road – 650m of street to be provided with cycleways • Phase 2 - Broom Valley Road – <u>one of four options</u>, to be tested at consultation post OBC <ul style="list-style-type: none"> ○ Closure of the street to through traffic ○ Closure of the street to through traffic except buses ○ Provision of type B2 advisory cycle lanes ○ Provision of cycle tracks alongside Broom Valley Road 	
Strategic Case	
<i>Scheme Rationale</i>	<p><i>Does the scheme have a clearly stated rationale and provide a strong justification for public funding?</i></p> <p>Yes. Table 1 sets out the relationship between transport strategy goals and policies, as well as commitments made by the MCA Mayor. Table 2 goes on to demonstrate how the proposed scheme aligns with those goals and objectives.</p>
<i>Strategic policy fit</i>	<p><i>How well does the scheme align with the strategic objectives of the SEP and RAP?</i></p> <p>Section 3.2 asserts that the SCR Transport Strategy is itself aligned with the Strategic Economic Plan.</p>
<i>Contribution to Carbon Net Zero</i>	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i></p> <p>Yes, but impact is negligible (~0.3% of emissions on Phase 1)</p>
<i>SMART scheme objectives</i>	<p><i>State the SMART scheme objective as presented in the business case.</i></p> <p>More people cycling.</p> <p><i>Is there a 'golden thread' between the strategic objectives (see 3.2) and the scheme objectives (see 3.6)?</i></p> <p>Yes, objectives are both highly relevant to proposed scheme, and are set out with appropriate timescales. It is recommended, for future interpretation, that a distinction is made between “number of people cycling” and “number of cycle trips” at a certain point. There is a difference between these two measures.</p>
<i>Options assessment</i>	<p><i>Is there a genuine Options assessment and is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p>

	No – the main criteria for selecting the preferred option was engineering. No public consultation has taken place, contrary to DfT Guidance for transport investment.		
<i>Statutory requirements and adverse consequences</i>	<p><i>Does the scheme have any Statutory Requirements?</i> TROs only <i>Are there any adverse consequences that are unresolved by the scheme promoter?</i> Yes – Congestion costs at Clifton roundabout have not been monetised. This should be calculated for the FBC if the OBC is approved.</p>		
Value for Money			
Core monetised Benefits	<i>[Core BCR – table 4.22]</i> 1.07	Non-monetised and wider economic benefits	<i>[Values/description – supplementary form]</i> None quantified
<p><i>In your view do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i> Yes. The cycling and walking uplifts forecasted are reasonable, but more certainty is required for the walking uplifts at FBC, and the promoter should cite more relevant local evidence than he has. The BCR is highly sensitive to this. Also, the operation of the Clifton Road junction is highly sensitive to the assumptions employed in its modelling, as well as the volume of traffic that is passing through it. The promoter accepts that there are “acceptable” disbenefits considering the benefits of the scheme against a declining trend in traffic levels” but has not monetised them.</p>		<p><i>Do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i> Congestion impacts have not been monetised and could render the scheme poor VFM (BCR<1)</p>	
Value for Money Statement			
<p><i>Taking into consideration the monetised and non-monetised benefits and costs, does the scheme represent good value for money?</i> No. Probably Poor taking into account disbenefits to road users.</p>			
Risk			
<p><i>What are the most significant risks and is there evidence that these risks are being mitigated?</i> As regards showstopper and capital cost risks:</p> <ol style="list-style-type: none"> 1. Narrow & substandard traffic lanes and footways on part of Broom Road likely to be raised at Road Safety Audit with no alternatives available (showstopper) 2. Unforeseen utility works 3. Works cost not market tested 4. Additional and/or extended tarmac layers at tie-ins or within scheme where lower layers to be retained (Assumptions re: existing build up / infrastructure prove to be optimistic, or where more extensive resurfacing required) 5. Additional night and weekend working required <p>The QRA appropriately allocates risks to stakeholders and includes normal mitigation measures <i>Do the significant risks require any contract conditions? (e.g. clawback on outcomes)</i> No. <i>Are there any significant risks associated with securing the full funding of the scheme?</i> No. <i>Are there any key risks that need to be highlighted in relation to the procurement strategy?</i> No. Costs may increase substantially as the scheme is designed in more detail, however an allowance is made in costing for Optimism Bias.</p>			
Delivery			

Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?

Yes, but he has requested funding for Phase 1 and part of Phase 2 (to be completed in 2022/3). Since Phase 2 has not been defined, costed or appraised the grant should be reduced to cover Phase 1 (completion 2021/22) only, unless Phase 2 can be defined clearly at FBC.

Is the procurement strategy clear with defined milestones?

Yes. Section 5.1 does describe the approach to procurement; Timescales and milestones are provided at Section 7.1.

What is the level of cost certainty and is this sufficient at this stage of the assurance process?

No - Phase 1 - 60%.

Phase 2 - 30%

Has the promoter confirmed they will cover any cost overruns without reducing the benefits of the scheme?

No.

Has the promoter demonstrated clear project governance and identified the SRO?

Yes, Yes.

Has the SRO or other appropriate Officer signed of this business case?

Yes.

Has public consultation taken place and if so, is there public support for the scheme?

No. The applicant considers that it would raise expectations or upset motorists unduly.

Are monitoring and evaluation procedures in place?

Yes.

Legal

Has the scheme considered Subsidy Control compliance or does the promoter still need to seek legal advice?

Yes, No.

Recommendation and Conditions

Recommendation	Proceed to FBC <u>subject to available headroom within the TCF programme</u>
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	
<p>The project is recommended to proceed to FBC however funding is only currently available for ATF2/Gainshare (Phase 1). Alternative funding and business case provisions are required for the phase 2.</p> <p>The FBC should -</p> <ol style="list-style-type: none">1. exclude Phase 2, unless justified by robust appraisal to the same standard as that for Phase 1 and funding available;2. include contract prices based on detailed designs3. include more relevant local evidence (with references) of walking uplifts based on an actual scheme or suite of schemes or examples from other sources than provided in the OBC and4. include robust estimates of congestion disbenefits at Clifton Roundabout as a result of the scheme.	

Appendix C - Progression of schemes from SBC to OBC

C.1 Doncaster Housing Retrofit (Gainshare SBC)

Appendix C1 provides a summary of the project assurance and the suggested conditions of progression.

The project is seeking £2.70m from Gainshare funding towards total project costs of £4.45m.

The project is a pilot which install Air Source Heat Pumps in 100 Council owned homes in order to test the effectiveness and impact of Air Source Heat Pumps in decarbonising the fuel supply to Council owned homes. The project will also part fund external wall insulation to 250 Council homes and fully fund external wall insulation to 50 privately owned homes.

The Proposed Benefits and Outcomes

Whilst the project is at an early stage of development, the proposed benefits are expected to include:

- Reduced emissions
- Health benefits – warmer homes, reduced cold related illness
- Lower energy bills
- 10-15 jobs supported

The project is considered to have strategic fit. The proposed benefits will require additional work at OBC stage to better quantify although the project is anticipated to be able to demonstrate value for money at full approval stage. The Assurance Summary explains in further detail within Appendix C1.

C.2 Glassworks – Enhanced Capital Contributions (Gainshare SBC)

Appendix C2 provides a summary of the project assurance and any suggested conditions of progression.

The project is seeking £2.60m from Gainshare funding towards total project costs of £17.37m.

The Glass Works is finalising construction on a 3.8-hectare site in the heart of Barnsley town centre. The £200m scheme is a major priority for the Council and will deliver a new high-quality mix of retail and leisure facilities that will preserve and enhance the long term sustainability of the town centre through the creation of a new urban quarter with a revitalised and accessible market at its heart. As a result of the COVID pandemic detailed negotiations with prospective tenants has revealed an increased funding gap in order to attract tenants. The Gainshare funding is requested to be used as inducements for prospective tenants to create a fully occupied development.

The project is considered to have strategic fit and is aligned with the SEP and RAP aims of creating a stronger economy. A condition of approval is that the Gainshare funding

can only be used to assist with the capital costs of tenants in line with Gainshare requirements. The Assurance Summary explains in further detail within Appendix C2

C.3 Fargate Future High Street – (Gainshare)

Appendix C3 provides a summary of the project assurance and any suggested conditions of progression

The project is seeking £3m from Gainshare funding towards total project costs of £46.9m.

The Sheffield Future High Streets Fund programme of interventions on Fargate/High Street will act as a catalyst for sustained investment, repurposing key streets to serve a growing population, showcasing events and culture and creating adaptable, climate-resilient public space. Focusing on the historic shopping streets of Fargate and High Street, it reconnects the city centre, reversing a trajectory of decline. Gainshare will be used as match funding for MHCLG and SCC funds to deliver the Front Door Scheme project of the programme.

The project is considered to have strategic fit and is aligned with the SEP and RAP aims of creating a stronger economy. A condition of approval is that the Gainshare funding can only be used to assist with the capital costs of tenants in line with Gainshare requirements. The Assurance Summary explains in further detail within Appendix C3.

C.4 Sheffield Heart of the City 2 – (Gainshare)

Appendix C4 provides a summary of the project Assurance and any suggested conditions of progression

SCC are seeking £3m towards the construction of Block A in a prominent location in the City Centre around Pinstone Street/Barkers Pool. The grant will contribute towards a much larger £52m scheme which includes demolition, façade retention, construction of a hotel and ground floor units and refurbishment of the Gaumont building.

The project is estimated to create 227 net additional jobs. Based on the MCA investment this would provide acceptable value for money, but further assessment should be done in developing the business case. The project is considered to have strategic fit with the SEP and is well advanced for a start on site this year. The Board are asked to approve the project to move forward to develop an OBC. The Assurance Summary explains in further detail within Appendix C4.

Assurance Summary



Scheme Details

Project Name	Housing Retrofit - Thermal Efficiency and Heat Pump upgrades	Type of funding	Grant
Grant Recipient	Doncaster Metropolitan Borough Council	Total Scheme Cost	£4,450,000
MCA Executive Board	Housing and Infrastructure	MCA Funding	£2,700,000
Programme name	Gainshare	% MCA Allocation	60.67%

Part A - Appraisal Summary

Strategic Case	
<i>Project rationale</i>	<p>This is a pilot project which will install Air Source Heat Pumps in 100 Council owned homes in order to test the effectiveness and impact of Air Source Heat Pumps in decarbonising the fuel supply to Council owned homes. The project will also part fund external wall insulation to 250 Council homes and fully fund external wall insulation to 50 privately owned homes.</p> <p>The project will be concentrated on 10 postcode areas in Doncaster, with a preference to retrofit neighbouring houses or rows of houses to maximise cost efficiency. The project is targeted at low income communities and retrofitting the oldest and most inefficient housing stock, especially those with solid wall construction. Identified areas include Stainforth, Intake, Conisbrough/Denaby and Mexborough.</p> <p>Doncaster Council successfully bid for Green Homes Grant (GHG) funding to initiate a housing retrofit scheme. However, the qualifying criteria for the grant is restrictive and the existing Local Authority Delivery scheme (LAD) that is available to Doncaster, does not allow an area based approach to be taken. LAD can support the cost of installing external wall insulation but it is sporadic and only benefits a few households across a large geographical area. Insulation is effective but expensive and without grant support, it is an unaffordable energy efficiency measure for households in deprived communities.</p> <p>Doncaster want to retrofit housing stock in entire communities across the borough; enabling more social and some privately owned homes in an area to receive external wall insulation and improve the appearance of old housing stock. In order to achieve greater community impact, MCA funding is required to plug the funding gap between the GHG grant, LAD, Energy Company Obligation and the Council's capital funds to provide an area based response.</p>

	<p>MCA funding will accelerate work on Doncaster's Council homes scheme and the delivery of Doncaster's existing 5 year thermal improvement programme for social housing. MCA funding could also ensure that fuel and carbon savings will be realised much earlier in the programme (an estimated reduction in carbon emissions of 400 t/co2 per annum from domestic fuel consumption), whilst also addressing recognised fuel poverty for households in deprived areas (an estimated saving of £300 per household per annum). The project application states that MCA funding would allow for:</p> <ol style="list-style-type: none"> 1. A community based approach to delivering cross tenure support for external wall insulation. 2. Greater security within the supply chain initiated with other government funds. 3. Housing to reach the standard able to receive a low carbon heating system which can decarbonise the future energy supply. 4. The trial low carbon heating in homes with onsite energy generation, reducing fuel poverty and decarbonising the energy supply. Enabling the Council to better understand how heat pumps should contribute to the future mix of low carbon heating technologies in its housing stock. 5. The Council to accelerate its thermal improvement programme, accelerate economic stimulus, create training and new job opportunities and allow residents to feel the impact of home improvement benefits sooner. <p>There is a clear rationale and justification for the project that will contribute to key performance indicators in the SEP. However, the impact on the supply chain in providing greater security appears tenuous.</p>		
<i>Strategic fit</i>	See Annex 1 at the end of this form.		
Value for Money			
<i>Core monetised Benefits</i>	To be quantified at OBC	<i>Non-monetised and wider economic benefits</i>	To be quantified at OBC
Value for Money Statement			
<p><i>Qualitative benefits of the project include:</i></p> <ul style="list-style-type: none"> • <i>Reduced emissions</i> • <i>Health benefits – warmer homes, reduced cold related illness</i> • <i>Lower energy bills</i> • <i>10-15 jobs supported</i> <p><i>More work will be required to quantify these benefits at OBC stage.</i></p>			
Risk			

Risks of delays to delivery have been itemised to include adverse weather, issues with sub-contractor performance and supplier issues. Other notable key risks that have been identified include the requirement to remove asbestos and applicants/tenants refusing to grant access for the works. Mitigation measures have been identified and these appear to be appropriate and sensible.

Delivery

Two contractors will be appointed to deliver the scheme on a restricted tender basis. Both contractors are living wage employers.

Outputs are all scheduled for delivery in 2022/23 and appear reasonable and achievable given that the Air Source Heat Pumps will be installed on known properties that have already had solar PV installation. The project milestones are:

- Appointment of PAS2035 Retrofit Coordinator – November 2021
- Evaluation of community-based approach – January to March 2023
- Publicity for the trails to raise awareness – January to March 2023
- 100 heat pump installations completed – March 2023 (or 10-12 months from the scheme start)
- Evaluation of heat pump trial completed – March 2023
- 300 homes receive external wall insulation – March 2023
- Heat pump trial monitoring completed – December 2023

As the MCA funding is bridging a gap with other funding sources, there appears to be limited scope for accelerating the delivery of the outputs and milestones listed above.

Legal

The applicant states it is considered that receipt of the award may not be considered to create a State Aid within the meaning of Article 107(1) of the TFEU. This is because the Grant Recipient receives the award within their statutory duty/remit to improve the economic performance of an area.

Annex 1 – Strategic Policy Fit

To what extent does the project meet the MCA’s strategic objectives as set out in the of the MCA Corporate Plan 2021-22?

Outcome	Strategic Objective	R/A/G Rating	Comments
Stronger Achieve sustained good growth, underpinned by productivity gains that exceed the UK average	Leading an economic transformation by: 1. creating not just a bigger economy but a better one: higher-tech, higher skill, and higher-value - backing wealth and job creators	R	By delivering this project, one of the local contractors will create/safeguard between 10 and 15 jobs for Doncaster residents in the low carbon construction sector.
	2. enabling businesses to survive, adapt and thrive and be more innovative and resilient as we come out of the pandemic and resulting economic downturn	N/A	
	3. stimulating local economies by investing in the infrastructure, transport and digital capabilities to create jobs and transform places	R	The project will assist in transforming up to 300 of the oldest and most inefficient housing stock in low income communities across the Doncaster borough.
Greener Drive forward environmental sustainability to achieve our net-zero carbon target by 2040	Leading a green transformation by: 4. decarbonising our economy, regenerating the natural environment and accelerating Net Zero Carbon transition	R	The project will reduce carbon emissions from 100 homes by replacing fossilised fuel heating sources with a natural source of heat. It is estimated that the project will reduce carbon emissions in each home by 1 tonne per annum (10,000 tonnes over the life of the measures).
	5. capitalising on technological and scientific capabilities to improve the resilience and quantum of clean energy supply, storage, distribution and usage	A	The project will pilot the use of Air Source Heat Pump technology as a natural heating source as a replacement for heating from fossilised fuel.
	6. revolutionising transport, getting South Yorkshire moving by foot, bike, bus, tram and train	N/A	
Fairer Unlock prosperity by eliminating the wage gap and health	Leading a wellbeing and inclusion transformation by: 7. raising quality of life, reducing inequality, and widening opportunity for South Yorkshire people	A	The project is targeted at low income communities and retrofitting those properties that are inefficient and expensive to heat. The project will therefore tackle issues of fuel poverty by installing more efficient and lower cost heat sources. It is estimated that the project will reduce the risk of cold related illness and improve comfort as well as reduce fuel costs by up to £300 per home per annum.

inequalities between South Yorkshire and the national average	8. equipping people to contribute to and benefit from economic prosperity	N/A	
	9. supporting people to improve their skills, get back to work, remain in or progress in work, or set up in business and thereby accelerate social mobility	N/A	

Part B - Recommendation and Conditions

Recommendation	
Payment Basis	
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <p>The following conditions must be included in the contract</p>	

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Assurance Summary

Scheme Details

Project Name	The Glass Works – securing occupiers	Type of funding	Revenue
Grant Recipient	BMBC	Total Scheme Cost	£17,372,000
MCA Executive Board	MCA	MCA Funding	£2,600,000
Programme name	Gainshare	% MCA Allocation	15%

Part A - Appraisal Summary

Strategic Case	
<i>Project rationale</i>	Gap funding is required due to the impact of the pandemic and threatens the viability of the project, which has already had significant investment. MCA funding is needed to ensure sufficient inducement can be offered to attract the quality of occupier the project is targeting. The rationale for securing public monies to ensure the major Glass Works scheme remains viable should be strengthened, particularly on why a successful Glass Works is pivotal for the future success of Barnsley's inclusive economy.
<i>Strategic fit</i>	See Annex 1 at the end of this form.
Value for Money	
<i>Value for Money Statement</i>	
Significant work is required at OBC stage to present the outputs, outcomes and added value of MCA funding. This is because the project is already in receipt of MCA funding via LGF. This extra funding will not secure further outputs and outcomes but is intended to protect the investment that has already gone in and secure the promised returns. However, the extent to which this funding will actually do this needs to be fully tested and presented in the OBC.	
Risk	
Top 5 risks as present in the business case:	
<ol style="list-style-type: none"> 1. The rise of new COVID-19 variants leads to lockdown measures being re-introduced which prevent the opening of non-essential retail and hospitality businesses (Likelihood: Med / Impact: High) 2. The request for financial support for the Glass Works is not approved at all, or at a lower level. (Likelihood: Low / Impact: High) 3. Given the on-going uncertainty around the lifting of pandemic lockdown restrictions, prospective tenants may ultimately choose not to conclude negotiations and not take space at the Glass Works. (Likelihood: Low / Impact: High) 4. Prospective tenants may be attracted to the Glass Works but demand higher level of inducements than anticipated at present (Likelihood: Low / Impact: High) 5. It takes longer to conclude individual negotiations than anticipated leading to some expenditure slipping into 2022/23 (Likelihood: Low / Impact: Med) 	

Delivery
Timescales for the delivery of the key project milestones appear reasonable.
Legal
The applicant will obtain up-to-date Subsidy Control advice as part of the development of the Outline Business Case.

Annex 1 – Strategic Policy Fit

To what extent does the project meet the MCA’s strategic objectives as set out in the of the MCA Corporate Plan 2021-22?

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Outcome	Strategic Objective	R/A/G Rating	Comments
Stronger Achieve sustained good growth, underpinned by productivity gains that exceed the UK average	Leading an economic transformation by: 1. creating not just a bigger economy but a better one: higher-tech, higher skill, and higher-value - backing wealth and job creators	G	The application says 14 jobs will be safeguarded with this investment.
	2. enabling businesses to survive, adapt and thrive and be more innovative and resilient as we come out of the pandemic and resulting economic downturn	G	The overall project is vital for creating more vibrant urban centres and increasing their leisure offer, which has been made even more important due to the pandemic’s impacts. It would bring new businesses into Barnsley. Its alignment with the strategic objective of the SEP and RAP of creating a stronger economy is very clear.
	3. stimulating local economies by investing in the infrastructure, transport and digital capabilities to create jobs and transform places	A	
Greener Drive forward environmental sustainability to achieve our net-zero carbon target by 2040	Leading a green transformation by: 4. decarbonising our economy, regenerating the natural environment and accelerating Net Zero Carbon transition	R	In the immediate term, opportunities for net-zero are limited. However, in the longer-term, there is potential for retail units to be consolidated in the Glass Works and this site being repurposed into green spaces, so there could be a modest contribution in the future.
	5. capitalising on technological and scientific capabilities to improve the resilience and quantum of clean energy supply, storage, distribution and usage	R	

	6. revolutionising transport, getting South Yorkshire moving by foot, bike, bus, tram and train	R	Not applicable
Fairer Unlock prosperity by eliminating the wage gap and health inequalities between South Yorkshire and the national average	Leading a wellbeing and inclusion transformation by: 7. raising quality of life, reducing inequality, and widening opportunity for South Yorkshire people	A	Despite the case being made strongly for Stronger, the same has not been made for Fairer. Appendix B says the investment will create more opportunities for disadvantaged people. This isn't referenced in the SBC, nor is any detail provided about how they would achieve this.
	8. equipping people to contribute to and benefit from economic prosperity	A	
	9. supporting people to improve their skills, get back to work, remain in or progress in work, or set up in business and thereby accelerate social mobility	A	

Part B - Recommendation and Conditions

Recommendation	Proceed to OBC
Payment Basis	
Conditions of Award (including clawback clauses)	
<i>Project costs to be worked up in further detail during OBC development. Gainshare funding can only be used to assist with capital costs of tenants.</i>	

Assurance Summary



Scheme Details

Project Name	Sheffield Future High Streets Fund – New Front Door Scheme	Type of funding	Grant
Grant Recipient	Sheffield City Council	Total Scheme Cost	£31.1m
MCA Executive Board	Infrastructure	MCA Funding	£3m
Programme name	Gainshare	% MCA Allocation	9.5%

Part A - Appraisal Summary

Strategic Case			
Page 159	<i>Project rationale</i>	<p>The MCA will contribute £3m of the match funding required to deliver the “New Front Doors” element of the programme. The funding will be used for access and refurbishment works to buildings on Fargate and High Street. The other £2m will come from funding secured under the MHCLG Future High Streets Fund. SCC will not be investing any of their own funds in the New Front Doors project but will be investing £2m in total in the rest of the programme.</p> <p>The £26.1m of private sector funding at this stage is not committed or secured at this stage. This reflects the total amount the business owners intend to spend on their buildings upon receipt of public sector funds. Each building is still being reviewed to establish if there are any changes in costs/assumptions/design and assessed by SCC.</p> <p>The Front Door Scheme will operate by allocation of capital grants. The prioritised list is being reviewed to see if the outcomes are still achievable and if there is any change in the viability gap. Building owners are being engaged to establish the status of their proposition and understanding of the anticipated timescales.</p>	
	<i>Strategic fit</i>	See Annex 1 at the end of this form.	
	<i>Proposed outcomes</i>	<p>Under the “Stronger” Strategic Outcomes of the SEP, the Front Door Scheme will deliver against “Enterprise” and “Employment”, by bringing back into use 7,893m² of vacant/underused commercial floorspace and 398 gross jobs.</p> <p>Under “Fairer”, construction tenderers will be required to submit Employment & Skills Plans. However, more detail is needed on what social outcomes this commits the contractor to.</p> <p>Contribution to ‘Greener’ objectives of the SEP claimed in the business case are currently unquantified (air quality/net zero) and will require further clarification at the next stage of business case development.</p>	
Value for Money			
<i>Core monetised Benefits</i>	£25,379 per net additional job £3.87m of GVA over 10 years Return of £1.64 per £1 of MCA investment	<i>Non-monetised and wider economic benefits</i>	22 gross additional housing units
Value for Money Statement			

Based on the information provided in Appendix A.4 and the 'note on outputs', the project is estimated to create 118 net additional jobs, at a cost of £25,379, per job to the MCA. The project is also estimated to generate £3.87m of GVA over 10 years. This equates to a return of £1.64 per £1 of MCA investment. Based on MCA investment VfM is acceptable.

The project is also estimated to deliver an additional 22 gross residential units with MCA investment. However, more detail is required at OBC stage to estimate the land value uplift. This would result in an additional improvement to the VFM position.

More detail is required at OBC stage to quantify and monetise the social and environmental impacts and benefits as part of the wider value for money assessment.

Risk

The top 5 risks as presented in the business case:

1. Capital Costs of delivering interventions are higher than budgeted for (Likelihood: Med / Impact: High)
2. Front Door Scheme dependent on private sector finance/timescales (Likelihood: Med/ Impact: High)
3. Co funding not secured (Likelihood: Low / Impact: High)
4. Construction disturbance (Likelihood: Med / Impact: Med)
5. Reputational risk associated with delays or non-delivery (Likelihood: Med / Impact: High)

Reasonable mitigation measures appear to be in place; however, risk impact for most items is high with a medium probability. This should be reviewed at OBC stage.

Delivery

Timescales need to be established. Most of the key milestones are to be confirmed.

Legal

A final 'Subsidy Control' opinion is awaited from the SCC Legal team. This will be shared with SCR when completed.

Annex 1 – Strategic Policy Fit

To what extent does the project meet the MCA's strategic objectives as set out in the of the MCA Corporate Plan 2021-22?

Outcome	Strategic Objective	R/A/G Rating	Comments
Stronger Achieve sustained good growth, underpinned by productivity gains that	Leading an economic transformation by: 1. creating not just a bigger economy but a better one: higher-tech, higher skill, and higher-value - backing wealth and job creators	R	
	2. enabling businesses to survive, adapt and thrive and be more innovative and resilient as we come out of the pandemic and resulting economic downturn	G	

exceed the UK average	3. stimulating local economies by investing in the infrastructure, transport and digital capabilities to create jobs and transform places	G	
Greener Drive forward environmental sustainability to achieve our net-zero carbon target by 2040	Leading a green transformation by: 4. decarbonising our economy, regenerating the natural environment and accelerating Net Zero Carbon transition	A	
	5. capitalising on technological and scientific capabilities to improve the resilience and quantum of clean energy supply, storage, distribution and usage	A	
	6. revolutionising transport, getting South Yorkshire moving by foot, bike, bus, tram and train	A	
Fairer Unlock prosperity by eliminating the wage gap and health inequalities between South Yorkshire and the national average	Leading a wellbeing and inclusion transformation by: 7. raising quality of life, reducing inequality, and widening opportunity for South Yorkshire people	A	
	8. equipping people to contribute to and benefit from economic prosperity	A	
	9. supporting people to improve their skills, get back to work, remain in or progress in work, or set up in business and thereby accelerate social mobility	A	

Part B - Recommendation and Conditions

Recommendation	Proceed to OBC
Payment Basis	
Conditions of Award (including clawback clauses)	
None	



Assurance Panel Summary

Scheme Details

Project Name	Sheffield Heart of the City 2 – Block A (Radisson Hotel and former Gaumont Building)	Type of funding	TBC
Grant Recipient	Sheffield City Council	Total Scheme Cost	£51.8m
MCA Executive Board	Infrastructure	MCA Funding	£3m
Programme name	Gainshare	% MCA Allocation	5.8%

Part A - Appraisal Summary

Strategic Case			
<i>Project rationale</i>	<p>Yes. MCA funds will contribute towards the construction of Block A including: demolition, façade retention and strengthening, construction of hotel and ground floor retail units, strip out and refurbishment of Gaumont building.</p> <p>No evidence of need or market demand for the project in terms of business or customer demand for hotel space has been provided, and there is already a large hotel operator (Mercure) located on the Peace Gardens. Evidence of demand in the business case is purely based on tenders received by hotel operators. In addition, no evidence is provided in terms of demand for the flexible commercial/leisure space or the retail units.</p> <p>Evidence of need for MCA funding is unclear. The business case explains why there is a funding gap, but not why it the MCA is the best/only funding option, or why the gap cannot be met by SCC, the private sector or other partners.</p>		
<i>Strategic fit</i>	See Annex 1 below		
<i>Proposed outcomes</i>	By regenerating Block A and delivering a high quality hotel in this prominent area, the project aims to attract new business to the city. It will also deliver commercial floorspace and bring back into use current vacant units. The project therefore aligns with the economic strategic objectives of the SEP (Enterprise & Employment) although the contribution is indirect and the project only acts as the catalyst to achieving these objectives. The project also includes initiatives that contribute to both social and environmental objectives of the SEP.		
Value for Money			
<i>Core monetised Benefits</i>	The full job creation potential of the project is not yet fully understood. however, based on the information provided in Appendix A, the project is estimated to create 227 net additional jobs (excluding construction jobs) at a cost to the MCA of £13,233 per net job created. Based on total public sector funding, cost per job is £227,291.	<i>Non-monetised and wider economic benefits</i>	<ul style="list-style-type: none"> Photovoltaic array at rooftop Hotel connected to Sheffield's Energy from Waste district heating network BREEAM target rating of Excellent Tenderers to submit Employment & Skills Plans

The project is also estimated to generate £44.7m of GVA over 10 years. This equates to a return of £17.71 per £1 of MCA invest, or £1.03 per £1 of total public sector investment.

- Liaison with local schools / colleges /universities – work experience / internship opportunities
- Obligation for hotel to implement Real Living Wage
- The procurement will comply with SCC's Ethical Procurement Policy

Value for Money Statement

Given the initial estimates provided, cost per job based on MCA investment alone provides acceptable value for money, but this is poor based on total public funding. More work is needed at OBC stage to develop more reliable and comprehensive value for money estimates.

Risk

Top 5 risks as identified in the SBC are:

1. Asbestos bitumen discovery to existing floor slab
2. Public Realm/Highways works
3. Construction Condition of existing buildings; over and above provisional sums incorporated within tender sums
4. Party Wall agreements & any associated works beyond provisional sums and areas allowed for
5. Ground conditions; over and above £60k provisional sums incorporated within tender sums

Risks 1 & 2 are presented as having High likelihood and Medium impact; however, both appear to have already happened and are therefore now issues, not risks. Risks 3 to 5 all have Medium likelihood and High impact and relate to project costs. Provisional sums for these items have been incorporated in the tender sum as mitigation.

Delivery

Project appears to be very advanced with start on site proposed for July 2021. If the viability of the project is based on MCA funds, which only account for 6% of the project costs, then this would seem unrealistic, given the project is currently at SBC stage.

Legal

The SBC states the proposed funding is not deemed to be unlawful subsidy control by the Council. No official legal opinion provided.

Annex 1 – Strategic Policy Fit

To what extent does the project meet the MCA’s strategic objectives as set out in the of the MCA Corporate Plan 2021-22?

Outcome	Strategic Objective	R/A/G Rating	Comments
Stronger Achieve sustained good growth, underpinned by productivity gains that exceed the UK average	Leading an economic transformation by: 1. creating not just a bigger economy but a better one: higher-tech, higher skill, and higher-value - backing wealth and job creators	R	
	2. enabling businesses to survive, adapt and thrive and be more innovative and resilient as we come out of the pandemic and resulting economic downturn	A	<ul style="list-style-type: none"> To create 51,000 sqft of modern/flexible commercial space for Retail and/or Leisure uses.
	3. stimulating local economies by investing in the infrastructure, transport and digital capabilities to create jobs and transform places	G	<ul style="list-style-type: none"> To improve the appearance of the building and façades to better sit within the prominent position in the Heart of the City To create a 154 room upper class Hotel To create 51,000 sqft of modern/flexible commercial space for Retail and/or Leisure uses. To bring back into use current vacant units To contribute to the city centre retail, hotel and entertainment offer
Greener Drive forward environmental sustainability to achieve our net-zero carbon target by 2040	Leading a green transformation by: 4. decarbonising our economy, regenerating the natural environment and accelerating Net Zero Carbon transition	A	<ul style="list-style-type: none"> Photovoltaic array at rooftop Hotel connected to Sheffield’s Energy from Waste district heating network BREEAM target rating of Excellent
	5. capitalising on technological and scientific capabilities to improve the resilience and quantum of clean energy supply, storage, distribution and usage	R	
	6. revolutionising transport, getting South Yorkshire moving by foot, bike, bus, tram and train	R	
Fairer Unlock prosperity by eliminating the wage gap and health	Leading a wellbeing and inclusion transformation by: 7. raising quality of life, reducing inequality, and widening opportunity for South Yorkshire people	A	<ul style="list-style-type: none"> Obligation for hotel to implement Real Living Wage The procurement will comply with SCC’s Ethical Procurement Policy
	8. equipping people to contribute to and benefit from economic prosperity	A	<ul style="list-style-type: none"> Creation of jobs: Estimated 567 FTE’s

inequalities between South Yorkshire and the national average	9. supporting people to improve their skills, get back to work, remain in or progress in work, or set up in business and thereby accelerate social mobility	A	<ul style="list-style-type: none"> • The requirement for construction tenderers to submit Employment & Skills Plans (needs to be understood what Social outcomes this commits the contractor to). • Liaison with local schools / colleges /universities (career talks, CV building, mock interviews, site visits and work experience/internship opportunities)
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Part B - Recommendation and Conditions

Recommendation	Procced to OBC
Payment Basis	
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <p>The following conditions must be included in the contract</p>	

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Project Name	Project Description	Change/s Requested	Justification
M1 J36 Phase 2 Goldthorpe	<p>The M1 J36 Phase 2 Goldthorpe contained the delivery of 3 work packages to deliver the necessary highway improvement works towards the eastern end of the M1 J36 Economic Growth Corridor (Goldthorpe).</p> <p>This Capital and Infrastructure project has delivered highway improvements to existing roundabouts Cathill, Broomhill and Wath Road (workpackage A), will facilitate the delivery of 72.9ha of proposed employment land (ES10). (Workpackage B) and will deliver a new roundabout/access into the proposed ES10 employment site. (Workpackage C).</p> <p>To Note, Work Package C (WPC) has recently received funding from the GBF programme (Scheme G0004).</p>	<p>Workpackage B – Delivery of Employment land ES10 - Completion delayed by 12 months (from January 2023 to March 2024)</p> <p>Workpackage C – New roundabout/Access to D1 employment site – Completion delayed by 12 months (from March 2022 to March 2023)</p> <p>Workpackage C - output changed</p> <p>As the 8000sqm of new/resurfaced access road to employment site ES10 is included as an output within both the LGF and GBF projects, it is proposed that it should be split between the two projects (4000sqm each) to avoid double counting</p> <p>Increased overall scheme costs</p> <p>Increase of £2,071,274 in total scheme costs (to be fully funded by BMBC and GBF Grant, no change to SCR LGF contribution)</p>	<p>BMBC Council have been successful in securing funding from the GBF programme, to support WPC – New roundabout/Access to Employment land, in addition there is an ongoing Masterplan exercise for the entire ES10 employment site, negotiations are ongoing with the landowners regarding the purchase of the land required to facilitate the access, and planning application is currently being prepared.</p> <p>An alternative proposal has been presented to the Council regarding the location of the site access which could positively impact on size of the development platforms able to be accommodated within the site. The Council has allowed the developer some time to undertake due diligence and provide the supporting evidence required to demonstrate the viability of the alternative proposal</p> <p>Therefore, taking into consideration the above, a consolidated delivery programme has been prepared incorporating all the different funding streams and associated milestone dates for all the different key components of the different schemes</p>

<p>Getting Britain Building Fund (GBF) Project Substitution Request</p>	<p>The interventions are:</p> <ul style="list-style-type: none"> • The acquisition of additional property on Fargate to support the objectives of committed FHSF investment. The funding will be used to white-box the properties for a curated programme of lets to support new and independent businesses and meanwhile uses. • Address the immediate issues resulting from the closure of JLP - this prominent vacant building has the potential to create a highly negative impact on the positive effects that the rest of the Future High Street Fund and Heart of the City is producing. Proposals for the use of the rooftop car park and exterior would bring vibrancy and animation to this important location. This includes a number of measures to address negative perceptions including a digital screen/projections which can be relocated to the top of Fargate once public realm works are complete. This alongside, Pop-up retail, food, community and training spaces on Fargate and Cambridge St / Barkers pool could be provided in temporary container units which act as an incubator for businesses which may relocate to Leah's Yard and Cambridge St Food Hall in the longer term • Heart of the City Shopfronts and white walling of units – the 	<p>To substitute the Sheffield City Council Parkwood scheme with a package of interventions which support current regeneration within Sheffield.</p>	<p>The original GBF bid submission included the “Parkwood” Scheme – due to delays MHCLG have agreed to allow a change to the programme and substitute the scheme with a package of interventions which support current regeneration investment but which can be delivered quickly by the March 2022 deadline.</p> <p>These measures are key to lessening the negative impact of the current outlook on letting of prime retail and office accommodation in HoC2 and further afield in the City centre. The interventions as proposed will increase footfall, support existing employers and safeguard jobs as well as creating opportunities for new and existing businesses.</p>
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	<p>current funding package for the project assumes that ground floor commercial units are built to shell and core only with future tenants responsible for completion. This is a very traditional approach, however it clearly increases costs to potential tenants and this can be particularly onerous to new start-ups. GBF funding will be used to 'white box' the units to enable meanwhile use, and support local businesses, increase the speed and amount of lettings and make the area appear more attractive and safer than if the ground floors are simply boarded up.</p>		
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Mayoral Combined Authority Board

20 September 2021

Budget and Business Plan Development 2022/23

Is the paper exempt from the press and public?	No
Purpose of this report:	Governance
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

Gareth Sutton

Gareth.sutton@sheffieldcityregion.org.uk

Executive Summary

This report provides an outline on the process for developing the budget and supporting business plan for the new financial year. The report notes the challenging environment in which this process is taking place, the policy decisions that will drive the financial strategy, and the need for engagement with partners.

What does this mean for businesses, people and places in South Yorkshire?

The MCA's financial plan, as manifested through its budget, provides the resource to deliver upon South Yorkshire's aspirations. The developing business plans and accompanying budgets will determine how, where, and to what level the MCA invests in the region in the coming years and will set out how that investment is to be funded.

Recommendations

- Note the budget and business planning process being undertaken within the MCA;
- Note the significant uncertainties shaping the process; and,
- Note the proposed approval timeline.

Consideration by any other Board, Committee, Assurance or Advisory Panel

None

1. Background

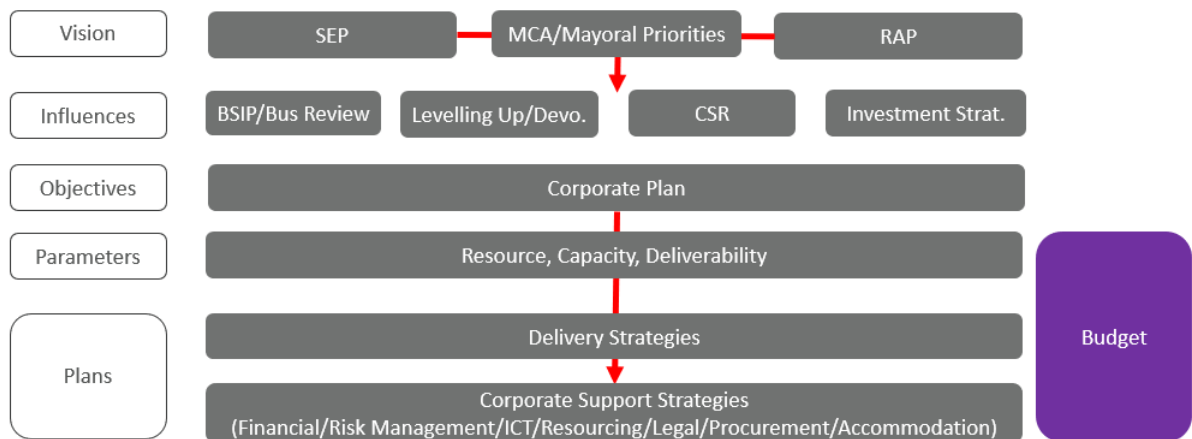
- 1.1 In common with other public bodies and local partners, the MCA Group is required to set a balanced budget each financial year. This budget must be approved by Members ahead of the new year and be supported by a medium-term financial strategy that takes account of forecast future expenditure, funding flows, and the requirements for use of reserves.
- 1.2 The budget represents the financial plan and is in turn derived from the Corporate Plan and service level Business Plans. Collectively, these plans set out a defined body of activity for the year, and the ways and means through which the MCA will deliver upon it.
- 1.3 Whilst significant organisational focus continues to be placed on the immediacy of the response to the pandemic, planning is now also underway across the MCA Group for the activity and resource required in the forthcoming financial year to allow the MCA to support South Yorkshire's transition to the post-pandemic environment.
- 1.4 In common with other partners, however, the MCA's ability to plan is constrained by significant uncertainties. Principally, the MCA's activity will be heavily influenced by the evolving trajectory of the pandemic, the ongoing governmental response, and the resultant impact on public finances. Alongside this, the MCA is meeting a number of generational policy and strategy choices that will shape both the role of the organisation and its means of delivery into the future.
- 1.4 As in the previous budget and business planning cycle, the MCA will undertake a Group wide process that allows for activity and resource to be both rolled up at the Group level and disaggregated to the single entity level as necessary. This will support the ongoing integration activity and better enable management of resource between SYPTE and the MCA Executive.
- 1.5 This report outlines the business planning process that will be undertaken and notes the challenges ahead. At this stage of the planning cycle the report does not contain proposals for the transport levy or other member contributions but does set out the engagement path that will help to inform those proposals.
- 1.6 Formal agreement will be required for the South Yorkshire Transport Levy at the MCA's meeting of the 24th January. Should one be proposed, the MCA will also need to consider a Mayoral precept by early February. The Board will be asked to consider final budget proposals in March.

2. Key Issues

MCA Group Business Planning Exercise

- 2.1 Building upon an inaugural exercise undertaken in the previous financial year, the MCA Group – consisting of the MCA Executive and the South Yorkshire Passenger Transport Executive (SYPTE) – have committed to undertaking an integrated business planning exercise for the forthcoming financial year.

- 2.2 This exercise will drive corporate focus on the objectives for the year, help shape activity plans, and allow for resource to be deployed to agreed priorities. On the back of this exercise a budget and medium-term financial plan can be set. An integrated approach across the Group will also support better alignment in planning and use of shared resource.
- 2.3 The business planning process is fed from the MCA’s anchor vision statements and influenced by a number of national policy issues such as the forthcoming Spending Review – in particular how it reacts to the state of public finances - and the evolving approach to devolution now framed within the Levelling Up agenda. Local policy issues such as the Bus Review and how it dovetails with the government mandated Bus Service Improvement Plans (BSIP) and approaches to the deployment of gainshare resource overlay these national issues and help shape how South Yorkshire will deliver locally.
- 2.4 The Corporate Plan, currently in development, will capture these issues and shape agreed objectives for the coming year. Parameters for delivery plans are then set by the financial resource available and organisational capacity. These issues determine deliverability – what can be achieved.
- 2.5 Within these parameters, delivery plans will then be developed by individual teams, in turn shaping the corporate support strategies. Collectively, these plans will then feed the budget requirements for the year.
- 2.6 The process can be exemplified as follows:



South Yorkshire Passenger Transport Executive (SYPTTE)

- 2.7 In the forthcoming financial year SYPTTE and the MCA Group will face the dual challenge of:
 1. Continuing to react to significant short to medium-term concerns around the commercial sustainability of the South Yorkshire public transport network; and,
 2. Meeting the longer-term implications of decisions that will be required in the Autumn around the Bus Service Improvement Plan (BSIP).
- 2.8 Whilst patronage on buses and tram has improved it is still short of commercially sustainable levels, currently running at around 60% of the seasonal average across both modes. Reduced patronage results in reduced revenue for the commercial operators and

increases the likelihood of services being withdrawn to the detriment of South Yorkshire's communities, businesses, and the recovery effort.

- 2.9 Patronage continues to be affected by a number of factors including passenger confidence; increased home-working; reduced social, retail, and leisure demand; and currently a lack of drivers and other personnel to service both bus and tram services.
- 2.10 To-date, lost-fare revenue has been mitigated by local and national interventions. SYPTE has continued to pay concessionary-fares at pre-Covid volume levels, whilst government has provided grant support directly to bus operators and tram support to the MCA. The MCA has further committed local resource to priming demand for services and supporting social mobility through the commitment of funding for a twelve-month 18-21 year-old concessionary discount and the roll out of a 25% discount for journeys over an eight-week summer period.
- 2.11 All these measures have supported the continuing provision of services at close to 100% of pre-pandemic levels and helped to increase patronage from the depressed levels seen earlier in the year. Maintaining the scale of the network before patronage returns to sustainable levels will, however, require an ongoing commitment from government to complement local measures.
- 2.12 At the time of writing government has committed to maintaining bus funding to the end of March 2022 on the condition that the MCA enters into BSIP processes. The MCA has committed to this, and so expects near term stability on bus support until the end of the financial year. Beyond this point is, however, unclear and whilst government have announced BSIP revenue funding it is uncertain as to what level and longevity, and on what condition, any support will be made available.
- 2.13 Government support for the tram network remains even less certain. To-date, support is only committed until the end of March 2022 with no successor funding stream identified at this stage. Opportunities may exist to lobby for a continuation of funding – in some form – through the Spending Review process. The continued differentiation in approach to government support for the bus and tram networks remains problematic when planning for local support.
- 2.14 In the event of a cessation or reduction in government support to operators before patronage recovers to sustainable levels, SYPTE is likely to see calls for increased local financial support. Such support will be difficult to achieve without significant change to the limited discretionary elements of the SYPTE budget, or recourse to reserves in the short-term and levy increases in the longer-term.
- 2.15 Accordingly, the ongoing commercial sustainability of the bus and tram networks will remain a key concern for the MCA over the forthcoming financial planning cycle. These macro issues are largely outside the MCA's direct control but will be strongly influenced by the local policy decisions that will be taken over the Autumn around the future of bus services and the MCA's role in the delivery of those services.
- 2.16 Previously approved Bus Review implementation work is now framed by the requirements of the BSIP activity, mandated by government as a precondition of access to continued bus funding. This workstream will support the MCA in determining how bus services should be run in South Yorkshire into the future, with the current crisis and the Bus Review findings providing a potential catalyst for change.

- 2.17 The options that will likely be presented to the MCA over the Autumn cover the potential for new relationships with operators with varying degrees of control, spanning enhanced partnerships (as a minimum) and franchising with alternative models between. Each option will require costing, with the likelihood that more aspirational options will require material investment.
- 2.18 Any such investment may attract support from the previously announced BSIP revenue funding but may also require material local contributions. The ability to meet this from existing levy resource is limited without the displacement of existing commitments and priorities. Accordingly, decisions taken in the Autumn will likely have a significant impact upon the financial strategy for the transport levy.
- 2.19 Decisions taken in the Autumn are likely to be a further factor in any considerations around the continuation or launch of further discretionary travel concessions in the new year. The existing time-limited concessions - launched in the current-year to prime demand and support mobility - are not funded beyond their current envelope. Whilst demand on the 18-21 concession has to-date been lower than forecast a truer view of longer-term demand will not be realisable until the return of students and pupils at the start of the new academic term.
- 2.20 In the new year SYPTE and MCA Group will also need to begin enacting plans for both the Mass Transit Renewal programme and the likely repatriation of operational tram responsibilities from 2024 onwards.
- 2.21 Whilst the MCA is hopeful that the cost of capital renewals can be met in the first instance through matching a modular investment approach to the new City Region Sustainable Transport Settlement (CRSTS) funding, a more pressing planning concern is the likely exposure to the financial risk and reward of operational services which over the last decade have been borne by Stagecoach under the long-term concession arrangement that ends in 2024.
- 2.22 In the new year the MCA will need to explore operating models that best allow it to maintain operations whilst limiting the financial exposure. Noting the existing commercial challenges in this market, for planning assumptions it will be prudent to assume that a commercial engagement similar to the existing concession will be difficult to achieve and that there will be a requirement for public subsidy.
- 2.23 Other challenges and risks facing SYPTE in the new year include, but aren't limited to, considering:
- How to respond to likely operator behaviour around the cost of concessionary fares once the current SYPTE commitment to paying on pre-pandemic volumes ends;
 - How to react to likely ongoing disruption to commercial income streams; and,
 - How to meet general inflationary pressures, which are now running ahead of previous planning assumptions.
- 2.24 All these challenges will be framed within the context of the existing financial strategy that is based on a gradual release of a finite 'levy reduction reserve'. This approach seeks to support partners' pressures by suppressing the need for levy contributions in the medium-term by releasing reserves as a bridge to a falling cost-base. Cost-base reductions are

achieved through the retirement of legacy debt, generating revenue savings from interest payments.

- 2.25 Whilst this strategy is likely to hold in the short-term under existing assumptions, the addition of new cost items, or an increase in cost of existing items from inflationary pressures, will place pressure on it in the medium-term and may precipitate levy increase requirements.

MCA/LEP

- 2.26 The activity of the MCA/LEP is largely driven by access to ongoing funding streams for the delivery of capital and revenue programmes. Other, non-programme activity, such as policy development, business support, inward-investment, communications, and the delivery of statutory functions, is funded from an irregular and often unpredictable mix of funding streams.
- 2.27 The ability to forecast which of these funding streams will continue, and/or to what quantum, in the new year represents one of the most prominent planning obstacles for the MCA in the current planning cycle. This uncertainty is exacerbated by the planned government Autumn Spending Review and government's review of LEPs nationally.

Whilst it is possible that the MCA/LEP will lose a number of funding streams which underpin investment and organisational resourcing, it is also likely that the MCA/LEP will have significant challenges in delivering at pace a number of time-limited capital investment programmes, continuing to deliver new revenue programmes, all whilst operationalising a new gainshare funded investment strategy.

Key financial challenges for the MCA/LEP in the new year include:

- Operationalising the new gainshare funded investment strategy
- Reacting to the government's latest Spending Review
- Adjusting the organisation to the potential loss of time-limited funding streams which cumulatively provide c.£1.5m in support to organisational costs including:
 - LEP capacity funding which has resourced core costs since 2014; and,
 - The Mayoral Capacity Fund grant which supports Mayoral Office costs.
- Delivering, at pace, an extensive capital programme including:
 - Existing commitments from:
 - Slipped gainshare activity;
 - Slipped Getting Building Fund activity;
 - Slipped and in-year Transforming Cities Fund activity;
 - Slipped and in-year Brownfield Housing Fund activity; and,
 - Slipped and in-year Active Travel Fund activity.
 - New allocations from:
 - Gainshare;
 - Levelling Up Fund;
 - Community Renewal Fund; and,
 - City Region Sustainable Transport.
- Delivering a growing body of revenue programmes, including:
 - The Adult Education Budget (AEB);
 - A Skills Bank successor programme; and,
 - Renewal Action Plan programmes funded from committed gainshare.
- Effectively forecasting income flows from commercial income streams sensitive to the economic recovery
- Managing the integration with SYPTTE.

- 2.28 Flexing organisational design to manage funding fluctuations such as those outlined above will be a fundamental challenge and re-emphasises the MCA's sensitivity to the vagaries of government funding and the volatility of commercial income streams.
- 2.29 Whilst the future of LEPs nationally remains uncertain it is prudent to assume that the core capacity funding received each year since 2014 (£0.50m) may not be received in the new year. Though the loss of that funding may not seem material in the context of the MCA's overall funding package it does represent c. 10% of the MCA's overall unrestricted revenue funding.
- 2.30 The loss of that funding coupled with ongoing uncertainty around Mayoral Capacity Funding (£1m) and volatility around the quantum of retained business-rates, rental income, and investment returns is a fundamental impediment to long-term planning and capacity building.
- 2.31 The MCA remains reliant on recharging into the programmes of activity it delivers to ensure that it receives a stable and consistent level of funding to discharge its obligations in delivering that activity. This reliance requires that - where funding conditionality allows –
–
the MCA recovers the incremental costs of delivering activity and affords itself a contribution towards overheads that it would not otherwise incur if it were not running programmes at the scale it does.
- 2.32 Whilst much of the MCA/LEP's financial position reflects its reliance on government funding decisions the receipt of devolution powers and funding offers South Yorkshire the opportunity to build up its own financial resilience.
- 2.33 Work is underway with partners to develop a new investment strategy concept that will afford the MCA and partners the ways and means to deliver on South Yorkshire priorities with South Yorkshire resource. The operationalisation of this concept in the new financial year will represent a key milestone in the region's devolution journey.
- 2.34 Negotiations continue with government around the agreement of a 'debt-cap': the necessary precursor to receiving the vires to be able to raise debt for non-local transport authority activity. Receipt of this new power will represent a new, critical tool in the MCA's financial armoury.
- 2.35 The deployment of gainshare gives the MCA the ability to complement government funding streams. This is particularly important when government funding is in scarce supply – as may be the case after the Spending Review – or when government priorities do not neatly match local ones. In particular, whilst the quantum of government funding for the MCA is currently at an all time high there remain gaps in the breadth of funding, with no resource available for business support curtailing the previously successful LGF activity.

Engagement

- 2.36 Following the practice used in prior years it is proposed that MCA Group officers conduct a series of one-to-one sessions with partners outside of the formal MCA cycle.
- 2.37 Initial financial planning sessions have been diarised with each of the South Yorkshire Directors of Finance in early September. These sessions will allow the MCA to better

understand partner pressures and aspirations and help shape partner thinking on matters such as the potential financial implications of the emerging BSIP and the operationalisation of the investment strategy.

- 2.38 More detailed budget assumptions will be prepared for the MCA Board in the November cycle. This will be informed by the publication of the initial BSIP in October, better information on concession demand, and better information on the likely outcome of the governmental Spending Review in the Autumn. At this stage, proposals will be brought forward to the MCA on levy and precept requirements.
- 2.39 Subject to the November Board levy and precept proposals will be developed with partners ahead of the January Board cycle.
- 2.40 Work with partners will continue on the gainshare funded investment strategy with a view to agreeing the shape of the strategy in January and the processes by March ahead of the new financial year.

Budget Approval Timeline

- 2.40 Under law, the South Yorkshire transport levy must be approved by the middle of February, and a balanced budget be agreed by the end of March.
- 2.41 The MCA will also need to consider a Mayoral budget and proposals for a Mayoral precept. The MCA must consider initial budget proposals by the 1st February and has until the 8th February to propose changes. Any precept must be agreed by the 1st March.
- 2.42 It is proposed to use the MCA's meeting on January 24th to formally consider levy and precept proposals. Should there be agreement at this stage, it is proposed that the full revenue budget and capital programme be approved at the MCA's meeting on March 22nd. Should there be dissension from the proposals for the non-transport levy budget in January, an additional MCA meeting may be required in February.

3. Options Considered and Recommended Proposal

- 3.1 **Option 1**
None the report.
- 3.4 **Option 1 Risks and Mitigations**
None.
- 3.13 **Recommended Option**
None the report.

4. Consultation on Proposal

- 4.1 Directors of Finance have been engaged in early September, whilst an engagement path is detailed in this report,

5. Timetable and Accountability for Implementing this Decision

- 5.1 Not applicable.

6. Financial and Procurement Implications and Advice

6.1 This is a financial report, the details of which are in the main body.

7. Legal Implications and Advice

7.1 None

8. Human Resources Implications and Advice

8.1 None

9. Equality and Diversity Implications and Advice

9.1 None

10. Climate Change Implications and Advice

10.1 None

11. Information and Communication Technology Implications and Advice

11.1 None

12. Communications and Marketing Implications and Advice

12.1 None

List of Appendices Included

None

Background Papers

None

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Mayoral Combined Authority Board

20 September 2021

Decisions & Delegated Authority Report

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Governance
Funding Stream:	Not applicable
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

Ruth Adams, Deputy Chief Executive

Report Author(s):

Lee Beevers

Lee.beevers@sheffieldcityregion.org.uk

Christine Marriott

Christine.Marriott@SheffieldCityRegion.org.uk

Executive Summary:

This paper updates the Mayoral Combined Authority on

- Decisions and delegations made by the MCA
- Decisions and delegations made by Thematic Boards

Recommendations:

Members are asked to note the decisions and delegations made.

List of Appendices Included

- A **Appendix A** provides details of the delegations agreed by the MCA, which are in addition to those made under the Scheme of Delegation.
- B **Appendix B** provides details of decisions taken under the delegation made to Thematic Boards and the subsequent delegations made to officers where appropriate. In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions have been ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board.

UI	Decision Maker	Date of delegation	Decision	Delegation	Delegated to	Financial value	Update	Status
127	MCA	27th July 2020	To enter into legal agreements with the four Local Authorities for their respective schemes for Phase 2 schemes.	Enter into legal agreements with the four Local Authorities for their respective schemes for Phase 2 schemes.	Head of Paid Service in consultation with the s73 and Monitoring Officer	upto £7.939m	In progress	Active
144	MCA	16th November 2020	Progression of Century BIC II to full approval and award of £2m grant to Rotherham Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary Table.	Progression of Century BIC II to full approval and award of £2m grant to Rotherham Metropolitan Borough Council	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£2m	Contract negotiation	Active
160	MCA	25th January 2021	Progression of Project 'Sheffield Heart of the City Breathing Spaces' to full approval and award £2m grant from the Transforming Cities Fund to Sheffield City Council subject to the conditions set out in the Appraisal Panel Summary.	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and the Monitoring Officer to enter into a legal agreement for the scheme.	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and the Monitoring Officer	£2m	Also see line 154. (TEB) Contract issued)	Active
162	MCA	22 March 2021	'Doncaster Town Centre Quality Streets' for consideration at the MCA (Mayoral Combined Authority) for award of £5.5m grant from the Getting Building Fund subject to the conditions set out in the Assurance Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£5.5m	Contract Negotiation	Active
171	MCA	22 March 2021	Progression of "A635 Active Travel Link OBC" to FBC and early release of development cost funding of up to £0.41m TCF2 to BMBC subject to the conditions set out in the Appraisal Panel Summary Table	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to agree an appropriate early release of development cost funding subject to the conditions set out in the Appraisal Panel Summary Table	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.41m	Contract Negotiation	Active
173	MCA	22 March 2021	Progression of "Parkgate" OBC to FBC and early release of development cost funding of up to £1m to South Yorkshire Passenger Transport Executive ('SYPTe') subject to the conditions set out in the Assurance Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£1m	grant letter issued	Active
174	MCA	22 March 2021	Progression of "Rail Station Improvements" OBC to FBC and release of development cost funding of up to £0.172m to SYPTe subject to the conditions set out in the Assurance Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£0.172m	Contract Negotiation	Active
176	MCA	22 March 2021	Release of scheme development cost funding for "Sheaf Valley" ATEF2 scheme, of up to £46k from ATF2 and Gainshare, to Sheffield City Council.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£46k	Contract Negotiation	Active
186	MCA	22 March 2021	Progression of "AEB – Grant Provider Agreements" to full approval and award.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements		In Contract Negotiation	Active
187	MCA	22 March 2021	Progression of "AEB Procurement Funding Agreements" to full approval and award.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£10.2m	contract negotiation	Active
204	MCA	7th June 2021	Progression of "Better Barnsley Market Gate Bridge" project to full approval and award of £4.8m grant to Barnsley Metropolitan Borough Council subject to the conditions set out in the Assurance Summary at Appendix A to the report	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£4.8m	Contract negotiation	Active
205	MCA	7th June 2021	Progression of "Doncaster Station Access OBC" to FBC and the release of development cost funding of £0.06m to Doncaster Borough Council subject to the conditions set out in the Assurance Summary at Appendix B to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.6m	Contract Issued	Active

206	MCA	7th June 2021	Progression of "Sheffield City Centre OBC" to FBC and the release of development cost funding of up to £1.4m to Sheffield City Council subject to the conditions set out in the Assurance Summary at Appendix C to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.4m	Contract negotiation / grant agreement in drafting stage	Active
207	MCA	7th June 2021	Progression of "Sheffield Kelham OBC" to FBC and the release of development cost funding of up to £1.3m to Sheffield City Council subject to the conditions set out in the Assurance Summary at Appendix D to the report	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.3m	Contract negotiation	Active
208	MCA	7th June 2021	Approved acceptance of the DfT Capability Grant for £1.09m.	Delegated authority to the S73 Officer in conjunction with the Head of Paid Service and Monitoring Officer to accept the grants subject to their acceptance of the terms of the agreement and enter into subsequent legal agreements.	Delegated authority to the S73 Officer in conjunction with the Head of Paid Service and Monitoring Officer	£1.09m	Awaiting grant acceptance letter - delayed by DfT	Active
211	MCA	26 July 2021	Delegated authority was sought to approve the Intra City Transport Settlement (ICTS) programme for submission by the end of August 2021.	Board approved delegated authority to the MCA Chief Executive Officer and Group Finance Director, in consultation with the Mayor, Leaders of the Local Authorities, private sector co-chair of the Transport and Environment Board, to develop a bid for the City Region Sustainable Travel Settlement to submit to DfT by the end of August 2021.			In progress	Active
212	MCA	26 July 2021	Progression of Doncaster Road, Dalton OBC to FBC and the release of development cost funding of £0.51m to Rotherham Metropolitan Borough Council subject to the conditions set out in the Assurance Summary attached at Appendix A to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£0.51m	In contracting	Active
213	MCA	26 July 2021	Progression of A61 Wakefield Road OBC to FBC and the release of development cost funding of up to £1.35m to South Yorkshire Passenger Transport Executive (SYPTe) subject to the conditions set out in the Assurance Summary attached at Appendix B to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£1.35m	In contracting	Active
214	MCA	26 July 2021	Progression of Tram Train Magna OBC to FBC and the release of development costs funding of up to £0.49m to SYPTe subject to the conditions set out in the Assurance Summary attached at Appendix C to the report.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	£0.49m	In contracting	Active

Delegations made by thematic boards

Appendix B

UI	Decision Maker	Date of delegation	Decision	Delegation	Delegated to	Financial value	Update	Status
151	Business Recovery and Growth Board	6th January 2021	The acceptance of the BEIS grant allocation of £136,050 for EU Transition Business Readiness Funding for Growth Hubs.	Delegated authority be given to the S73 officer in consultation with the Head of Paid Service and Monitoring Officer to enter into legal agreements for the schemes	Delegated authority be given to the S73 officer in consultation with the Head of Paid Service and Monitoring Officer	£136,050	In Progress	Active
152	Business Recovery and Growth Board	6th January 2021	Waiver Request for award of contract totalling £104,050 to Sheffield Chamber of Commerce.	Delegated authority be given to the S73 officer in consultation with the Head of Paid Service and Monitoring Officer to enter into legal agreements for the schemes	Delegated authority be given to the S73 officer in consultation with the Head of Paid Service and Monitoring Officer	£104,050	In Progress	Active
153	Transport And The Environment Board	7th January 2021	Progression of Rotherham Town Centre Active Travel Project Outline Business Case to Full Business Case and the release of up to £1,240,690 business case development cost funding to Rotherham Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into a legal agreement	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into a legal agreement	£1,240,690	contract issued	Active
156	Housing and Infrastructure Board	7th January 2021	Approved the revenue funding allocations set out in paragraph 2.5 for the Housing Fund (Brownfield) Programme Strategic Business Case (SBC) for accelerating the delivery of the 2021/22 pipeline schemes.	Delegate authority to the Head of Paid service in consultation with the Section 73 Officer and the Monitoring Officer to enter into legal agreement for the business development costs of pipeline schemes.	Delegate authority to the Head of Paid service in consultation with the Section 73 Officer and the Monitoring Officer	£40,300,000 capital £841,000 revenue	Contract negotiation	Active
157	Housing and Infrastructure Board	7th January 2021	The project 'Goldthorpe Strategic Land Assembly' for award of £0.580m grant from the Getting Building Fund subject to the conditions set out in the Appraisal Panel Summary.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.580m	Contract negotiation	Active
158	Housing and Infrastructure Board	7th January 2021	The project 'Active Travel Bridge' for award of £1.5m grant from the Getting Building Fund subject to the conditions set out in the Appraisal Panel Summary Table.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.5m	Contract negotiation	Active
161	Housing and Infrastructure Board	04 March 2021	'Barnsley Town Centre Public Realm – Peel Square' for award of £1.755m grant from the Getting Building Fund subject to the conditions set out in the Assurance Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.755m	Contract Negotiation	Active
163	Housing and Infrastructure Board	04 March 2021	'West Bar' for award of £0.655m grant from the Brownfield Housing Fund subject to the conditions set out in the Assurance Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.655m	contract issued	Active
164	Housing and Infrastructure Board	04 March 2021	'Malthouses' for award of £1.097m grant from the Brownfield Housing Fund subject to the conditions set out in the Assurance Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£1.097m	contract issued	Active
165	Housing and Infrastructure Board	04 March 2021	'Porterbrook' for award of £0.350m grant from the Brownfield Housing Fund subject to the conditions set out in the Assurance Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.350m	contract issued	Active
166	Housing and Infrastructure Board	04 March 2021	RMBC – Small Sites' for award of £0.434m grant from the Brownfield Housing Fund subject to the conditions set out in the Appraisal Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.434m	Contract Negotiation	Active
167	Education, Skills and Employability Board	02 March 2021	Approve progression of an extension and variation to the existing agreement with Calderdale College for the continuation of the Skills Bank.	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.79m	Grant Agreement in grafting stange	Active
189	Transport And The Environment Board	04 March 2021	Release of scheme development cost funding for seven schemes and progression to MCA for approval to release scheme development cost funding for one scheme, of up to £103k from ATF2 and up to £45k from Gainshare, to the four Local Authorities.	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with Section 73 and Monitoring Officer	£103k from ATF2 and up to £45k from Gainshare	Contract negotiation	Active
191	Transport And The Environment Board	04 March 2021	Progression of Manvers to Wath Cycle Route OBC to FBC and release of up to £31k business case development cost funding from TCF2 to Rotherham Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with Section 73 and Monitoring Officer	£31k	Contract negotiation	Active

192	Transport And The Environment Board	04 March 2021	Progression of Fredrick Street Walking and Cycling Route FBC to full approval for award of £0.50m TCF2, towards total projects of £0.92m to Rotherham Metropolitan Borough Council subject to the conditions set out.	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with Section 73 and Monitoring Officer	£0.50m	Contract negotiation	Active
193	Transport And The Environment Board	04 March 2021	Progression of A635 Active Travel Link OBC to MCA for approval to proceed to FBC and early release of development cost funding of up to £0.41m TCF2 to Barnsley Metropolitan Borough Council subject to the conditions set out in the Appraisal Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to agree an appropriate early release of development cost funding	Head of Paid Service in consultation with Section 73 and Monitoring Officer	£0.41m	Contract Negotiation	Active
195	Transport And The Environment Board	04 March 2021	Progression of Parkgate Package OBC to MCA for approval to proceed to FBC and release of up to £1.01m TCF2 business case development cost funding to South Yorkshire Passenger Transport Executive subject to the conditions set out in the Appraisal Panel Summary Table	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with Section 73 and Monitoring Officer	£1.01m	contract issued	Active
196	Transport And The Environment Board	04 March 2021	Progression of Rail Station Improvements OBC to MCA for approval to proceed to FBC and release of up to £0.17m TCF2 business case development cost funding to South Yorkshire Passenger Transport Executive subject to the conditions set out in the Appraisal Panel Summary Table	Delegated authority be given to the Head of Paid Service in consultation with Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with Section 73 and Monitoring Officer	£0.17m	contract issued	Active
200	Transport And The Environment Board	14 June 2021	Progression of Goldthorpe Active Neighbourhood Outline Business Case to Full Business Case and release up to £57k business case development cost from Active Travel Fund Phase 2 to Barnsley Metropolitan Borough Council subject to the conditions set out in the Assurance Summary attached at Appendix C to the report.	Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer enter into legal agreements.	Head of Paid Service in consultation with Section 73 and Monitoring Officer	£57k	Contract Issued	Active
210	Housing & Infrastructure Board	22nd June 2021	A report which requested the Board's approval of a BHF (Brownfield Housing Fund) scheme for the Allen Street brownfield housing scheme subject to the conditions set out in the Assurance Summary and to give approval for delegated authority.	Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.	Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.	£0.546m	contract negotiation	Active
197	Transport And The Environment Board	14 June 2021	Progression of Doncaster College to Doncaster Station Outline Business Case to Full Business Case and release up to £59k business development cost funding from Transforming Cities Fund Tranche 2 to Doncaster Metropolitan Borough Council subject to the conditions set out in the Assurance Summary attached at Appendix A to the report.	Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer enter into legal agreements.	Head of Paid Service in consultation with Section 73 and Monitoring Officer	£59k	contract negotiation	Active
209	Business Recovery & Growth Board	24 June 2021	A report was submitted which requested delegated approval to award contract(s) totalling £0.12m in relation to the peer Networks programme.	That the Board agree that delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreement/s for the Peer Network programme	delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.12m	Tender Evaluation in progress	Active
201	Housing & Infrastructure Board	22 June 2021	Allen Street' for award of £0.546m grant from the Brownfield Housing Fund subject to the conditions set out in the Assurance Panel Summary	Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements	Head of Paid Service in consultation with the Section 73 and Monitoring Officer	£0.546m	contract negotiation	Active