

MCA - MAYORAL COMBINED AUTHORITY BOARD

MINUTES OF THE MEETING HELD ON:

MONDAY, 15 NOVEMBER 2021 AT 10.00 AM

SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY,
11 BROAD STREET WEST, SHEFFIELD S1 2BQ



Present:

Mayor Dan Jarvis MBE (Chair)	SCR Mayoral Combined Authority
Councillor Chris Read (Vice-Chair)	Rotherham MBC
Councillor Terry Fox	Sheffield City Council
Councillor Sir Steve Houghton CBE	Barnsley MBC
Mayor Ros Jones CBE	Doncaster MBC

In Attendance:

Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Helen Kemp	Director of Business & Skills	MCA Executive Team
Dr Dave Smith	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
Gareth Sutton	Chief Finance Officer/S73 Officer	MCA Executive Team
Stephen Edwards	Executive Director - SYPTE	SYPTE
Felix Kumi-Ampofo	Assistant Director Policy and Assurance	MCA Executive Team
Gillian Richards	Minute taker	

Apologies:

Councillor Simon Greaves	Bassetlaw DC
Damian Allen	Doncaster BMC
Stephen Batey	MCA Mayor's Office

1 Welcome and Apologies

The Chair welcomed everyone to the meeting.

There were no apologies.

2 Announcements

Mayor Jarvis expressed disappointment in the Government Spending Review and the available funding announced for the region relative to the scale of what was needed.

There had been some positive news – the MCA had secured £570m in transport funding which would give the opportunity to begin the transport infrastructure work needed to encourage people out of cars and onto the

region's buses, trains and trams.

Levelling up fund submissions in Doncaster, Rotherham and Sheffield had been successful and the £8m of Community Renewal Fund secured, although not enough, would be spent on revenue projects.

Despite the ambitious Bus Service Improvement Plan submission, the reduced funding which had been allocated to bus improvements was disappointing as was the rejection of the MCA's bus focussed levelling up fund proposal.

Resources were also needed for the region to achieve net zero, and Mayor Jarvis expressed disappointment in government's response to the scale and urgency of the challenge.

Despite this, there were reasons to be positive, South Yorkshire had a range of translational assets that could put the region at the forefront of the technological response to the crisis such as hydrogen generation, nuclear fusion and mine water heating, sustainable manufacturing and aviation fuel and zero emission transport. It was vital that the region and the MCA seized all available opportunities.

3 Urgent Items

None.

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

Mayor Jones and Cllr Fox declared interests in respect of Item 14 with regard to schemes in their own council areas.

7 Reports from and questions by members

None.

8 Receipt of Petitions

None.

9 Public Questions

It was noted that two public questions had been received.

The following question was received from Green New Deal UK.

“The Secretary General of the United Nations has called the climate crisis a code red for humanity, and a thundering wake up call. Can the Mayoral Combined Authority look at itself in the mirror and honestly say that the ambition, scale and urgency of its current response matches up to this assessment? Professor Sir David King says the next 3-4 years will determine the future of humanity. What plans do intend to develop? What more is the MCA going to do?”

Mayor Jarvis replied that the simple answer to the question was no.

He commented that the global, national, regional and local responses did not yet match up to the scale of the crisis but the MCA were acting strongly on things within their remit. They were also looking at everything they did, both so that more could be done and so that delivery on net zero was not a niche concern but one that ran through all the work of the MCA.

Spending and investments were being reformed so that every penny created pressure on partners and clients to do their part to cut their emissions.

The MCA was investing in public transport to get people out of cars and the Bus Service Improvement Plan set out an ambitious vision to transform the service.

Hundreds of millions of pounds were being invested in an Active Travel Plan with the aim of creating a network of 640 miles of walking and cycling routes. A Woodland Creation Officer had been appointed to support ambitions for creating woodland and tree planting. The MCA had also made a strategic commitment to natural flood management.

In the next few months, the MCA would be determining the target spend per year for the next five years on decarbonisation measures and the principle that decarbonisation efforts were embedded across all MCA investment and spending.

Mayor Jarvis accepted that there were areas that could and must be improved and gave assurances that the MCA would do all that it could within the limits of its powers and resources.

The following question was received from South Yorkshire Freedom Riders.

“The self-financing £12 Metro Gold Card in Tyne and Wear has been a great success. It allows ENCT card holders to travel on Metro, the Shields Ferry and on Northern Rails services between Newcastle and Sunderland for free. It has health, social, environmental and local economy benefits including a £1m surplus from the scheme. The Freedom Riders previously raised the idea of a South Yorkshire Gold Card which would help compensate for the loss of train and travel benefits in 2014. Are there plans to implement a similar self-financing scheme for South Yorkshire’s 300,000 pensioners? If not, why not?”

In response, Mayor Jarvis commented that it was the MCA's ambition to encourage more people onto public transport and to enable pensioners and other groups to be able to travel more easily.

In direct answer to the question, it was worth noting that the situation in South Yorkshire was different to the situation in the north east. In South Yorkshire, rail services were predominantly operated by Northern Rail, whereas the Tyne and Wear Metro was owned and operated by the authorities in the area.

Officers had been asked to explore with Northern Rail what could be done to achieve a similar scheme in South Yorkshire and had been informed that this would require the MCA to meet the cost in full at a commercial cost that would be far more than the £12 charged on the Metro. Officers would continue to scope whether other arrangements may be possible.

The region's public transport system was still under enormous pressure and reliant on government funding. Any additional concessions would have to be at the expense of other concessions and investment to keep the system afloat. It was the duty of the Mayor, Leaders and MCA to make difficult decisions about what was done with the limited resources available.

More than £6m had been allocated to extend support for young people aged between 11 and 21 with the introduction of the Zoom Beyond pass and there were also a number of concession support schemes for the elderly, including a 50% discount on Northern Rail and the extension of ENCTS to the Supertram network.

Unfortunately, at the moment, without certainty on recovery funding from the government it was extremely difficult for any new funding commitments to be made although the situation would be kept under review.

10 **Minutes of the meeting held on 20 September 2021**

RESOLVED – That the minutes of the meeting held on 20 September 2021 be agreed as a true record.

11 **South Yorkshire Enhanced Partnership**

A report was presented which set out the necessary steps required to implement the MCA decision to enter into an Enhanced Partnership with Bus Operators across South Yorkshire.

The Board was reminded that the government's National Bus Strategy required all local authorities to submit a Bus Service Improvement Plan (BSIP) setting out ambitious plans to enter statutory arrangements with either an Enhanced Partnership or franchising to govern services in its area. It was noted that receipt of future financial support from government was conditional on one of these forms of governance being in place.

The MCA had submitted an ambitious BSIP to government on 29 October 2021 setting out the regions ambitions for bus services and building on the Bus Review.

The paper considered was a technical paper formally moving to the Enhanced Partnership process and commencing consultation, firstly with the Bus Operators followed by the public in the new year. The Enhanced Partnership Plan was attached at Appendix A.

It was noted that current funding uncertainty precluded agreeing a substantive investment programme but there remained the means to vary the scheme in the future as further funding became available.

The interventions and operator requirements proposed were set out in Appendix B and had been drawn from existing MCA/Operator funding commitments.

Cllr Read welcomed the paper and the positive steps being taken. The BSIP set out a number of practical real improvements for bus travellers across South Yorkshire and came after a number of tough years since deregulation. Whilst this was not a decision regarding franchising it was about moving forward in the right direction and was also a challenge to the Operators to step up to meet the ambitions contained within the BSIP.

Mayor Jones also welcomed the paper but stressed the need to see base levelling-up. There was a perception that Doncaster had less bus shelters than other regions and the most aged buses in service; this needed addressing.

S Edwards acknowledged the point and commented that the Enhanced Partnership Scheme was the first step to address the issues, subject to the availability of funding.

RESOLVED – That the Board:

- i) Approve the content of the Enhanced Partnership Plan at Appendix A.
- ii) Approve the proposed inclusion of the activities outlined in the Enhanced Partnership Scheme Summary Table (Appendix B), for formal inclusion in the Scheme.
- iii) Approve the content of the Enhanced Partnership Scheme at Appendix C.
- iv) Approve giving Notice to Operators of the proposal to mask an Enhanced Partnership Plan and Scheme.
- v) Approve the intention to give public notice and consult on the Enhanced Partnership Plan and Scheme.

12

2021/22 Budget Revision 2

A report was considered which provided revised Group budget forecasts to the end of the financial year 2021/22,

The report sought formalised approval for the deployment of some highways

maintenance funding and the final tranche of the Additional Restrictions Grant.

It also sought approval for officers to accept a debt-cap from HM Treasury which represented an important step in the devolution journey.

The mid-year budget revision exercise, which had been undertaken at the end of September 2021, had highlighted a number of notable issues that would influence the MCA's financial position over the remainder of the year, as well as planning for the medium term. These were detailed within the report.

RESOLVED – That the Board:

- i) Adopt the revised budget estimates.
- ii) Note the slower than forecast pace of the capital programme.
- iii) Approve the final distribution of Additional Restrictions Grant funding.
- iv) Approve the distribution of the excess Highways Maintenance grants received.
- v) Consent to borrowing powers for all functions of the MCA and approve the acceptance of the debt-cap of £171m for the year ending March 2022.

13 **Autumn Budget and Comprehensive Spending Review - Implications for the MCA**

The Board considered a report which provided a summary of the recent Budget and Spending Review, looking at the impact on South Yorkshire and considering the implications for the MCA.

The report contained details of the main funding announcements relevant to the MCA which included Transport Investment, the Levelling Up Fund, UK Community Renewal Fund and UK Shared Prosperity Fund.

It was felt that, despite some welcome funding announcements, there was a clear lack of funding – particularly regional investment – and devolution to make levelling up a reality, although it was recognised that the Levelling Up White Paper may redeem the situation.

The report also gave details of financial implications for the MCA.

It was felt that the Chancellor opting to impose limits on borrowing for day-to-day expenditure was significant as it could mean tightening/ongoing scarcity of revenue funding for MCA activity.

The Board noted that the government's successor to EU structural fund (which the government had promised to match) only amounted to £1.3bn for the first three years compared with c£1.5bn/year from the EU structural funds. This meant that SYMCA was unlikely to receive the funding it needed for the next few years.

Cllr Houghton commented that Barnsley had received nothing from the Levelling Up Fund which meant that the borough was in a minus position in terms of investment in its communities.

On a wider basis, local government had been promised just over £4bn next year which was welcome, but in the subsequent two years the funding was flat. In reality, the extra funding would not cover the rising costs of social care and children's services.

Cllr Houghton further commented that the Shared Prosperity Fund, which replaced EU funding, had been guaranteed for the three UK nations and Cornwall. South Yorkshire had benefitted substantially in the past from the EU funding and would have continued to do so at an increased level given that South Yorkshire's GDP level had fallen below the 75% European average. He suggested that a letter be written to Ministers objecting to the ring fencing for certain areas and emphasising the promise made that the previous EU funding would be matched and that no-one would be worse off after Brexit. He also suggested that all South Yorkshire MPs be requested to sign the letter.

This was agreed.

Mayor Jones agreed with Cllr Houghton's points and commented that if the distribution of the Community Renewal Fund was to be repeated on the allocation of the Shared Prosperity Fund, it would represent a major shift in resources to southern England and away from many places in need of levelling up. The government needed to be seen to fulfil their promises with regard to levelling up.

RESOLVED –That the Board:

- i) Note the report.
- ii) That a letter be written to Ministers regarding the distribution of the Shared Prosperity Fund as detailed above and that all South Yorkshire MPs be asked to sign the letter.

14 **Programme Approvals**

A report was presented which requested the progression of seven schemes, early release of development cost funding subject to conditions to be set out in the Assurance Summaries and delegated authority to enter into legal agreements for the schemes.

The report detailed the results of the assurance processes undertaken on three proposed business investment totalling c£12m.

The report also recognised that, whilst all three proposals met the threshold for consideration for investment, there was currently insufficient headroom within the MCA's residual LGF allocation to support all proposals. The report requested that the Board approve all proposals on their technical merit, consider how the balance of the LGF funding be deployed and consider

whether alternative funding could be used to support the balance of proposals, for example Gainshare.

Recognising the potential for further investment opportunities to arise by January and beyond, the report recommended that the Board authorised officers to develop a decision-making framework to support future decisions and give officers the licence to discuss more sustainable means of investment with prospective applicants beyond grant interventions.

RESOLVED – That the Board approve:

- i) Progression of “D0004 – R&D 2025” to full approval and award of £4.8m grant to a Sheffield based company subject to funding being available and the conditions set out in the Assurance Summary at Appendix A1.
- ii) Progression of “D0011 – Manufacturing, Research and Development” to full approval and award £2m grant and £3.2m loan to a company looking to locate in South Yorkshire, subject to funding being available and the conditions set out in the Assurance Statement at Appendix A2.
- iii) Progression of “D0003 – Accelerate” to full approval and award of £1.98m grant to a Rotherham based company, subject to funding being available and the conditions set out in the Assurance Statement at Appendix A3.
- iv) Progression of “West Doncaster Active Travel” from OBC to FBC and release of development cost funding up to £0.05m to Doncaster Borough Council, subject to the conditions set out in the Assurance Summary attached at Appendix B1.
- v) Progression of “050 Sheaf Valley Route” from OBC to FBC and release of development cost funding of up to £0.05m to Sheffield City Council, subject to the conditions set out in the Assurance Summary attached at Appendix B2.
- vi) Progression of “City Centre to Attercliffe and Darnall Active Travel” from OBC to FBC and release of development cost funding up to £1.2m to Sheffield City Council subject to the conditions in the Assurance Summary attached at Appendix B3.
- vii) Progression of “Park Hill Phase 4” project from OBC to FBC to Sheffield City Council subject to the conditions set out in the Assurance Summary attached at Appendix B4.
- viii) Commitment of Gainshare funding to support schemes 1-3 presented that cannot be progressed from the residual LGF allocation.
- ix) Development of a decision-making framework to support consideration of future investments.
- x) 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, subject to funding being available.

15

Integration Update

A report was submitted which provided an update on the programme of activity being undertaken to create a single integrated MCA organisation able to respond to the challenges and opportunities for South Yorkshire.

The report set out the timescales that were being worked to, to achieve a fully integrated executive by the end of financial year. It was noted that the timing of the Order to dissolve the PTE was a decision of government and there was potential for a delay. However, planning was due to commence to ensure that if the Order was not passed in time, the integration could largely be enacted with some minor workarounds due to the PTE legally remaining.

Section 2.2 of the report outlined the activity undertaken to date and the report also contained details of the next steps that were in immediate focus.

Section 2.4 outlined the governance arrangements around the integration process particularly the role of the Audit, Standards and Risk Committee and its Advisory Panel to scrutinise the plan and associated risks.

RESOLVED – That the Board approve the update on the integration process as set out in the report.

16

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 Thematic Boards.

RESOLVED – That Members noted the decisions and delegations made.

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

Signed

Name

Position

Date