

Public Document Pack



Wednesday, 1 September 2021

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

NOTICE OF MEETING

You are hereby invited to a meeting of the Sheffield City Regional Local Enterprise Partnership to be held at **virtually** on: **Thursday, 9 September 2021** at **11.00 am** for the purpose of transacting the business set out in the agenda.

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

Dr Dave Smith
Chief Executive



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

Member Distribution

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

MCA - Local Enterprise Partnership

Thursday, 9 September 2021 at 11.00 am

Venue: Virtually



Agenda

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MCA - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

THURSDAY, 1 JULY 2021 AT 11.00 AM

MICROSOFT TEAMS



Present:

James Muir (Chair)	Private Sector LEP Board Member
Nigel Brewster (Vice-Chair)	Private Sector LEP Board Member
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Gemma Smith	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Karen Beardsley	Private Sector LEP Board Member
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Dan Fell	Doncaster Chamber
Councillor Chris Read	Rotherham MBC
Mayor Ros Jones CBE	Doncaster MBC
Councillor Terry Fox	Sheffield City Council

Officers 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
Andy Gates	Assistant Director - Strategic Corporate Affairs	MCA Executive Team
Helen George	Assistant Director - Skills & Employment	MCA Executive Team
Jenny Holmes	Assistant Director for Strategic Transport	MCA Executive Team
Felix Kumi-Ampofo	Assistant Director Policy and Assurance	MCA Executive Team
Sue Sykes	Assistant Director - Programme and Performance Unit	MCA Executive Team
Daniel Wright	Head of Communications & Marketing	MCA Executive Team
Melanie McCoole	Minute Taker	

Apologies:

Cathy Travers	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority

1 Welcome and Apologies

The Chair welcomed everyone to the meeting.

Apologies for absence were noted.

2 Declarations of Interest

B Adams declared an interest in relation to the Mayoral Update, as the report made reference to the support for the Union Learning Fund.

There were no other declarations of interest.

3 Notes of Last Meeting

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

4 Questions from the Public

None.

5 Economy Presentation

Members received a presentation from F Kumi-Ampofo regarding the South Yorkshire economy, which continued to bounce back from the COVID-19 pandemic. The full devastating impact and social effects of the pandemic were still unfolding. As South Yorkshire was not predominately reliant upon the hospitality and tourism sectors, it had been sheltered from the worst effects of the pandemic. However, it was considered that those individuals that had previously been disadvantaged or high at risk, were now likely to be in a much worse off position.

Members noted the increase in the number of jobs that had been posted in Barnsley over the past couple of months. The smaller towns had tended to increase the number of job postings being made due to the nature of the vacancies i.e. warehouse and distribution. With the exception of Sheffield, the number of people working from home in South Yorkshire was lower than the national average. The proportion of employed individuals within South Yorkshire that had been furloughed had been much lower in comparison to the national average. Data had indicated that the region was above the national average for unemployment at 5.4% in comparison to 4.6% for the UK. However, Barnsley almost matched the national rate for unemployment. There was a significant challenge regarding youth unemployment within the region. The majority of individuals that had been furloughed due to the pandemic were now returning back to employment. However, the Bank of England had predicated approximately 500,000 individuals would not have a job to return to, once the furlough scheme had concluded. The lowest paid individuals within

the economy were moving into new jobs and into new industries. Recruitment problems were being encountered within some sectors. Although there had been a decrease in the proportion of mid and low ranking jobs within the labour market pre-pandemic, this had been accelerated during the last year. A growth in demand had been encountered for the higher level skill occupations.

The pandemic had significantly impacted upon the number of people using public transport. The volume of traffic on the road network had either returned to pre-pandemic levels or was higher. Data had indicated that the emission levels had returned to pre-pandemic levels.

Members were referred to the people issues, which had been discussed as part of the Strategic Economic Plan. The challenges that had been highlighted from the data had remained and had been exacerbated by the pandemic. The data had indicated that individuals with special educational needs, free schools meals or living in deprived areas with low income levels had a much higher school absence rate. South Yorkshire had more areas of deprivation in comparison to the UK national average.

There had been an increase in the number of high street shop vacancies. However, the standalone sectors i.e. convenience stores and small shops within village high streets had improved. In comparison to the city centres, villages continued to hold a steady position in terms of the vacancy rates. Yorkshire and the Humber had the fifth lowest increase in terms of vacancy rates across the country.

Those businesses that had been able to move their processes and delivery onto an online platform had been able to adapt quicker and better to the pandemic. Focus would be given to support the smaller businesses to enable them to utilise e-commerce. The demand for real estate was expected to fall more over the coming years.

In 2020, the pandemic had driven a major economic disruption which had led to a 10% contraction within the UK economy, which had been the largest observed in the UK for 300 years.

Members noted the need for a greener economy by addressing the climate emergency. There was also a need for a fairer economy for those most at risk and disadvantaged i.e. younger people, lowest paid within the society, self-employed, hospitality, non-essential retail, women, parents with young children and ethnic minorities.

Data had indicated that Doncaster was the tenth highest place within the UK where people were most likely to be pushed into debt. Careful thought was required to provide support and interventions to those most in need of help.

J Muir commented that the priorities within the Strategic Economic Plan remained valid, and the submissions that had been made to last year's spending review and the Renewal Action Plan all contained and reflected the priorities, which would merit both scrutiny and action to the points raised within the presentation. He highlighted the need to give focus to the particular challenges to resolve the inequalities within the region that had been

exacerbated by the pandemic.

P Kennan queried where the limited resources for public transport should be targeted to point to the growth opportunities, and to what extent this was being fed into the Bus Improvement Plan.

F Kumi-Ampofo commented that it was too early to determine the position through the projections. He considered that even if there was a hybrid approach to remote working, this would lead to greater problems for the districts, towns and villages in terms of the urban centres. He suggested that the Board should consider the role faced by the key urban centres. It was noted that the transport decisions would need to be facilitated to accommodate that working trend. He suggested the need to pause, to ensure that the projections were the start of a trend. He was working with colleagues in relation to the Bus Improvement Plan.

J Muir commented that the projections were based upon extrapolations, to which the Board had an opportunity to make interventions.

In relation to the trends on emissions, Professor Husbands considered that the impact of the pandemic had a massive effect on the labour market and the emission levels were starting to return. He considered that securing both a greener and fairer recovery would be extra-ordinarily difficult to secure. He suggested the need to consider whether there was a requirement for further interventions on greener and fairer issues.

K Beardsley referred to the decline in the lower skilled jobs which had been accelerated as a result of the pandemic. She queried whether all of the interventions were in place to ensure that the 18 – 24 year olds acquired all of the relevant skills that were required by employers.

J Muir commented that the largest priority was to retrain and provide individuals with the correct skill sets. He made reference to a number of jobs that had been advertised within the SCR Team, one of which had been advertised three times due to not being able to acquire the correct skill set. There was a need to raise the skill sets to match the economic demand.

Councillor Read echoed the comments made. He considered that this was a very important piece of work for the LEP, to be clear of the interventions that could be made given the resources and influences of the Board, which over time could be matched with the economic reality. He requested that the matter be brought back to a future Board meeting.

J Muir considered that the issue should also be considered at the thematic board level. He suggested that the Board should look at the green agenda and the findings of the report presented today together with some of the initiatives that had been considered at the Business Growth Board, to consider other forms of green energy and how it could deliver a substantial reduction in CO² emissions. Members noted that some of the areas within South Yorkshire were amongst the sixth worst places of the UK pre-pandemic for air quality, together with a steel industry which contributed to over 20% of UK initiatives. He expressed his thanks to F Kumi-Ampofo for presentation given, and he wished

to discuss the matter with him further off line, with a view to the Board discussing the matter on a more frequent basis.

RESOLVED – That the Board discussed the key issues raised by the presentation and considered what actions may be necessary to grow an economy that worked for everyone.

6 **Report on Public Transport**

A report was submitted which provided an overview of the key opportunities and challenges facing public transport in South Yorkshire, together with the Government's public transport policies and funding streams to deliver improvements.

M Swales referred to the three broad policy issues and the context for public transport changes. There had been a number of public transport challenges in South Yorkshire pre-pandemic in relation to the commercial operation for the bus network, the tram system and awaiting the major announcements for trains with the Improving the Rail System (IRP). COVID-19 recovery was now a key policy context, which had impacted on the local patronage around bus and tram use and the funding received by the Government to provide support, together with the uncertainty for future funding. Members were referred to the levelling up growth agenda which had produced a number of funding opportunities, but was a politically challenging agenda regionally to ensure that the region was well represented in making its case for levelling up and to receive its funding and support.

Members noted the following key points:-

- The Government had announced the National Bus Strategy, with a requirement for a Bus Service Improvement Plan to be developed by autumn 2021. The Bus Review had highlighted the major financial infrastructure challenges faced around bus and tram.
- In relation to rail, the IRP was still awaited from the Government. There were a number of large impacts for South Yorkshire which included the Manchester Rail Recovery task force, which had been established post the 2018 challenges, with the system coming to a halt through the Manchester Interchange and its effect on South Yorkshire using the direct link to Manchester Airport.
- The details of the HS2 eastern leg were still awaited and would be included within the IRP, together with the significant potential leverage of growth opportunities for South Yorkshire and other parts of Yorkshire and the whole eastern leg.
- The tram concession would conclude in 2024, and a forward look was required to determine what the response would be together with the commercial considerations. Consideration was also required to the tram which was now reaching the end of its rolling stock.
- The Government Gear Change Strategy that had been announced in 2020 now faced a large emphasis on active travel. South Yorkshire had made a very strong commitment to active travel.
- The Levelling Up Fund had been quickly announced, and the MCA had submitted a bid for £50m in June 2021, which focused on improving the

- public transport passenger experience.
- Work was underway with the local authority partners to develop the South Yorkshire proposal for the Intra-City Transport Settlement (ICTS), to make a submission by the end of July 2021. However, the terms of reference guidance was awaited from the Government.

Professor Petley referred to the commitment for all vehicles to have zero emission by 2035. He queried the position in relation to the development of the charging infrastructure.

M Swales commented that the charging infrastructure was broken down into various areas i.e. how this could be undertaken for public transport and the limitations for technology, public charging and home charging. Consideration had been given for public transport and charging, which had formed part of the LUF bid and ICTS. M Swales' colleagues at the PTE were currently reviewing the Government's Zebra Fund. There were limitations to the bus capability in terms of electric vehicles; the layout of Sheffield still presented a number of challenges. Work was underway between the local authorities to ascertain what could be undertaken to provide support for the roll out and to make funding applications. A report had been presented to the last MCA meeting in relation to public charging infrastructure, where there would be a significant investment. It was hoped that this would be rolled out to each of the localised authorities as a standardised approach. Home charging was in its early stages of consideration and further work was required.

Councillor Fox referred to the pressures faced by SCC in relation to the tram, and he queried the opportunities through the ICTS funding. He referred to active travel, some of which had been implemented within Sheffield, and he suggested that consideration should be given to all of the options for opening this up and to consider the policy of the COVID-19 recovery.

D Fell referred to the long term catalogue of aspirations that were trying to be delivered. There was a need to make a case for public transport again within the communities of South Yorkshire. He queried whether there was a risk in trying to achieve this, and whether there were any emerging thoughts as to how this could be tackled to ensure that the demand was there.

M Swales commented that attempts would be made to exploit every opportunity in terms of the ICTS to support the public transport agenda. Discussions were underway between the local authorities regarding the future of tram investment, whilst giving consideration to the future of the tram and to sustain the current infrastructure. There was a need to push the active travel agenda whilst having the correct balance in terms of the economic recovery. It was anticipated that the Government would shortly publish the carbonisation agenda. A united position was being taken by P Kennan, the LEP Board, Leaders and Mayor Jarvis MBE to push and make the case for public transport investment, and to seek out and respond to every funding opportunity that was available. The PTE was undertaking a high volume of work in an attempt to gain the public's support to the public transport agenda.

P Kennan expressed his thanks to M Swales for presenting the report, and to the whole transport team for their diligence and commitment during this

challenging time. He requested an update in relation to the Bus Review and the integrated planning housing policy, which related to ensuring that the bus service was thought about during the decisions on future development, in particular when new employment sites were situated near high volume/frequency bus routes. In relation to the messages regarding the safety of public transport, he queried whether there was anything that could be undertaken more closely with the Directors of Public and Health and through the PTE to convey the message to all possible channels. He suggested that focus should be made to integrated smart ticketing, as a key area to increase the patronage of buses.

In terms of the integrated planning housing policy, M Swales referred to the work undertaken with colleagues across the MCA. He suggested that careful consideration should be given to contacting the Directors of Public Health, with a view to them supporting the messages regarding the safety of public transport. He added that Mayor Jarvis MBE and the Leaders had all requested consideration be given to the different ways in which the public within South Yorkshire could be encouraged to return back onto public transport.

B Adams appreciated the work being undertaken. He considered the need to be slightly more ambitious in what was envisaged to be achieved in Sheffield, whilst keeping a radical approach for public transport.

J Muir commented that the challenge for transportation in South Yorkshire was the level of car usage. He appreciated and observed the huge amounts of effort undertaken to optimise the different elements of the public transport system. However, he queried how this linked up to tackle the problem of car usage, the contributing factors and initiatives to achieve a reduction. He hoped that consideration would be given to hydrogen buses. He did not observe an overall umbrella to tackle the fundamental issue of reducing car usage.

M Swales referred to the need for short, medium and long term approaches to be applied. Some of the short term approaches had recently been flagged up by the local communities. Members were referred to the very planned and logical approach that would be considered politically, to determine what was the best option for South Yorkshire.

Mayor Jones CBE commented that this related to reliability and coverage of the public transport network. Doncaster had the largest hectare coverage in South Yorkshire, and therefore many people were unable to use public transport for the whole of their journey. She considered that the solutions addressed all of the points raised.

J Muir added that the level of investment that was requested was reliant upon Government funding. He expressed his thanks to M Swales, his team and P Kennan for all of their efforts. He hoped that public transport issues would be discussed at a future LEP Board meeting.

RESOLVED – That the Board discussed the current context for public transport planning and how public transport investment could contribute to the delivery of the Strategic Economic Plan.

Skills Programmes

A report was presented which provided an update for the LEP Board across the range of the MCA skills and employment activity. The report reflected upon the discussion at the Education, Skills and Employability Board meeting held on 15 June 2021 and included a number of the decisions and actions that had been agreed at that meeting. An overview of the previous decisions and work that was already in train were provided within the report, together with updates on the two LEP programmes – Skills Bank and the South Yorkshire Careers and Enterprise Company Hub (formally Enterprise Advisor Network).

Councillor Read commented that he was happy with the recommendations outlined within the report. He requested an update on the South Yorkshire Jobs Fund, in terms of its development and a timeline as to when this may become operational.

H George referred to the small group that was being established to drive forward the South Yorkshire Jobs Fund programme and to provide strategic direction; the group would meet in July 2021. Soft market testing would shortly commence to establish how the payments could be made. Funding had been made available through the gainshare. It was envisaged that a pilot testing phase would be undertaken during autumn 2021, dependent upon the results of the soft market testing.

In relation to the economy presentation that was made at today's meeting, J Muir commented that many of the programmes had been created and implemented on the back of the RAP. He queried whether this was enough in terms of the scale of funding to address the skills issue.

H George considered that there was not enough funding. For example, Members noted the huge amount that could be undertaken for the apprenticeships through the gainshare funding and working with the apprenticeships levy. There was a need for a good robust strategy to be implemented.

J Muir queried whether the programmes should be undertaken on a much larger scale, or whether there was a need for supplementary programmes.

N Brewster commented that some of the employers could cease their training budgets, and therefore the Skills Bank was the most sensible option. Members noted the work underway to develop a task force approach to support redundancy and the development of the South Yorkshire Jobs Fund. The Skills Strategy would be developed to work both quickly and deliberately with a focus on the future. He expressed concern that this related to the education, skills and employability thematic area.

Members noted that the matter would be considered at the thematic board, and a more lengthy discussion would ensue at a future LEP Board meeting.

In relation to the South Yorkshire Job Fund, B Adams considered that it could be beneficial for the LEP Board to have an input onto the steering committee with the local authorities' employer representatives, in relation to influencing the

training and skills needs of businesses across South Yorkshire.

H George was happy for B Adams to sit on the SCR Skills Board for Redundancy.

J Muir gave thanks to H George for the presentation and the useful discussion, with a view to her coming back to a future LEP Board meeting.

RESOLVED – That the Board:-

- i) Noted the update on devolved Adult Education Budget commissioning.
- ii) Noted the proposals for the development of a South Yorkshire Skills Strategy.
- iii) Noted the update on Careers Advice and Guidance.
- iv) Approved the development of a full specification for the next iteration of Skills Bank based on the recommendations of the ESEB covering the principles, economic and social value outcomes and the operating model which were set out at Appendices C and D to the report.
- v) Noted the proposal for a Task and Finish Group to consider skills support for redundancy.
- vi) Noted the update on the proposed South Yorkshire Jobs Fund programme for those unemployed for 6 months.

8 Rebranding and Name Change

A report was submitted following the agreement made in principle at the MCA meeting held in January 2021 to the rebranding of the MCA which would reflect the organisation's core business and decision making that primarily affected South Yorkshire. At the MCA meeting held in June 2021, it had been agreed to rename the organisation to the 'South Yorkshire Mayoral Combined Authority' and the office of Mayor's title to be changed to 'Mayor of South Yorkshire'. This would provide an opportunity for the MCA, LEP and MCA Executive to review its strategy and ambition to promote South Yorkshire to potential investors, talent and visitors.

Members received a presentation from D Wright, and the following points were noted:-

- Significant work was underway amongst the South Yorkshire local authorities to attract visitors and investment of talent to the region. One of the issues faced on a regional basis was that this had not been joined up or amplified and that it was partially incomplete. The challenge to be overcome was in relation to the specialisms, as there was not a true understanding of the people trying to be reached or their preconceptions of South Yorkshire.
- The brand needed to reach, influence and engage with a broad range of audiences i.e. residents of South Yorkshire, the business community and investors, students and skilled workers, Government ministers and policy makers.
- There was a requirement to develop a strategy which addressed the questions of why to live in South Yorkshire and why to invest in the region.
- Consideration would be given to developing the strategy to gather

audience insights, develop a complete and compelling narrative, to establish clear roles and responsibilities, build upon leadership and legitimacy, to amplify and support local identities, specialisms and success stories from across South Yorkshire.

- The role of the LEP would be to draw upon the expertise and networks which would inform the strategy development, to convene expertise and motivate coalition to promote the specialisms and success stories of the region, and to support the storytelling and amplification of South Yorkshire.

G Smith commented that she was fully supportive of the report. She considered that the region had many strengths, however there was a need to raise awareness. She considered that it was very important that an independent review should be undertaken to assist with the audience insight together with a 360° view to speak to the internal Leaders. She suggested that consideration should be given to who would own the branding moving forwards. She queried whether consideration should be given to the Place Board which had been embraced by other areas. She was happy to provide assistance in relation to the rebranding.

D Wright welcomed G Smith's expertise and assistance in relation to the rebranding. In relation to the ownership of the brand, he considered that this was an open question which would be brought back to the Board. He agreed to the suggestion of an independent review of the audience insight and a 360° view.

J Chetcuti commented that the independent review of the audience insight was the foundation to ensure that the branding was correct for the region. As the region was so diverse and the range of different audiences, he queried the measures to be taken to ensure that the South Yorkshire stories reflected the needs of the different audiences for the region.

D Wright highlighted the need for the development of a framework which could be worked towards, which would be developed in more detail with different messages to be carried to those different audience groups.

RESOLVED – That the Board:-

- i) Provided feedback on a possible approach to developing a place brand to promote the region's interests.
- ii) Nominated a Member to support the brand development work with the MCA Executive.
- iii) Provided views on the scope of audience insight and research to develop the strategy.

9 **Welcome to Yorkshire Campaign**

A report was presented in relation to the Welcome to Yorkshire Campaign (WTY). In order to deliver the manifesto commitment of Mayor Jarvis MBE, to promote South Yorkshire's visitor economy and in support of a sector hit hard by the COVID-19 pandemic, the MCA Executive was working with WTY and the four South Yorkshire councils on the re-opening of the visitor economy campaign. This would help to promote the region's urban centres, major

attractions, and cultural and heritage offer to domestic and regional visitors.

The MCA/LEP had engaged with WTY in late summer 2020 to develop a campaign which would support the reopening of the economy, with focus given to the visitor destinations around South Yorkshire. The WTY campaign, which had been delayed due to the pandemic, would be launched w/c 5 July 2021.

Major Jones CBE commented that she was the SCR representative on the Welcome to Yorkshire Board, and therefore she would not take part in the discussion.

Discussions were underway with J Muir, his fellow LEP Chairs within Yorkshire and WTY to ensure that WTY had re-evaluated their role to fit more closely with the LEP agendas and to ensure that there was not an assumption for WTY to promote themselves as a Yorkshire tourist board. It was incumbent for WTY to come back with a stronger rationale as to why the LEPs would collaborate with WTY, and to ensure that measures had been implemented to enable the LEPs to work with WTY in a manner which would benefit South Yorkshire and not disproportionately elsewhere.

N MacDonald commented that J Mason, Chief Executive of WTY had talked with the private sector members on WTY. The private sector members had welcomed the work to be undertaken, whilst acknowledging the volume of work to enable the private sector members to feel included, as previously WTY had been very Leeds and North Yorkshire bias.

RESOLVED – That Members noted the content of the report and indicated their interest in supporting and engaging on programmes such as this in future meetings.

10 **Business Development Pipeline**

A report was submitted which recommended a selection of three identified schemes onto the pipeline in order that Business Cases may be developed. The schemes which related to existing companies based in South Yorkshire which sought to grow, collectively offered the potential for 200 new jobs, leveraging private sector investment of over £100m. A total cumulative investment of £11.6m was sought, at an average cost of £67k per job. Two of the proposed schemes were within the cultural and digital sector and the third scheme was an Advanced Manufacturing proposition. The ongoing programme of engagement with businesses had been led by the LEP Chair.

S Sykes commented that at this early stage, all three of the proposed schemes appeared to be well aligned to the desire to support the creation of well-paid jobs. In order to secure the funding, the proposals would need to be taken through the MCA's assurance processes together with the identification of a funding source. In the event that the businesses were accepted onto the pipeline, it was anticipated that full business cases would be submitted within the current financial year.

Members noted that to date, a pipeline of propositions had been developed worth £132m from 27 businesses, with no source of funding currently available.

It had been stated at the recent SCR Business Recovery and Growth Board to begin to consider ways to enable the pipeline to be prioritised.

N MacDonald was supportive of the continuation of the pipeline process.

RESOLVED – That the Board accepted the schemes detailed within Appendix A to the report to the programme pipeline, noting that projects would only be supported if future funding was received and assurance requirements were met.

11 **Annual Report 202021 and Delivery Plan 202122**

A report was presented to seek approval of the LEP Annual Report (2020-21) and Delivery Plan (2021-22) which had been combined into a single publication. The Annual Report outlined what the LEP had delivered in the past year for businesses, people and places in South Yorkshire, together with a summary of what was aimed to be delivered in the coming year.

Members noted that 2020/21 had been the Local Growth Fund's (LGF) final funded year. For every £1 of LGF investment made into the economy there would be a further £2.35 of match funding generated for the economy. A total of £24 for every £1 invested had been returned from the LGF programme to date. Once all of the outputs had been achieved, it was predicated that this would return to £67 for every £1 of LGF invested.

P Kennan considered that the highlights section of the report was in fact statements of the work undertaken. He suggested that the highlights section should refer to more positive issues i.e. to deliver an improved train service to London as result of the efforts made over the last 3 years through the LEP, MCA, PTE and other private sector bodies, together with the work underway on parts of the Northern Powerhouse Rail to benefit Rotherham and Barnsley Dearne Valley.

A Gates agreed with the comments made by P Kennan.

RESOLVED – That Members endorsed the content of the LEP Annual Report (2020-21) and Delivery Plan (2021-22) and provided feedback where required.

12 **Mayoral Update**

A report was submitted which provided Members with an update on key Mayoral activity relating to the economic agenda.

Updates were provided on:-

- The COVID-19 pandemic.
- Plan for the North.
- A greener South Yorkshire: Investing in our bus network.
- A fairer South Yorkshire: The launch of the Ownership Hub.
- A stronger South Yorkshire: Continuing the workers' training programme.

On behalf of Mayor Jarvis MBE, Dr Smith highlighted the rapid increase in the

number of COVID-19 cases within South Yorkshire as a consequence of the new variant, although this had not led to increased hospitalisations. The increase in the number of new cases had particularly been encountered amongst young people but at present, this had not created a crisis within the National Health Service.

Dr Smith referred to the work undertaken by Mayor Jarvis MBE and others in making the case for levelling up through the Plan for the North. Members noted the great deal of activity underway on a number of spheres in the north of England regarding how to influence the Governance's levelling up agenda. A White Paper was anticipated to be released in autumn 2021. Similar discussions were being undertaken at the NP11 Group regarding how to influence and assist the Government to understand the needs of the north of England.

RESOLVED – That Members noted the update.

13 **Chief Executive's Update**

A report was presented which provided Members with a general update on activity being undertaken by the LEP outside of the agenda items under discussion.

Updates were provided on:-

- Levelling up Fund.
- Community Renewal Fund bid.
- Adult Education Budget.
- Business Advisory Group.

Dr Smith highlighted the importance for the continuation of the Business Advisory Group, and to continue to encourage to facilitate a business network which supported and informed the agenda and the actions taken as an Executive.

J Muir expressed his thanks to Dr Smith and his team for the preparatory work undertaken in the reports presented at today's meeting. In relation to the Annual Report and Delivery Plan, he commented that this reflected the collaborative framework and the achievements that had been made, despite the hardships and challenges that were faced. He took the opportunity to thank everyone present at the meeting for all of the work undertaken and the strong sense of collaboration as the LEP Board, which had also been achieved through the agreement made between the Leaders for a collaborative devolution framework in 2020.

RESOLVED – That Members noted the update.

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

Signed

Name

Position

Date

Local Enterprise Partnership

09 September 2021

Government Innovation Strategy

Is the paper exempt from the press and public?	No
Purpose of this report:	Discussion
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):

Paul Johnson

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Executive Summary:

The Government has replaced its Industrial Strategy with an Innovation Strategy. It has a clear and strong link to the SEP and thus cements the LEP's strategic alignment with the Government on innovation. There are laudable aims in the strategy, but also a lot of previously announced funding. Whether (and the extent to which) the upcoming Spending Review will include new investment remains to be seen. The 116-page document sets the scene for what is to come, e.g. the R&D Place Strategy, and covers a lot of ground. This will please most stakeholders; however, so far, there is no defined role for MCAs/LEPs.

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

The SEP focuses on innovation to deliver the step change in South Yorkshire's economy. It is positive that there is policy alignment at the national level. However, it is imperative that funding is made available to back up the objectives in this strategy.

Recommendations:

1. That the Board reviews the summary of the Government's Innovation Strategy and
 - a. Considers the emerging approach on innovation, provides a steer, and sets out what role it will play within this.
 - b. considers how it can galvanise activity to deliver more innovative start-ups, scale-ups and clusters.

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

Business Recovery and Growth Board

01 September 2021

1. Background

- 1.1 In July, at the AMRC, the Government launched its Innovation Strategy. It sets out plans to cement the UK's position as a world-leader in science, research, and innovation. It is a long-term plan to boost private sector investment across the UK and create the right conditions for all businesses to turn world-leading science into new products and services. It is a strategic document with a long-term vision to put innovation at the heart of its plans and make the UK a global hub for innovation by 2035.
- 1.2 The strategy focuses on how to make the most of the UK's R&D and innovation system through four pillars:
 - Pillar 1: Unleashing business – we will fuel businesses who want to innovate
 - Pillar 2: People - we will make the UK the most exciting place for innovation talent
 - Pillar 3: Institutions and places - we will ensure our research, development and innovation institutions serve the needs of businesses and places across the UK
 - Pillar 4: Missions and technologies – we will stimulate innovation to tackle major challenges faced by the UK and the world and drive capability in key technologies

2. Key Issues

- 2.1 As expected in a strategic Government document, there is a lot of previously announced projects and funding streams. However, there are some new announcements that are pertinent for the LEP:
 - In the North of England, £22.6 million will help the Advanced Machinery & Productivity Initiative to drive innovation for the UK's advanced machinery manufacturers to put them at the cutting edge of emerging technologies such as robotics.
 - £25 million of funding for the Connecting Capability Fund will help drive further economic growth through university-business innovation, and eight new Prosperity Partnerships will establish business-led research projects harnessing the power of science and engineering to develop transformational new technologies that benefit companies, with £59 million of industry, university and government investment.
 - A new role for Innovate UK in innovation adoption and diffusion.
 - Expand Innovate UK EDGE, working alongside Growth Hubs in England.

- Eight new Prosperity Partnerships to establish business-led research projects to develop transformational new technologies, with £59 million of industry, university and government investment.

2.2 What it means for South Yorkshire

The four pillars of the strategy provide opportunity for LEP with regards to how the SEP is implemented. The document rightly focuses on the role of business, people, places and technology in innovation. The strategy does not pick specific sectors to focus on but instead seeks to back innovation and address societal challenges. This is fully aligned with the SEP which also focuses on how to accelerate the pace of innovation throughout the economy irrespective of sector.

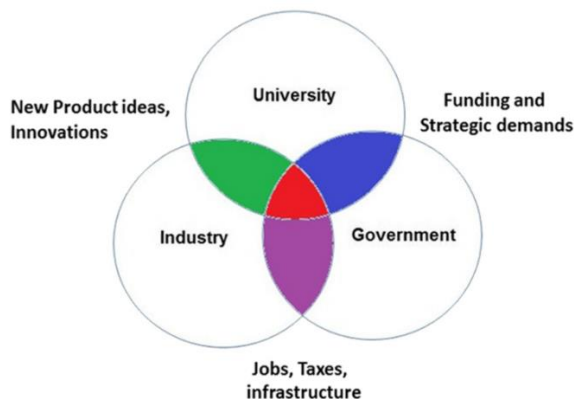
There is also lot of emphasis in the strategy on improving the role between business and academia particularly in translational research, testing and prototyping and in leadership and management support.

- 2.3 The commitments in the SEP on the enabling conditions needed for innovation to flourish correlate neatly with this document. There is emphasis on supporting innovative start-ups and scale-ups, and a welcome focus on the adoption and diffusion of innovation. This links with the MIT REAP project and how the LEP is working to create and support more Innovation-Driven Enterprises (IDEs). The MCA has commissioned work to explore how entrepreneurs seeking to start-up IDEs can be better supported. The Renewal Action Plan's commitment to equity investments in IDEs also link well with this strategy's focus on scale-up opportunities of IDEs. There is scope to work with Government to deliver this at scale in South Yorkshire, and trigger the step change the local economy needs.
- 2.4 There are seven identified technology areas of UK strength and opportunity: Advanced Materials and Manufacturing, AI, Digital and Advanced Computing, Bioinformatics and Genomics, Engineering Biology, Electronics, Photonics and Quantum, Energy and Environment Technologies and Robotics and Smart Machines. One clear area of opportunity to engage Government on is Advanced Materials and Manufacturing – South Yorkshire has unique strengths here, and engagement with Government on how to capitalise on this opportunity should be worthwhile.
- 2.5 It is positive to see an emphasis on translational research, with South Yorkshire again well placed to lead on this, especially with the Government's focus on levelling up across the UK through innovation. The emphasis on business-led development of innovation is also welcome.
- 2.6 The R&D Places Strategy has been delayed, but indications are that this will review how to deliver levelling up through innovation via stakeholders. There is a commitment to do this over the "next few months". It is welcome that levelling up is referenced through innovation and there is an opportunity here to craft and sell the South Yorkshire story in a way that leads to greater resources and powers to act. This could be to the focus of engagement with Government officials, as it is crucial that the efficiencies of scale provided by regions like South Yorkshire is acknowledged and LEPs and MCAs work with Government to deliver the ambitions of the innovation strategy.

- 2.7 The strategy has set the scene for more business-led R&D and place-led innovation investment and it is imperative that these laudable objectives are matched with significant levels of funding in the upcoming Spending Review, especially outside of the Golden Triangle of the Greater South East. There must be a step-change in place-based funding with MCAs/LEPs as a key delivery partner.
- 2.8 Inclusive innovation is briefly mentioned in the document and it is proposed that the LEP considers its importance and relevance in South Yorkshire. Inclusive innovation in South Yorkshire could be about broadening participation in innovation and spreading the benefits more equitably, with a particular focus on more deprived places and people. The Innovation Strategy refers to this but does not go into any detail. A policy paper on inclusive innovation is being developed as part of the Inclusion Plan.

Emerging SY Innovation approach

- 2.9 Based on research, evidence, engagement and previous experience, the emerging approach recognises that there are 3 elements to innovation, in response to the government's strategy. This is based on the triple helix model of innovation and focuses on interactions between the public sector, academia and business. These interactions (public sector – academia, public sector – business, academia – business, public sector – academia – business) have been proven over time to foster accelerated economic and social development.



Source: Kimatu, J.N. - Kimatu, J.N. Evolution of strategic interactions from the triple to quad helix innovation models for sustainable development in the era of globalization. *J Innov Entrep* 5, 16 (2016). <https://doi.org/10.1186/s13731-016-0044-x>

This emerging approach is crystallising in three main areas

- the approach to creating the enabling conditions for innovation driven growth - R&D, clustering, ecosystems, technology deployment within business, business to business activity, catapults etc
- the approach to conversion / realising the economic benefit locally and inclusively
- the clarity, persuasiveness and credibility of the South Yorkshire story and experience.

3. Options Considered and Recommended Proposal

This paper aims to inform and facilitate a discussion and lead to agreed actions.

3.1 Option 1

Do Nothing – adopt a passive approach. Wait and see if there is a role for LEPs.

Option 1 Risks and Mitigations

The risk is fuelling a perception that the LEP has no conviction in its own SEP. Additionally, it could be a missed opportunity as the Government looks to progress with Innovation Deals across the country.

3.2 Option 2

Do Something – within the context of developing delivery plans for the SEP, exploratory work will look at how to deliver more start-ups, scale-ups, clustering, supply chain, and ecosystem development, based on the emerging approach above, and aligned to the Government’s strategy on innovation.

Option 2 Risks and Mitigations

There is a risk that South Yorkshire is left behind other areas in the North. Some other LEPs are already more advanced with their internal infrastructure for innovation (e.g. innovation boards), so exploratory work by itself may still not be enough to close the gap. To mitigate this, actions must be identified, agreed and quickly implemented to capitalise on the opportunity presented by this strategy.

3.3 Option 3

Do More – same as option 2, but also mount a lobbying campaign to seek to be a commissioning / investment partner with government, especially to areas with clear links such as Advanced Materials and Manufacturing.

Option 3 Risks and Mitigations

There is a risk that a lobbying campaign may consume valuable resources and time still not yield much, especially with the risk of Government still focusing on Covid-19, its infrastructure-led recovery plans and other competing priorities in Autumn, such as the Comprehensive Spending Review.

4. Consultation on Proposal

- 4.1 No formal consultation at this point but significant engagement taking place to shape ideas and possible actions.

5. Timetable and Accountability for Implementing this Decision:

- 5.1 It is imperative that the exploratory work and the innovation delivery plans referred to above are completed and approved by the end of March 2022 so that implementation can begin in earnest. Subsequent Board meeting will receive progress updates.

6. Financial and Procurement Implications and Advice

- 6.1 N/A

7. Legal Implications and Advice

- 7.1 N/A

8. Human Resources Implications and Advice

- 8.1 N/A

9. Equality and Diversity Implications and Advice

9.1 N/A

10. Climate Change Implications and Advice

10.1 N/A

11. Information and Communication Technology Implications and Advice

11.1 N/A

12. Communications and Marketing Implications and Advice.

12.1 None at this time, but subject to discussions regarding partnerships and lobbying this strand of activity could be developed

List of Appendices Included

None

Background Papers:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009577/uk-innovation-strategy.pdf

Local Enterprise Partnership

09 September 2021

Inclusion Plan for South Yorkshire

Is the paper exempt from the press and public?	No
Purpose of this report:	Discussion
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):

Jonathan Guest
Felix Kumi-Ampofo

Executive Summary:

Update on the development of the South Yorkshire Inclusion Plan, with progress notes on the Employer Contract and Progressive Procurement themes.

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

Unlocking opportunities for excluded groups is integral to achieving a transition towards a sustainable economy and society. Inclusion is an intrinsic element of building a stronger, greener and fairer economy in South Yorkshire.

Recommendations:

1. That the Board considers the progress made to date
2. That the Board agrees to lead the engagement phase of the Employer Contract theme (and the Inclusive Innovation theme later).

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

Business Recovery and Growth Board	28 October 2021
Education Skills and Employability Board	21 October 2021

1. Background

- 1.1 A more proactive approach is needed to ensure growth is more inclusive. The Inclusion Plan is being developed to outline what needs to be done, and how, with and for whom this occurs.
- 1.2 Inclusion is one of the three pillars (policy objectives) adopted by the MCA and LEP in the SEP, which outlines the plan for stronger, greener and fairer economic growth.

The SEP also sets out several aspirations around establishing social value policies to govern both “stakeholder behaviours and policy outcomes” through the vision to *“grow an economy that works for everyone..... and enhance quality of life for all”* and to work to ensure that all residents have a fair opportunity to participate in and benefit from growth.

- 1.3 The approach and agreed parameters for the Inclusion Plan were agreed at the May 2021 LEP board. The Plan seeks to focus on the fairer (inclusive) outcomes agreed in the SEP (see Section 9) and will outline activities, impact and the actions to be developed and taken with partners. This paper provides an update on progress in developing the Plan.

2. Key Issues

- 2.1 The factors that have shaped the themes of focus in Inclusion Plan, include:
- Areas of relevance identified in the SEP (e.g. social value and inclusive innovation);
 - The principles of inclusive growth (e.g. distributive dynamics) which highlight prominent working areas;
 - The levers, resources, capacity and powers of the MCA, LEP and partners (e.g. devolved powers, advocacy and direct investment);
 - Areas of inclusion that have become more prominent as a result of the pandemic (e.g. health and wellbeing);
- 2.2 Based on 2.1 above, in the period to March 2022, the focus will be on themes related to the MCA and LEP’s direct influence over businesses, people and communities as identified in the SEP:
- **Social outcomes** - Delivering greater social return on investment for South Yorkshire’s communities through the purchase of goods and services and contracting with businesses and other development partners.
 - **Employer contract** - Ensuring MCA investments and interventions not only deliver the immediate solutions for which they were designed, but also go further to provide more opportunities for South Yorkshire people. Once the Employer Contract is agreed, the potential to go further and agree an Employer Charter could be

explored in later in 2022. This will involve working with all partners towards a sustained cultural shift in the behaviour of employers towards employees, local communities, and the environment.

- **Social value via progressive procurement** – Using the MCA’s procurement “power” to create opportunities and grow the local economy, supporting local businesses and supply chains. Once this is agreed, further work to explore the potential for agreeing shared outcomes in public procurement across all anchor institutions could begin later in 2022.
- **Health and wellbeing** – Intervening individually or collectively to address health outcomes so that our people can live fuller lives, contributing to their maximum potential and benefiting from economic development.
- **Inclusive innovation** – The SEP outlined the importance of innovation in driving economic growth. This focus will be on people in decisions about innovation, ensuring that entrepreneurs - irrespective of background - can access the support needed, and investing to focus public resources on innovations that seek to address issues faced by our people. Finally, this also includes ensuring that when the taxpayer invests in innovative solutions with the private sector, the benefits generated are equitably shared.

All of these workstreams are inter-linked and have overlaps.

3. Progress

3.1 The Plan is not envisaged to be a single document but rather a series of policy and action papers based on the themes set out above. Over time, more themes may be explored and developed, depending on the evidence available. The ambition is for all outputs to be strategic, outcomes-led, evidence-based and action oriented, focusing on making a tangible difference to people and communities.

3.2 To date, progress has been made on the themes set out in 2.2 above. This includes:

- Engagement with LEP Board members through July and August, and also with LA officers, third sector partners, a limited number of employers and anchor institutions
- Producing a first draft of the Employer Contract. This is now undergoing a thorough review and will be the main subject of a planned workshop with LEP Board members later in September 2021.
- Producing draft policy papers which explore the potential and available opportunities across the four themes under development (as set out in 2.1 above).
- Commissioning work to
 - develop the evidence base,
 - conduct a health assets review,
 - explore the potential of community wealth building
 - ensure a full and rigorous engagement exercise with residents and all stakeholders.

This will develop through the Autumn.

- Working with Inclusive Growth Network (IGN) to drive the engagement process. There has also been further work with academics at both Sheffield Hallam University and University of Sheffield to ensure rigour and sound methodological thinking.

3.3 Most progress has been made on the Employer Contract and Social Value via Progressive Procurement and these policy papers on these will be discussed at the planned September workshop LEP Board members.

4. Timetable

4.1 Following engagement and workshops in September, it is envisaged that two policy papers (covering Employer Contract and Social Value via Progressive Procurement) will be presented at the November board for approval. Progress will also be presented to the same meeting, on the Health and Wellbeing and Inclusive Innovation themes.

5. Financial and Procurement Implications and Advice

5.1 Development of the Inclusion Plan is costed within the budget

5.2 There are potential resource implications of the Inclusion Plan, but these will depend on the recommendation and actions agreed by the LEP and MCA and these will be set out in the final policy papers. A decision can then be made on how any activity will be resourced.

6. Legal Implications and Advice

6.1 The policy papers will be worked through with Finance, Legal and Procurement teams and reported to the relevant Boards.

7. Human Resources Implications and Advice

7.1 Monitoring and delivery may have a human resource implication. This will be explored further, and the Board will be updated.

8. Equality and Diversity Implications and Advice

8.1 The Inclusion Plan will enhance equality, diversity and social inclusion through activities funded by the MCA and interventions that are funded and delivered by partner organisations.

9. Climate Change Implications and Advice

9.1 Social outcomes often include environmental and wider sustainability benefits. These will be explored further as part of this work to ensure the link between and inclusion and sustainability is reinforced.

10. Information and Communication Technology Implications and Advice

10.1 N/A

11. Communications and Marketing Implications and Advice.

- 11.1 The LEP and MCA will need to communicate its intentions and ambitions to partners and stakeholders. This will include expectations, changes to processes and new requirements. Engagement is already underway and more detail will be presented to the Board at its next meeting. .

List of Appendices Included*

None

Background Papers:

None

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Local Enterprise Partnership

09 September 2021

Draft South Yorkshire Digital Infrastructure Strategy

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
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
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Executive Summary:

To comment on and endorse 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 endorse the Draft South Yorkshire Digital Infrastructure Strategy.

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

1. Background

- 1.1 The consultant Arcadis was commissioned in 2020 to support the Mayoral Combined Authority / Local Enterprise Partnership and partners 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 recommended for approval by the Housing and Infrastructure Board, with a lead input provided by the Board's Co-Chair LEP representative. The Draft Strategy is presented to the LEP Board for consideration and endorsement.

2. Key Issues

- 2.1 This attached 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 nearly 99% 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 attached presentation outlines the key elements of the Strategy.

3. Options Considered and Recommended Proposal

3.1 Option 1

To adopt the developed South Yorkshire Digital Infrastructure Strategy, with strategic policy and delivery options 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 become 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 a 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 development of the draft Strategy, with the Superfast South Yorkshire Programme Board acting as an Advisory Group providing comments. Members of the LEP 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 LEP Board's comments and endorsement.

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.

12.1 Once approved, it is intended for the final Strategy document to be published later in 2021 once desk-top publishing has been completed. There may be media opportunities as the interventions proposed in the Strategy are implemented.

List of Appendices Included

- A Draft South Yorkshire Digital Infrastructure Strategy
- B Draft South Yorkshire Digital Infrastructure Strategy Summary Presentation

Draft South Yorkshire Digital Infrastructure Strategy

**Version 5
4th August 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://modern.gov.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.



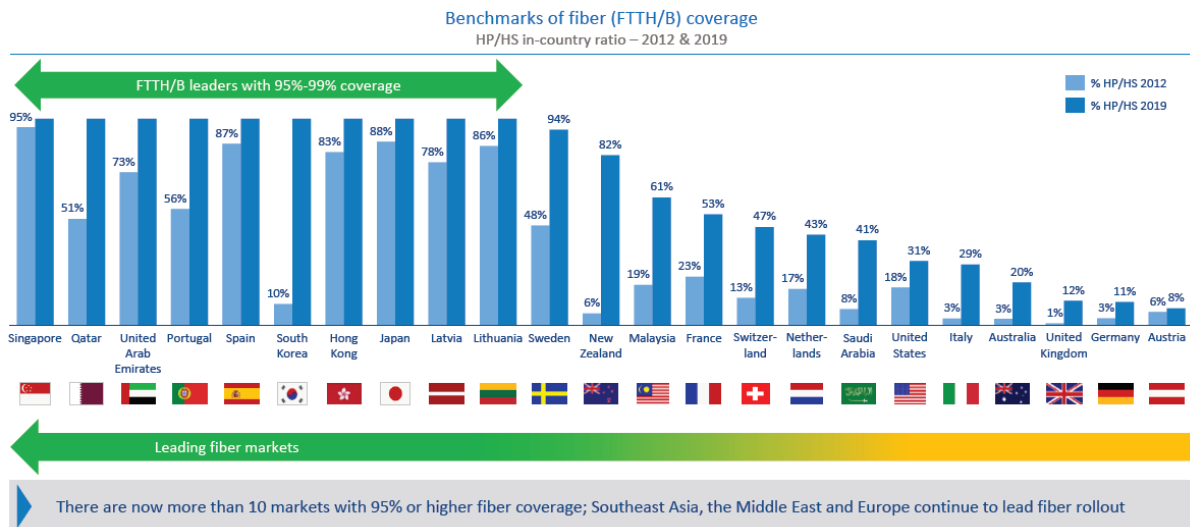
Figure 2: Summary of policy and targets

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.

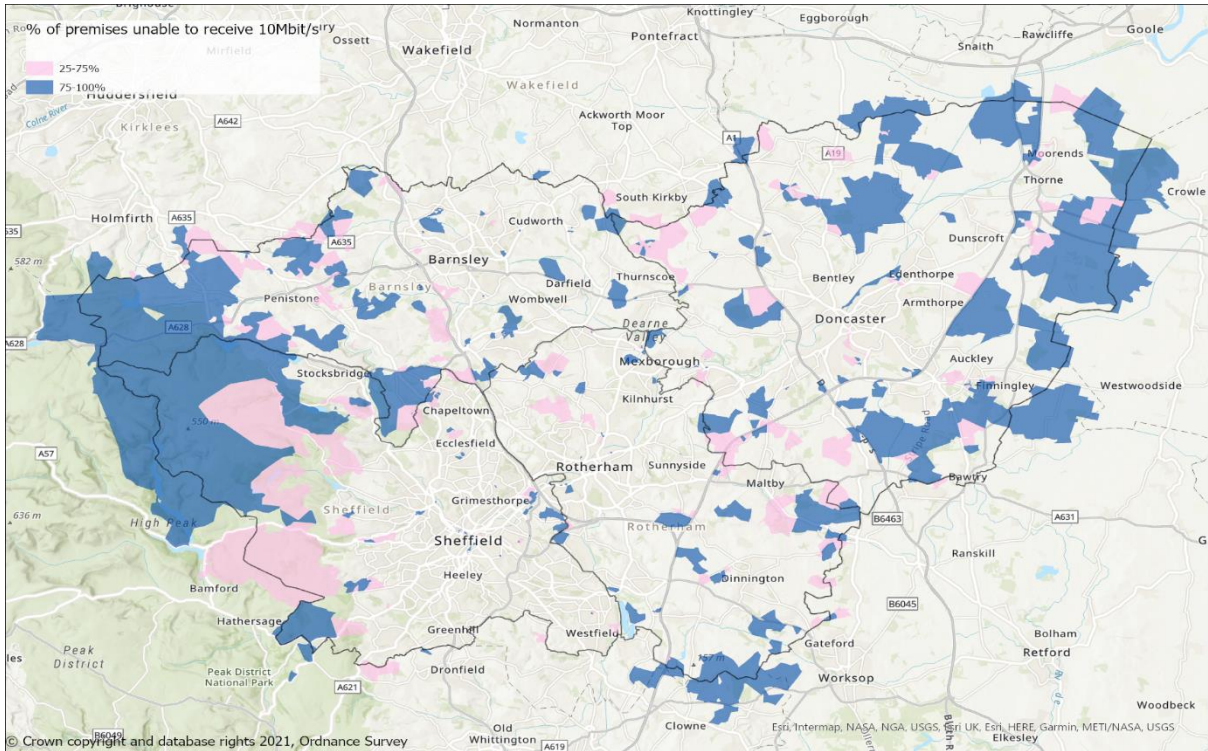


Figure 5: Areas currently unable to get 10Mbit/s broadband (Source: Arcadis analysis)

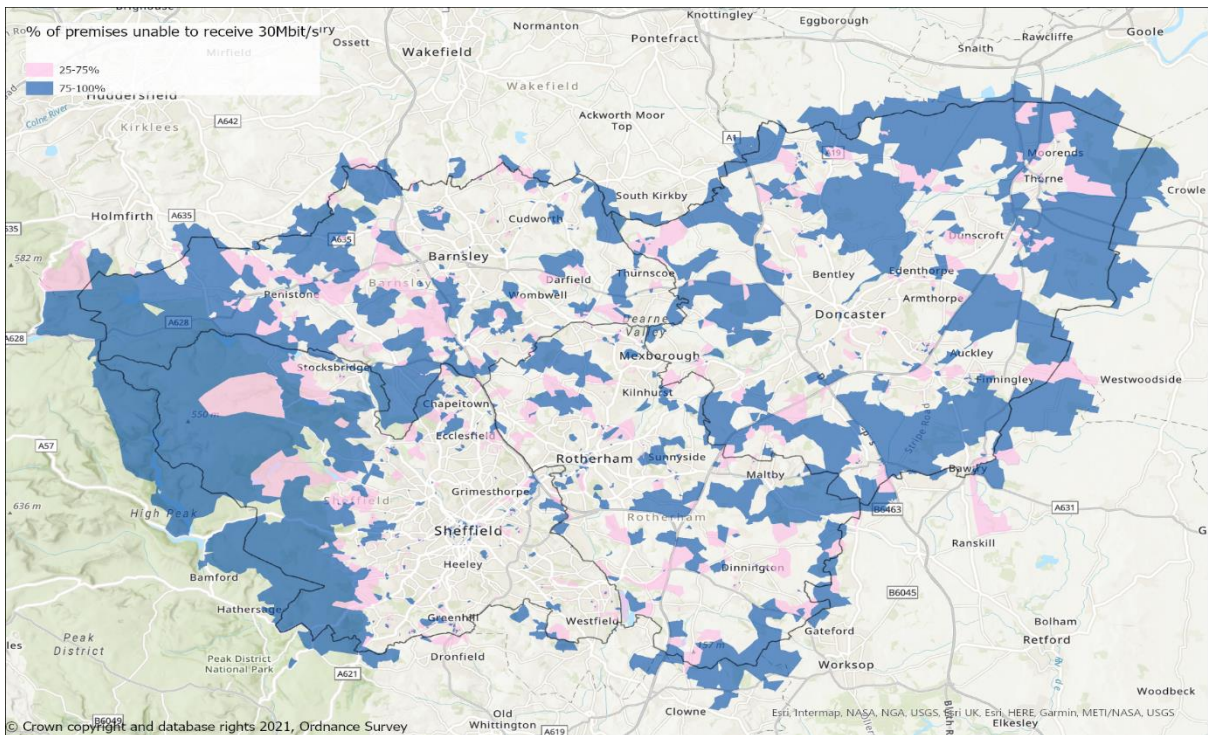


Figure 6: Areas currently unable to get 30Mbit/s broadband (Source: Arcadis analysis)

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.

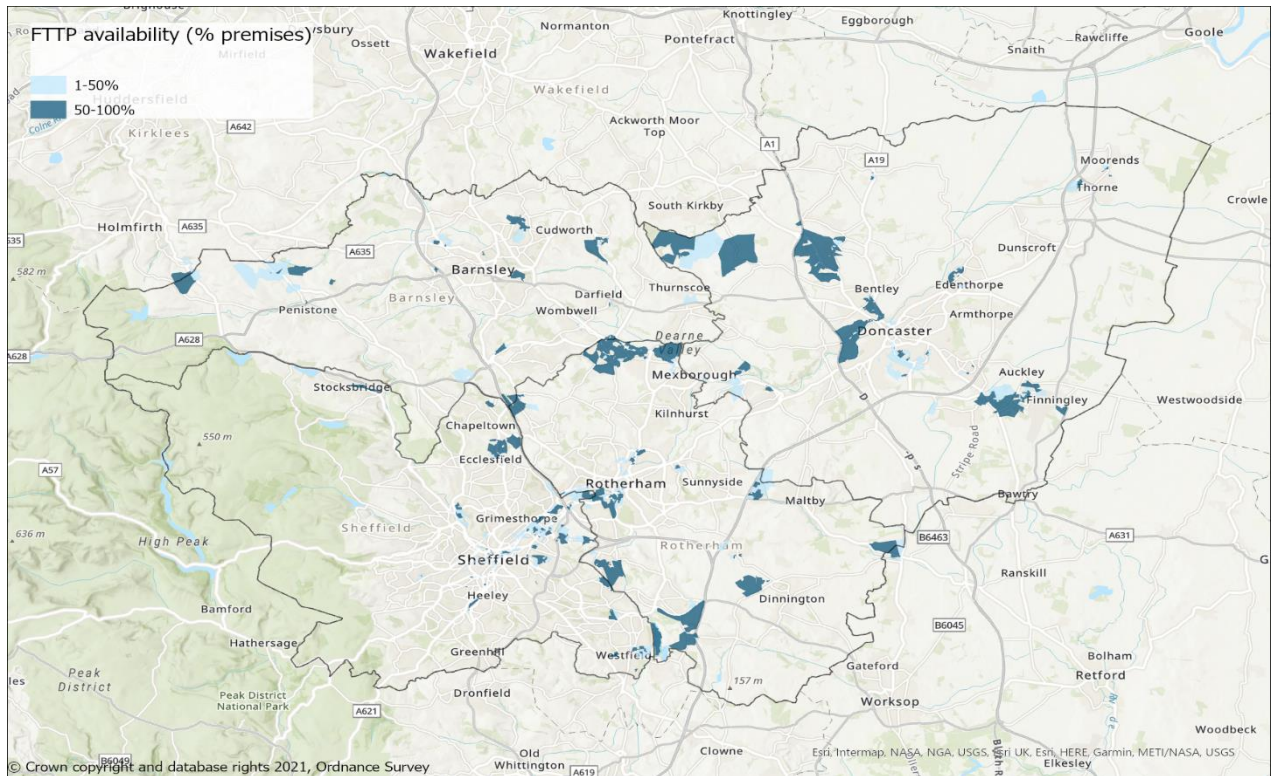


Figure 7: Only c4% of premises in South Yorkshire have 'full-fibre' access today, although with the Government now shifting focus to 'performance rather than technology, Virgin-Media's upgraded cable network will boost this number significantly.

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.

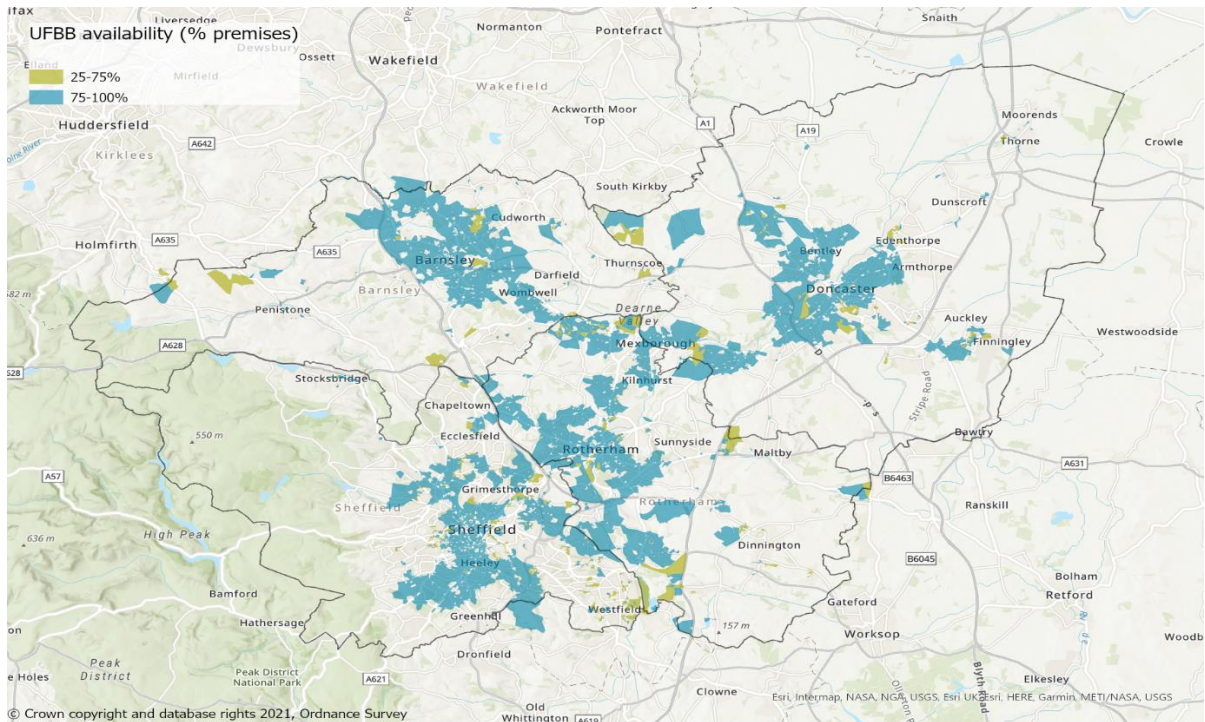


Figure 8: Ultrafast Broadband coverage in South Yorkshire. Whilst a small amount of this is Openreach GFast, the bulk is Virgin-Media cable TV footprint which is in the process of being upgraded to support Gigabit speeds.

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.

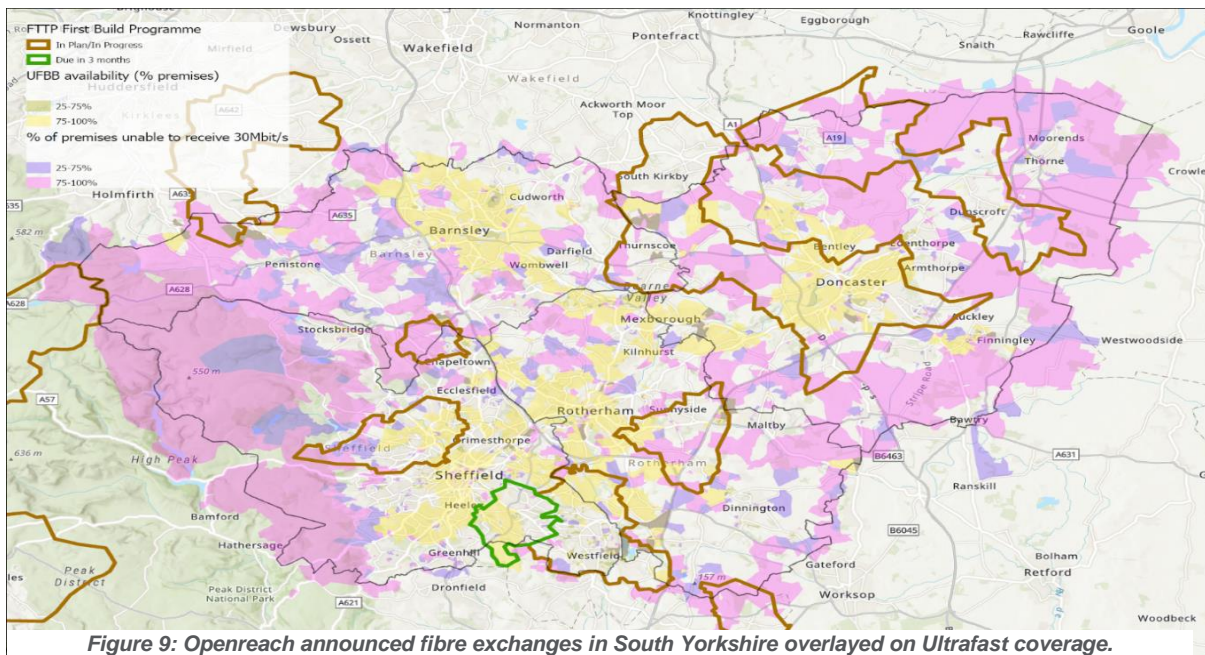


Figure 9: Openreach announced fibre exchanges in South Yorkshire overlaid on Ultrafast coverage.

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.

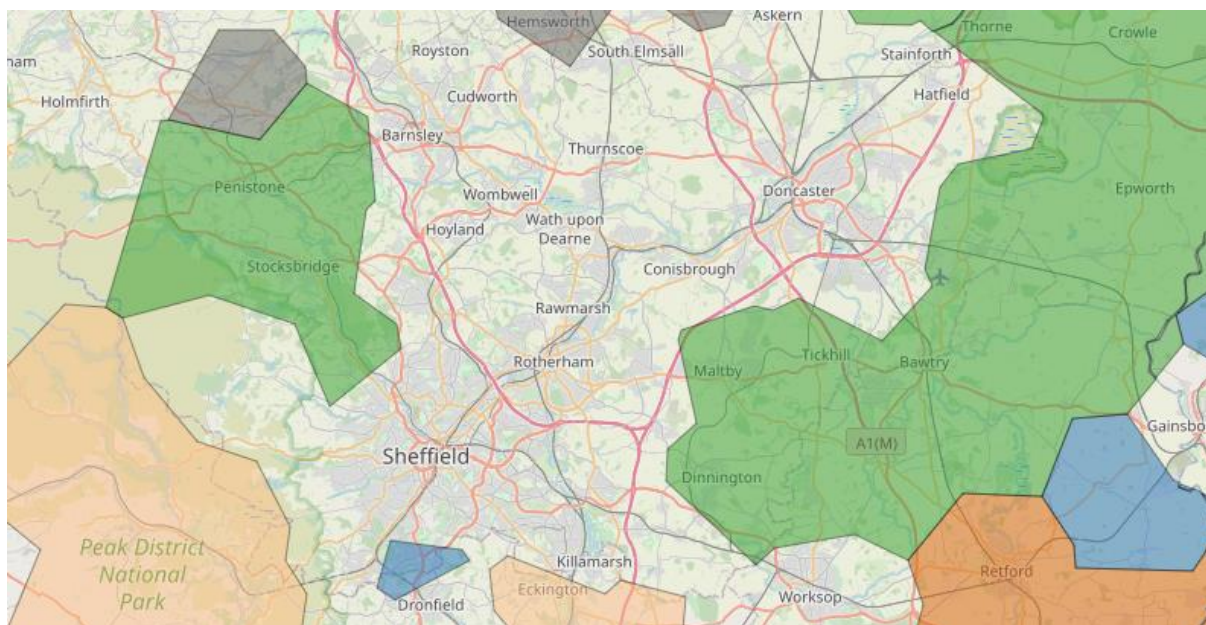


Figure 10: Proposed DCMS 'Project Gigabit' rural fibre procurements aimed at fibre connecting hard to reach locations across the UK

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.

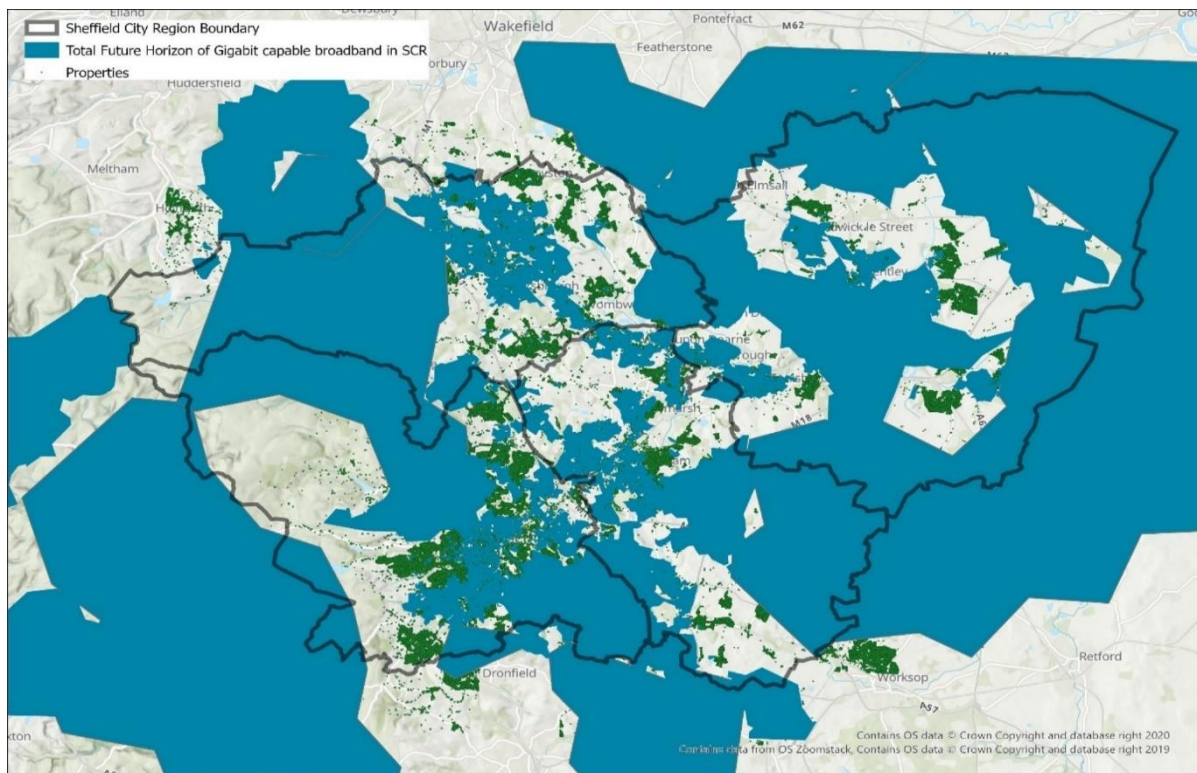


Figure 11: Estimated combined Gigabit-Capable broadband footprint in South Yorkshire by 2025 and properties where further commercial expansion and voucher interventions will be necessary.

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.

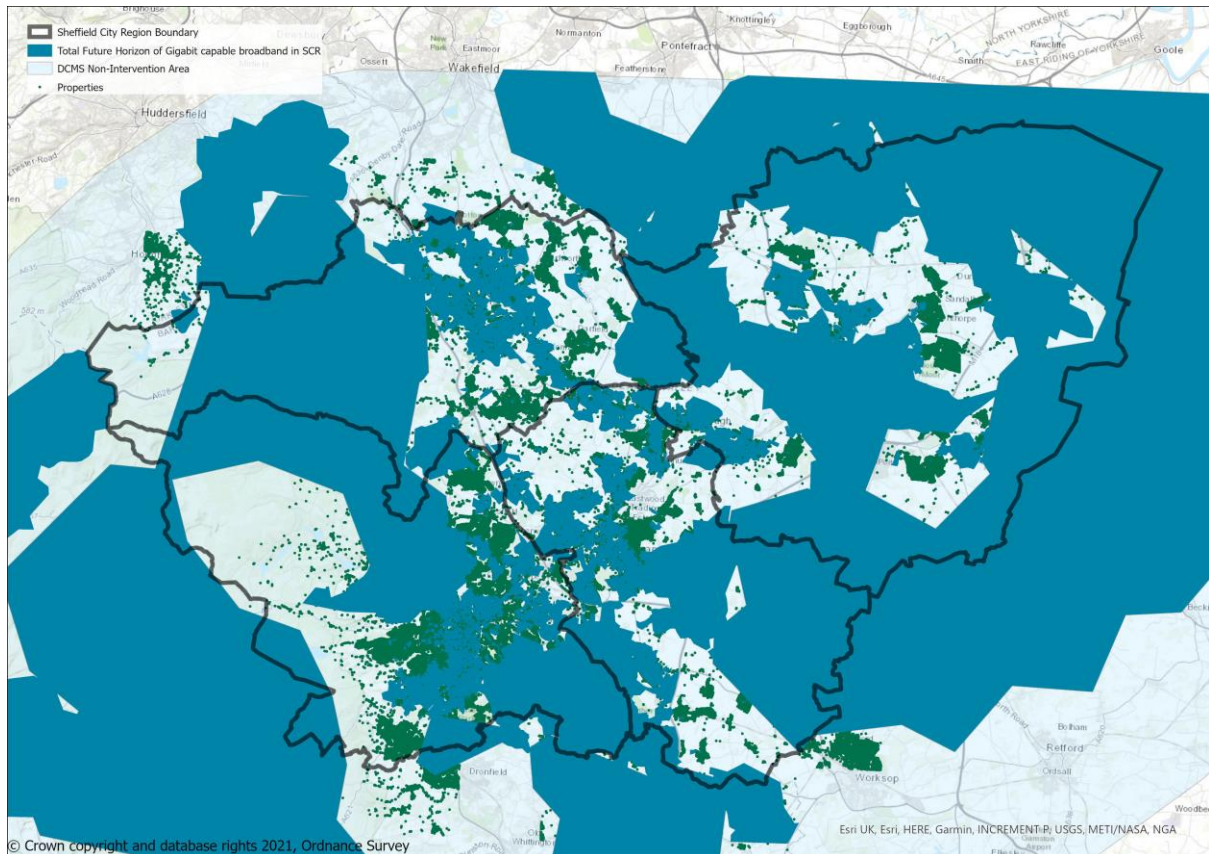


Figure 12: Dark blue areas are the consolidated gigabit-capable predictions for 2025 (as per figure 11) but with the pale blue overlay if areas where DCMS think no state intervention will be required; code for "a commercial operator has told us privately they intend to build."

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.

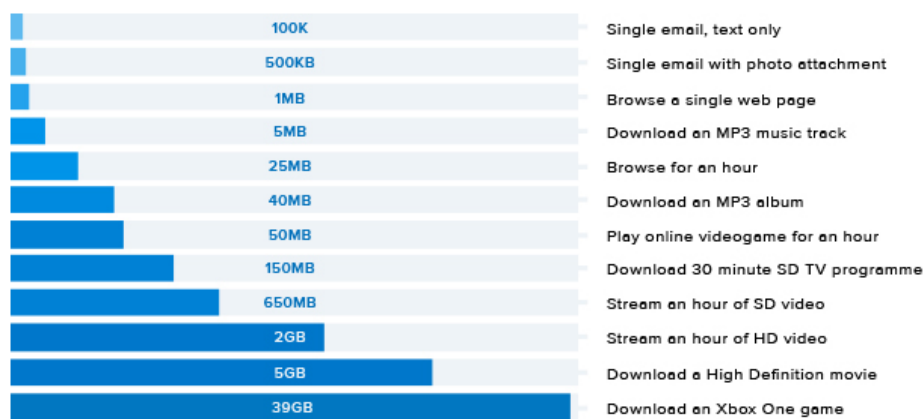


Figure 13: Typical SME user-cases (email, web browsing etc) have much lower performance requirements than typical residential applications, meaning Superfast broadband is sufficient for many smaller businesses

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

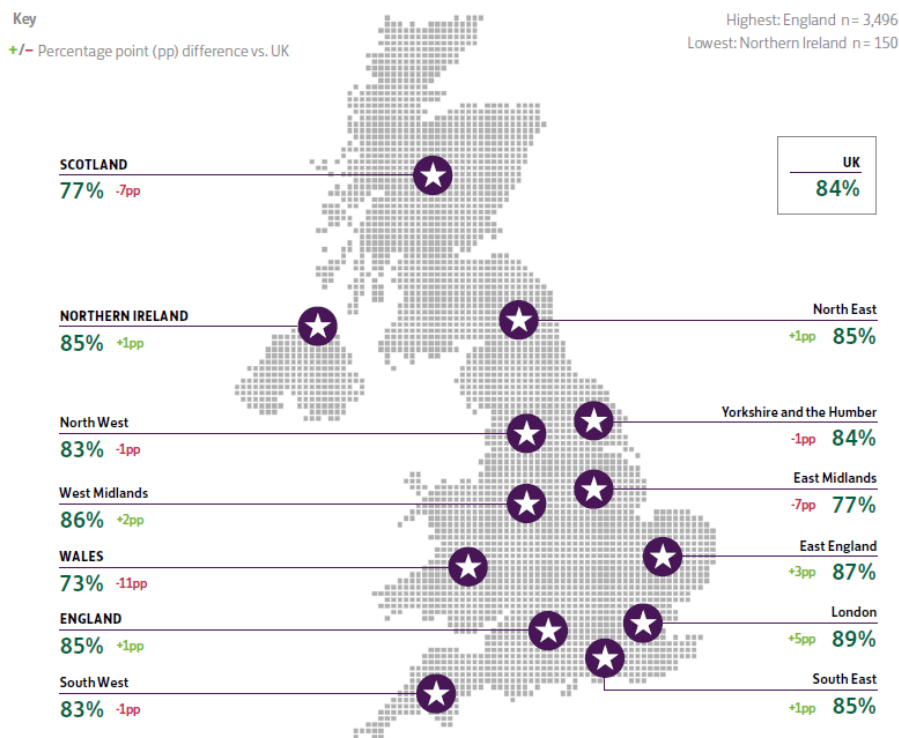


Figure 14: Yorkshire and Humberside are in line with national digital skills averages
(Source: Lloyds Bank UK Consumer Digital Index 2020)

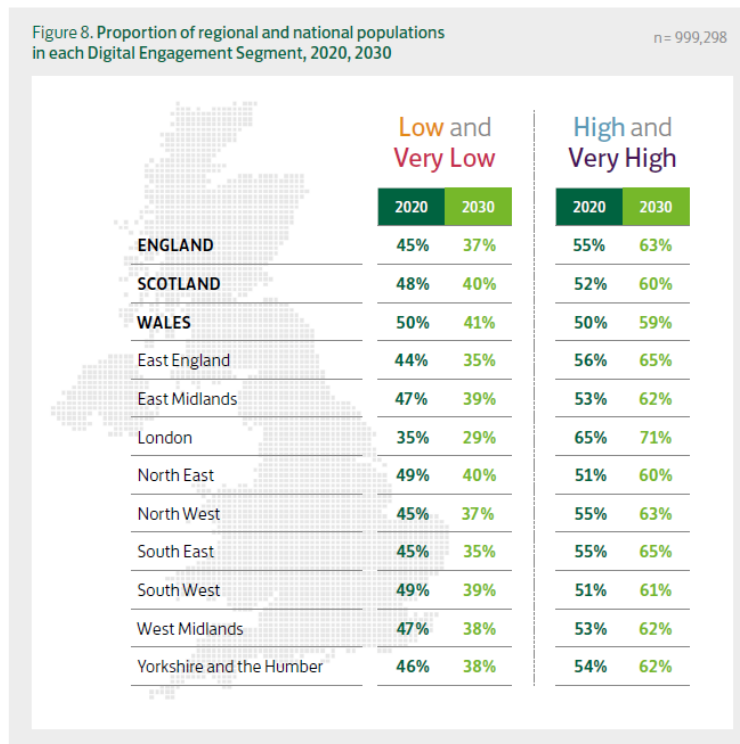


Figure 15: Yorkshire and Humber digital skills averages are moving in the right direction but there is more to do (Source: Lloyds Bank UK Consumer Digital Index 2020)

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.

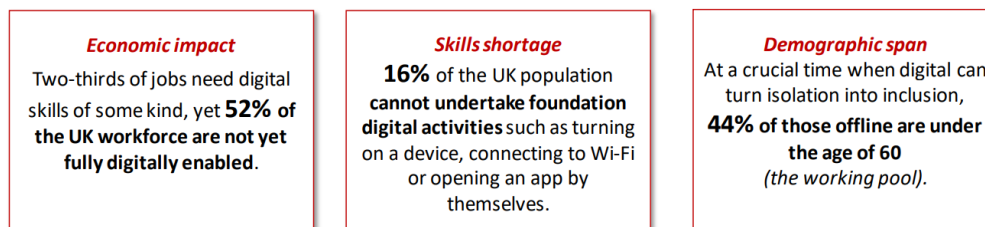


Figure 17: The motivations for addressing digital inclusion and digital poverty are not just about addressing inequality; it's equally about creating the skilled workforce South Yorkshire will need

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 [%]

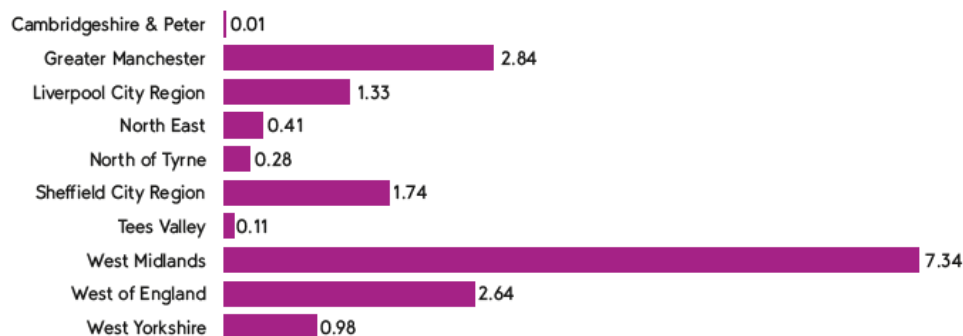


Figure 19: 5G Geographic Coverage by Combined Authority; SCR performing well at the early stage of national rollout (Source: Ofcom 5G Coverage in the UK 2020)

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.

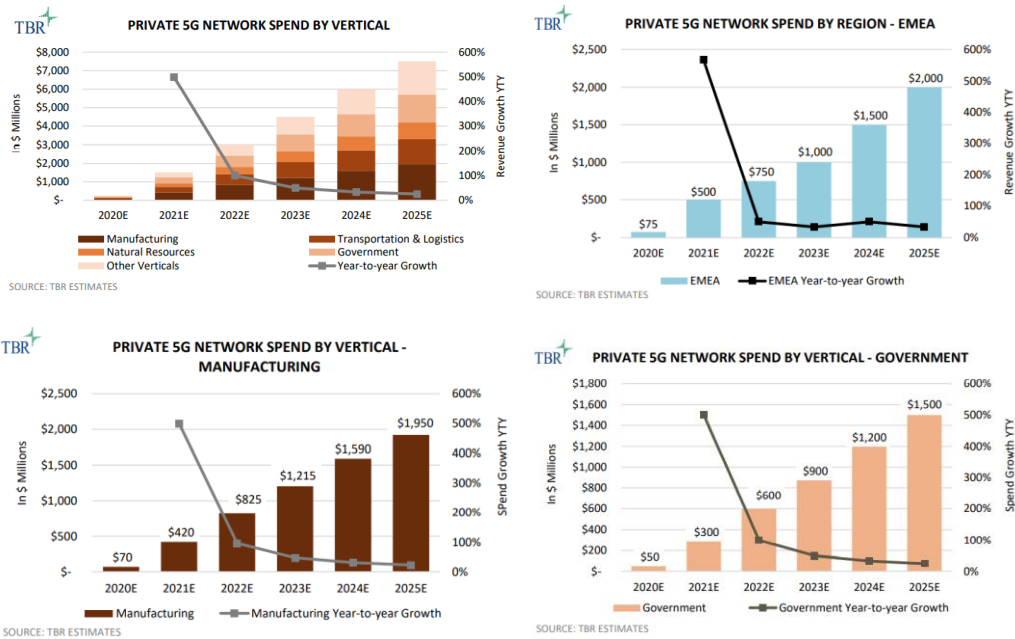


Figure 20: Projected Growth in Private 5G Networking spend by region and selected key sectors (Source: TBR Research 2020)

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.

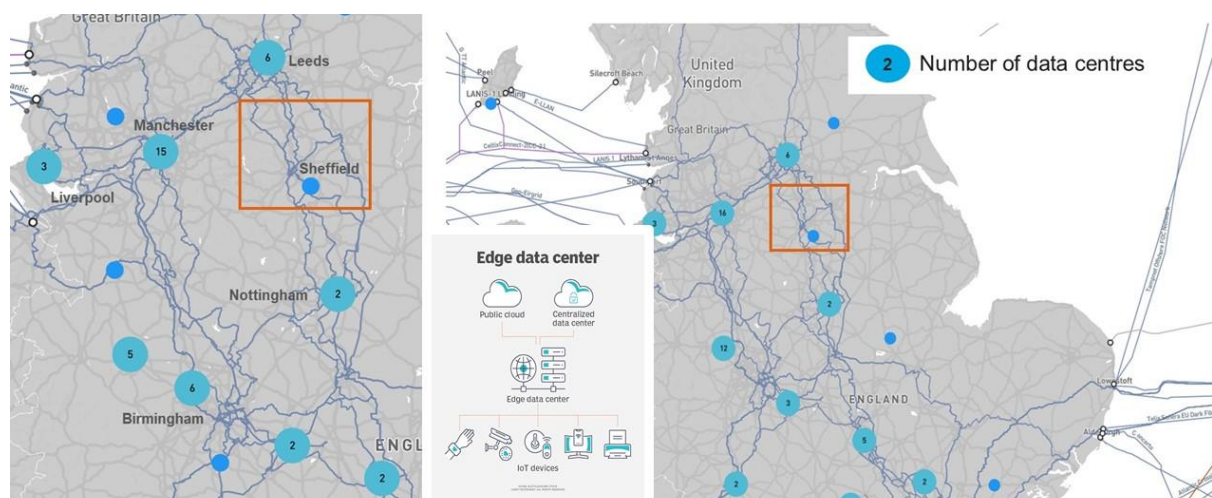


Figure 21: Whilst South Yorkshire is well connected to the national and international fibre routes (right) it is lacking in data centre capability compared to other nearby urban centres (source: Infragraphics)

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 ensure that our rural communities have good mobile coverage (99% means 99%)
- **5G:** We will make the region's businesses, 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 ensure we have ubiquitous Gigabit Broadband and 4G coverage across South Yorkshire and 5G where it is needed.
- We will close the data centre gap, reinforcing the success of the Region as a place to do digital business and 'future proofing' the region as more businesses become depended on 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, supporting start-ups, innovation and creating '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 make digital health and welfare a focus of our innovation work and link back to other regional initiatives.
- We will develop a holistic Skills Strategy that embeds and prioritises digital skills.
- 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 SFSY, creating the necessary governance structure to ensure that our digital agenda is effectively coordinated and delivered.
- 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 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 our digital agenda into the innovation clusters already emerging in the region, amplifying their activities, and 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 instigate a regional Internet of Things network to support public and private sector 'sensing' network ambitions and as a platform for innovation in our growing digital sector.
- Our innovation will have a purpose beyond being 'clever' and will align to our SEP and have a clear social and economic value.

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>

**LEP Board
9th September 2021**

Draft South Yorkshire Digital Infrastructure Strategy

South Yorkshire is fortunate to be building from positive foundations

Page 80

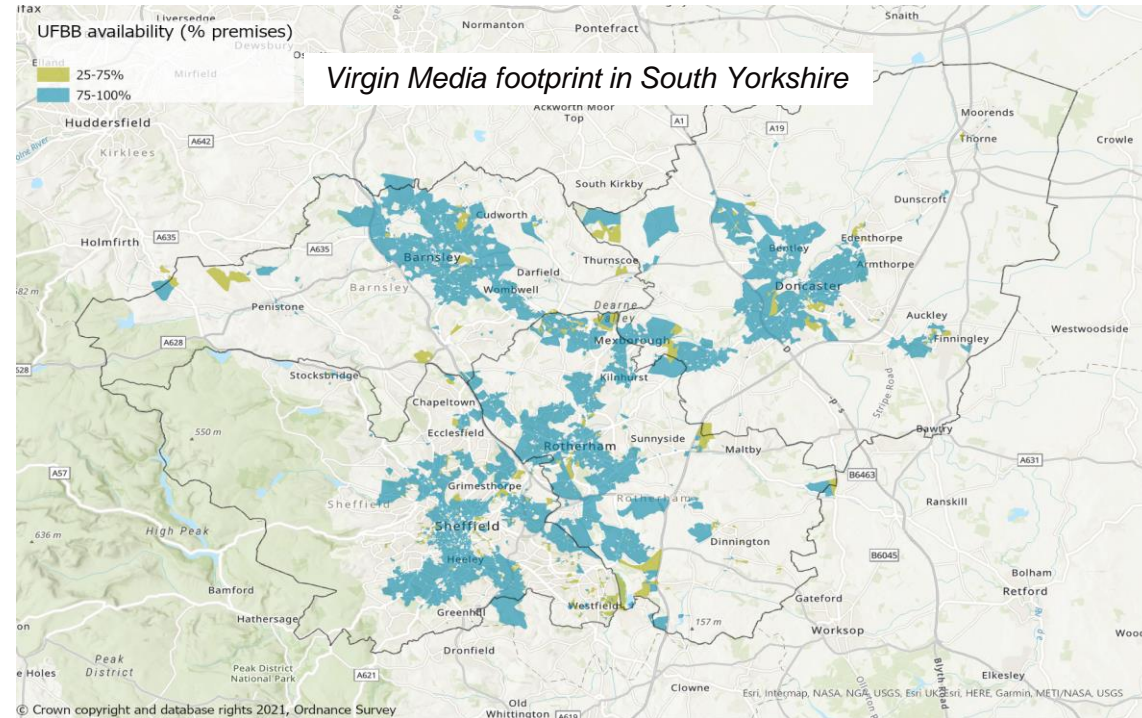
- SuperFast SouthYorkshire has delivered an excellent foundation of 96%+ availability of 30Mbps 'Fibre to the Cabinet' broadband.
- Fibre build by CityFibre is in progress and Openreach have committed to fibre upgrade more of its exchange areas by 2024. Virgin are upgrading their cable network to fibre 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 'Outside-In' rural fibre programme.
- Ofcom report near 99% availability of 4G and we already have all four operators supporting 5G in Sheffield and are on track for regional 5G coverage to be in line with other major conurbations.
- We have significant clusters of digital businesses in Sheffield and beyond and the success of Barnsley DMC points to the digital potential of the region. Innovation clusters such as AMID (AMRC, AWRC) are well positioned to exploit the enterprise features that are key to 5G.
- Proposals set out a framework for an inclusive digital agenda; this is a national challenge where South Yorkshire can lead.

CONTEXT

The Government has changed its 'full fibre' ambition to 85% 'Gigabit Capable' broadband by 2025

Page 81 This is an important shift as the new definition is no longer dependent on fibre optic broadband so now includes Virgin-Media's cable TV network that is being upgraded to support Gigabit speeds nationally by 2024

Because of this change of definition it is expected that c60% of the Government's new 85% target will be delivered by Virgin Media alone



This change is really helpful to South Yorkshire as Virgin already have a significant footprint in the Region, so the starting point is a far better position than when it was all about fibre broadband

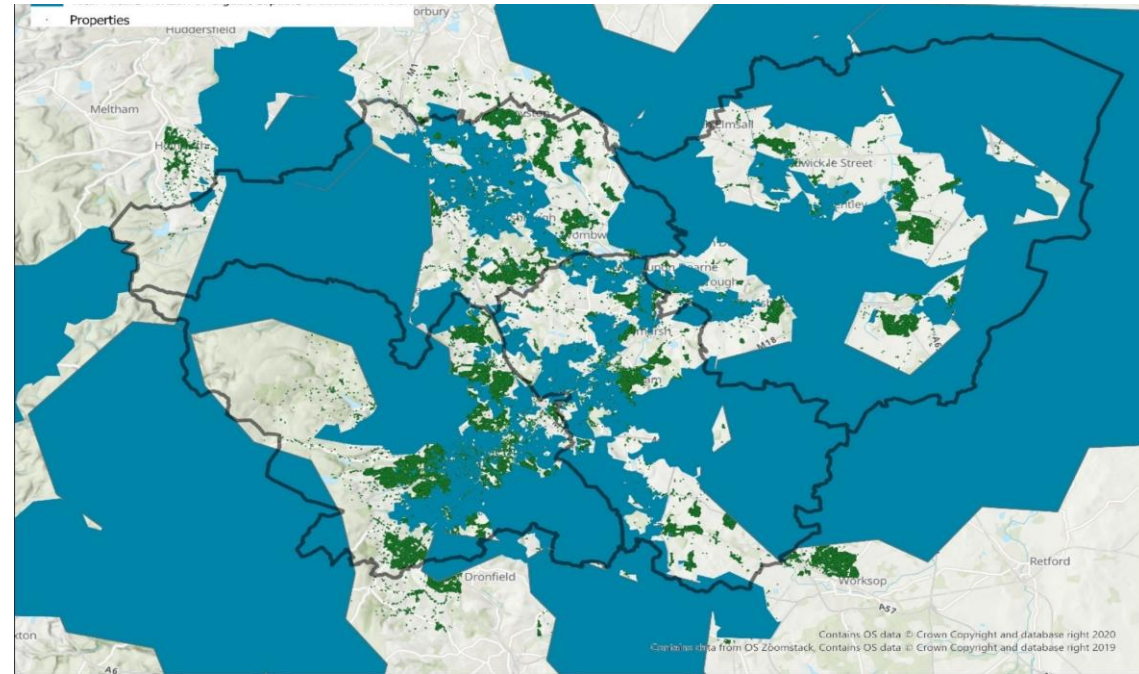
CONTEXT

Gigabit- Capable broadband coverage will hit at least 75% of premises by 2025

Page 82

This 75% coverage is a combination of Virgin-Media cable TV network upgrade (now of central importance), committed Openreach fibre exchanges, Cityfibre town centre builds and the two DCMS 'outside-in' fibre procurements being considered for South Yorkshire.

Of the c650K premises South Yorkshire, c160K do not have a committed path to Gigabit coverage but we suspect omission from 'Outside-In' means there is commercial intent for at least part of this remainder



The task will be to work with all Gigabit-capable providers to maximise the commercial footprint and at the same time identify those properties at greatest risk and develop a targeted response such as use of the DCMS voucher scheme.

CONTEXT

Whilst digital poverty statistics for South Yorkshire are not readily available, national data would indicate there is an opportunity to make a real difference

Page 83

Whilst digital skills are in line with national averages, the paucity of local data makes it difficult to pick out specific issues

Figure 35. Proportion of those aged 15+ who can do all of the Foundation tasks, split by nation and region, 2020
 Key
 +/- Percentage point (pp) differences, UK
 Highest: England n = 3,496
 Lowest: Northern Ireland n = 150

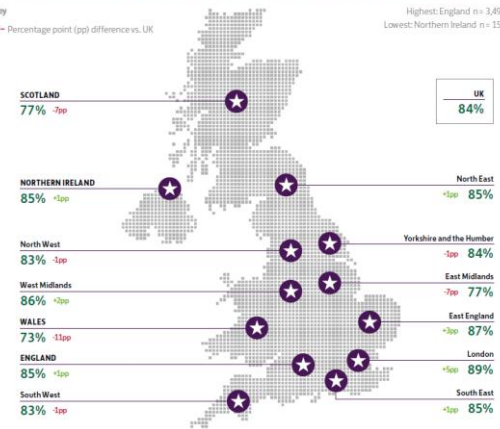
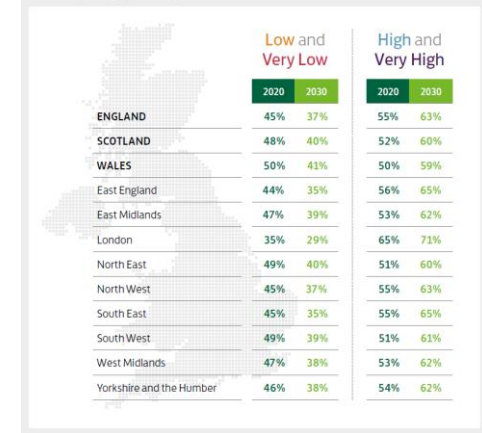


Figure 8. Proportion of regional and national populations in each Digital Engagement Segment, 2020, 2030
 n = 999,298



But at a national level there are significant challenges that are relevant to South Yorkshire

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)

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

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

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

(source: Lloyds Bank UK Consumer Digital Index 2020)

53% of those offline may struggle to afford broadband

40% of benefit claimants have Very Low digital engagement

52% of those offline are between 60 and 70 years old

25% Percentage by which people with an impairment are less likely to have the skills to access devices and get online by themselves

CONTEXT

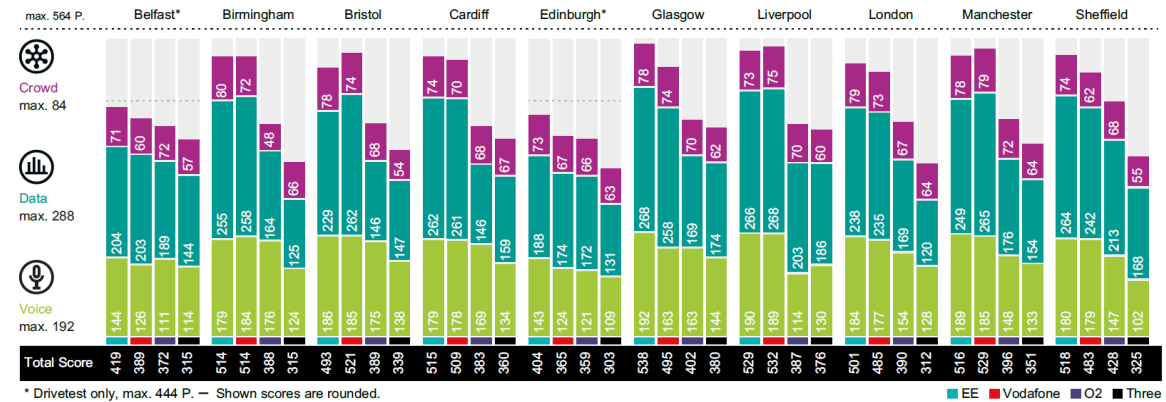
The mobile operator commercial rollout model that has given the region 99% 4G coverage* is now driving 5G coverage. The public sector has an enabling role to play

Page 84

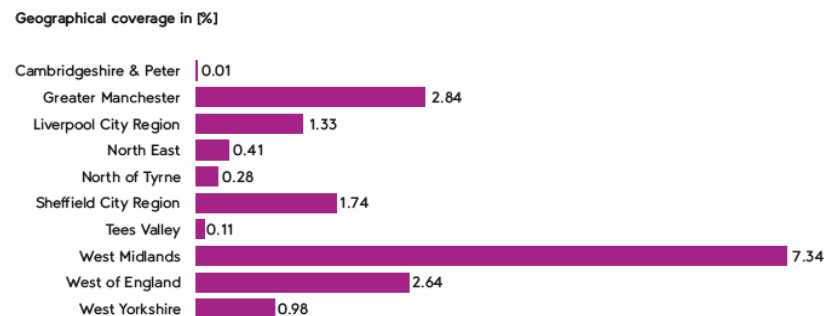
5G is a capacity and performance play and will not be rolled out everywhere; it will depend on 4G for coverage. The 99% 4G coverage is however based on mobile operator models and is not an accurate reflection of user experience, particularly in rural areas.

*Ofcom data

Commercial rollout of 3G and 4G technology has served Sheffield well, with performance on a par with other major UK urban centres
(Source: Umlaut 2019 Mobile Network test in the UK)

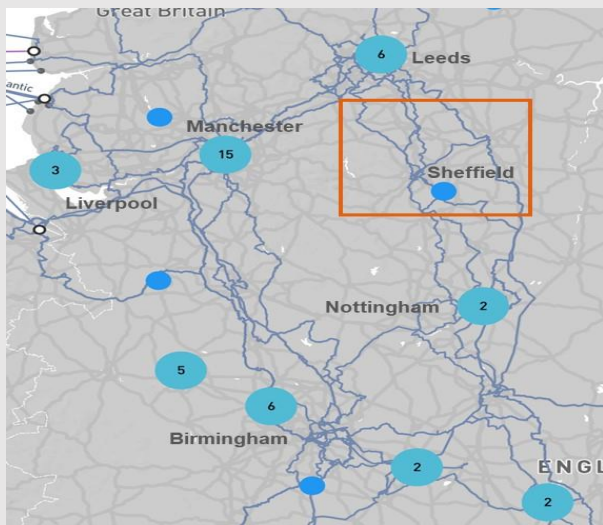


The same commercial operator deployment model also appears to be working well for 5G within the Sheffield City Region
(Source: Ofcom 5G Coverage in the UK 2020)



The region is lacking in data centre capacity which will become increasingly important for all businesses

Page 85



- 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.
- Consensus is that over 25 miles (and the data centres of Leeds are 35 miles away) you start to get a noticeable effect.
- Industry analyst Gartner predicts that by 2025, 80% of businesses will shut down their in-house data centres.

Our digital infrastructure Vision

Page 86

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

Our Digital Infrastructure Strategy will:-

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 Strategic Economic Plan
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

1.

Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G

Page 87

- We will encourage all the commercial operators to deliver their planned network upgrades and new build in the SY region.
- We will work with DCMS to maximise the investment of 'Outside-In' rural broadband programme spend in South Yorkshire.
- **4G:** We will ensure that our rural communities have good mobile coverage (99% means 99%)
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- We will open up our public sector assets and make it easy for operators to build their networks with our consistent 'Barrier Busting' policies

2.

Support the social and economic priorities set out in the SEP

Page 88

- As a foundation layer we will ensure we have ubiquitous Gigabit Broadband and 4G across South Yorkshire and 5G where it is needed.
- We will close the datacentre gap, reinforcing the success of the Region as a place to do digital business and ‘future proofing’ the region as more businesses become depended on 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.
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- We will augment the growing narrative around the region’s digital sector, supporting start-ups, innovation and creating ‘lighthouse’ innovation projects.

3.

Form an inclusive platform that enables better outcomes for all sections of society

Page 89

- We will address the data gap to better understand the specific digital poverty challenges in South Yorkshire.
- We will drive 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.
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- 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 in their own right, offering connectivity and help.

4.

Governance and data-driven approach to maximise the digital potential of South Yorkshire

Page 90

- Building on the success of SFSY, we will create the necessary governance structure to ensure that our digital agenda is effectively coordinated and delivered.
- We will create a centre of digital excellence for the region, allowing it 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 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 outwith South Yorkshire.

5.

Position South Yorkshire as a centre of applied digital innovation

Page 91

- We will seek to integrate our digital agenda into the innovation clusters already emerging in the region, amplifying their activities and 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 strategy.
- We will instigate a regional Internet of Things network to support public and private sector ‘sensing’ network ambitions and as a platform for innovation in our growing digital sector.
- Our innovation will have a purpose beyond being ‘clever’; it must align to our SEP and have a clear social and economic value.

Questions and Discussion

Local Enterprise Partnership

09 September 2021

Business Recovery and Growth Board Summary Paper

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

Director Approving Submission of the Report:
Helen Kemp, Director of Business and Skills

Report Author(s):
Helen Kemp
Helen.Kemp@sheffieldcityregion.org.uk

Executive Summary

This paper provides an update for the Local Enterprise Partnership (LEP) Board across the range of activity delivered under the direction and oversight of the Business Recovery and Growth (BRGB) Board.

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

Investment in activities to support businesses to survive the pandemic and to build and grow in South Yorkshire is contributing to prosperity and growth.
The investment in developing a strong international reputation as a thriving and well-connected region will increase the opportunities for South Yorkshire businesses and residents.

Recommendations

It is recommended that the LEP Board members note the activity to date on delivering the Employer section of the Renewal Acton Plan and the developments in business support and international activity.

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

None

1. Background

- 1.1 Significant work to support businesses across South Yorkshire is being developed under the direction of the Business Recovery and Growth Board, including:
- Renewal Action Plan delivery
 - Business Support
 - International Activity

2. Key Issues

2.1 Renewal Action Plan Delivery

2.1.1 Delivery against the 5 Renewal Action Plan priorities has been progressed as follows:

2.1.2 Priority 1 - A Relief Fund, providing financial support to businesses

The Additional Restrictions Grant has been administered directly by Local Authorities and covered a number of schemes to provide Covid relief and support to businesses across South Yorkshire; initially focussing on enabling businesses to survive the pandemic.

The most recent initiatives have focussed on supporting businesses to adapt and thrive and have provided grants to improve productivity and digital innovation; significant support to businesses to engage with this process has been provided through the Renewal Action Plan Business Advisors. These schemes have distributed £5.78m in grants to businesses with an anticipation of 642 jobs created across the region.

2.1.3 Priority 2 – Extending regional access to advisory and specialist support

16 Renewal Action Plan Business Advisors are now in post and are embedded within each of the local authorities. To date, 400 business interventions have been undertaken across the 4 Local Authority areas, 270 of these are micro businesses (0-5 employees), with the remaining 130 being of Small to Medium sized Enterprises and large companies (over 250 employees).

2.1.4 Priority 3 - Access to Digital adoption and upskilling support

A soft-landing programme is in development and will be brought to the Board for recommendation in due course.

The approach to providing digital and tech sector specific wrap around support and engagement is also being developed.

2.1.5 Priority 4 - Supply Development support

A supply chain mapping exercise has been undertaken by Sheffield University students in order to understand the regional clusters and the number of companies that are involved at specific levels of the supply chain in rail, construction, aerospace, automotive, energy, food and drink, defence, space, logistics, design and digital.

Supply Chain Advisors are in post in three of the Local Authorities and are progressing development of the supply chain readiness elements.

The first supply chain event took place at the end of May and received over 70 delegates with an interest in understanding how local authorities procure goods and services. A programme of events and supply chain masterclasses has been developed and will be delivered during the remainder of 2021 and beyond.

2.1.6 Priority 5 - Marketing Activity - Positive messaging and comms on initiatives

Detailed marketing plans have been developed and are being used to expand messaging across South Yorkshire and beyond.

2.2 Business Support

2.2.1 Growth Hub Activity

Business support and guidance continues to be delivered via the MCA Gateway and through the Business Advisors retained under the Renewal Action Plan scheme, alongside a range of interventions such as the Sheffield Innovation Programme, Skills Bank, Support for Start-ups and the emerging Ownership Hub amongst others.

Most recently, the Peer Networks contract has been awarded to Winning Pitch and will provide support, advice and training to assist businesses face the challenges they are experiencing in the wake of the pandemic. Funding was received to deliver 8 cohorts of peer network support to SMEs in the region and a soft launch of the programme will commence in September.

2.2.2 Business Pipeline

The Board have maintained an overview of activity in relation to the potential large innovative growth projects that have come to form the Business Pipeline, including reviewing potential projects to accept into the assurance process. In parallel to this the Board have overseen the development of a set of criteria that will make it transparent for businesses to engage with this support.

Projects are being developed at pace and it is expected that approvals for funding will be coming forward to the BRGB and the MCA.

2.3 International Activity

2.3.1 India

Work continues in developing a South Yorkshire India Trade Strategy and approvals from the Business Recovery and Growth Board supported ongoing activity through the Growth Champions and the development of a South Yorkshire India Advisory Board.

Growth Champions had held 47 meetings throughout April through the Virtual Trade Mission and feedback from these meetings has been positive in terms of trade and business partnerships.

Initial plans for the South Yorkshire India Advisory Board had been to meet in June/July and launch a business network, however, the growth of the pandemic in India prompted advice that this was delayed until later in the autumn when it was hoped the virus would be more under control. On this basis, the first South Yorkshire India Advisory Board has been scheduled for November when it was felt it would be more appropriate to strengthen relationships with India.

2.3.2 China

The South Yorkshire Mayoral Combined Authority has established the groundwork for a China facing Trade and Investment Strategy, although the Covid pandemic has brought some delay to the development of the approach. At the last board meeting in June, the Board reviewed the work that had taken place so far and discussed an approach to recommence development of a China trade strategy.

The Business Recovery and Growth Board recognised there are areas of concern raised in the UK by government, industry and media, including Openness of the Chinese Market to UK exports; UK brands and investments encountering commercial, political and media pressure to influence UK political position and possible access to security and national-interest technology. In light of this, the Board resolved that it was prudent to consider a short-term limitation in the region's interactions which would be secure for private South Yorkshire commercial interests and remove the region from political criticism.

The Board has agreed it is now timely to revisit our position as at October 2019 and phase planned activity over the next 6 to 9 months to include:

- To establish a South Yorkshire China Forum (name to be confirmed)
- To develop a phased Marketing & Communications plan both raising the profile of SCR activity across UK and in our target China Region/Sectors
- To establish baseline indicators and metrics to allow measurement of impact of the forward approach
- To use the SYCF to support the market development strategy with a focus on 4 areas of activity:
 - Developing Regional relationships which will include Culture, Heritage and Tourism
 - Support SCR Businesses wanting to build export relationships in the target region
 - Grow inward investment opportunities
 - Increase the % of Chinese students choosing Sheffield when studying in the UK

This will lead into the development of a more structured programme of activity in 2022/23

3. Options Considered and Recommended Proposal

3.1 Option 1

This is not an options paper.

4. Consultation on Proposal

4.1 N/A

5. Timetable and Accountability for Implementing this Decision

5.1 N/A

6. Financial and Procurement Implications and Advice

6.1 N/A

7. Legal Implications and Advice

7.1 N/A

8. Human Resources Implications and Advice

8.1 N/A

9. Equality and Diversity Implications and Advice

9.1 N/A

10. Climate Change Implications and Advice

10.1 N/A

11. Information and Communication Technology Implications and Advice

11.1 N/A

12. Communications and Marketing Implications and Advice

12.1 N/A

List of Appendices Included

None

Background Papers

None

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Local Enterprise Partnership

09 September 2021

Mayor's Update

Purpose of Report

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

1. The Comprehensive Spending Review, Integrated Rail Plan and Levelling Up

Three long awaited, and interlinked key Government documents are due to be published this Autumn. Expectations are rightly extremely high for the long-awaited Levelling Up White Paper, the Comprehensive Spending Review and the Integrated Rail Plan.

Whilst I welcome the Government's commitment to levelling up, I remain deeply concerned that so far, it's more slogan than substance, without even a definition of what they are trying to achieve. With the pandemic having shone such a spotlight on the starkness and scale of inequalities in our country there is a need for a clear, tangible plan, backed by substantive investment, to begin to tackle this systemic issue.

Given the promises and commitments that have been made, I'll be judging government by their deeds rather than just their words, to level up South Yorkshire. The continued and unacceptable delay to the publication of the Integrated Rail Plan, which we've been waiting nine months for, further fuels the suspicion that what is being planned falls far short of the promises that were made. In the absence of this document, I struggle to see how this government can claim to be serious about 'levelling up' the North when there are so many question marks about something as basic as improving rail connections between our towns and cities.

Colleagues on the MCA, LEP and I are not simply sat waiting for Government. We're focused on doing everything we can to deliver the ambitious and transformative vision in our Strategic Economic Plan and to create a stronger, greener, and fairer region in our renewal from the pandemic. Some highlights of this recent activity are summarised below.

2. City Region Sustainable Transport Settlement Bid

Partners across the region have been working together over the summer to produce our bid for a City Region Transport Settlement (CRSTS). South Yorkshire Mayoral Combined Authority (MCA) is one of eight Combined Authorities eligible for this £4.2bn fund and is required to submit its draft bid to Government by the w/c 6th September and its final proposal by the 15th.

The development of South Yorkshire's submission to what is an extremely significant funding opportunity has represented a herculean effort. In preparing our submission my overriding concern has been to preserve the integrity of the bid to ensure that we meet the criteria laid down by government as well as both local needs and South Yorkshire's strategic challenges. It has been a balancing act!

Our proposed programme will improve transport in South Yorkshire's, with a particular focus on transforming public transport and active travel, connecting our people and communities to opportunity, enabling them to make sustainable choices.

Whilst the submission of our bid is an important milestone, it is only the beginning of a much bigger process to secure the investment so urgently needed and then to deliver it. I'll be fighting to secure every penny needed to realise our ambitions and I'm confident the strength of our bid means we are well placed to succeed.

3. Local skills support for South Yorkshire's Learners

At the beginning of August our Mayoral Combined Authority took a significant step forward in its devolution journey by assuming responsibility for £42m of skills funding for those aged 19 and over, known as the Adult Education Budget (AEB). Skills and adult education are critical to building a bigger and better economy for our region – giving people the opportunity they need to prosper and helping businesses grow.

Local control over the AEB will help people improve their skills to progress in work, stay in work or get back to work. It will also mean that the local skills system can be transformed to focus on the needs of South Yorkshire's local businesses and the industries that are predicted to grow in the coming years.

Local control of the AEB has also meant that South Yorkshire based providers now comprise 46% of all providers, up from 8% previously, following a robust procurement exercise which has been ongoing since December 2020.

We will continue to work with training providers to shape South Yorkshire's skills agenda to meet our region's unique needs. Together we will support our residents to get good jobs and progress their careers in South Yorkshire's key sectors and make learning more inclusive.

4. South Yorkshire Health and Wellbeing Mayoral Community Fund

The past 18 months have been extremely tough for so many, and our community groups have done tremendous work throughout the pandemic. If Covid has shown us anything at all, it's how precious health and wellbeing is.

For these reasons I'm really pleased to have invested £200,000 to launch the new South Yorkshire Health and Wellbeing Mayoral Community Fund. Providing grants for community groups of up to £10,000 it will seek to address key issues such as:

- Mental health in disproportionately affected communities across South Yorkshire;
- Funding community organisations supporting social and green prescribing;
- Physical well-being and mental health; and
- Engaging young people in activities addressing health and well-being.

The fund will be administered by the South Yorkshire's Community Foundation and more details on how to apply are available [here](#). We are continuing to monitor applications and demand for the fund and are exploring potential mechanisms to extend with additional investment, including from the private sector.

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Local Enterprise Partnership

09 September 2021

CEX Update

Purpose of Report

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

1. Northern Powerhouse Investment Fund

116 South Yorkshire businesses have secured more than £31m of investment from the Northern Powerhouse Investment Fund (NPIF), in addition to £24m attracted as private sector co-investment. NPIF is a collaboration between the British Business Bank and ten LEPs in the North and supports new and growing SMEs, creates jobs and attracts private sector investment. Neil MacDonald represents the LEP on the NPIF Strategic Oversight Board.

2. MADE Smarter Review

SCR MCA is the lead organisation and accountable body for the Yorkshire and Humber Made Smarter programme. Following MCA acceptance in June, a Memorandum of Understanding with BEIS will enable the procurement of a delivery partner. The programme has ambitious targets, considering the relatively small pot (£1.5m) available, aiming to reach 500 SMEs across Yorkshire and Humber. A number of requirements will have to be delivered including: digital road mapping, fully funded projects, funded projects through Cap Ex Grant, digital internships (graduates and students), and leadership and management training to a number of cohorts across the region.

3. Quarterly Economic Survey (QES)

The MCA and LEP continue to work with South Yorkshire's Chambers of Commerce to support the QES. Results give a snapshot of business sentiment and can help to inform strategic decision-making. Quarter 2 results showed positive signs as the economy opened up and companies grew in confidence. The Quarter 3 survey runs from 23 August to 13 September.

4. Support for the LEP Review

South Yorkshire MCA and LEP, alongside Cambridgeshire, West of England, Tees Valley and West Yorkshire, support the current LEP Review. It is regarded by the MCA and LEP as an opportunity to strengthen the role of business aligned to MCAs and local government decision making. An approach will be agreed with the

Department for Business, Energy and Industrial Strategy (BEIS) to ensure that we can capitalise on progress our LEP and MCA have already made.

5. South Yorkshire Music Board

A review of the Sheffield City Region Music Board governance is currently being undertaken by the MCA and adverts for the roles of Chair and Vice Chair will go out in the autumn. Penny Blackham, who stepped down as Chair in July, led the board through an unprecedented time, and the Mayor has thanked her for her work representing the region's music industry.

6. Business Advisory Group

The South Yorkshire Business Advisory Group continues to bring key business representative organisations and other business leaders together to inform, assist and enhance the work of the LEP and MCA. The group cover a range of business topics that the LEP and MCA are directly involved with and where in-depth business input strengthens its thinking, supports delivery and secures backing. The Group is chaired by LEP Chair James Muir alongside Vice Chairs Dan Fell and Neil MacDonald.