

MCA - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

THURSDAY, 10 MARCH 2022 AT 11.00 AM

HYBRID MEETING

SOUTH YORKSHIRE
BUSINESS



LOCAL
ENTERPRISE
PARTNERSHIP

Present:

Lucy Nickson (Chair)	Private Sector LEP Board Member
Neil MacDonald (Vice-Chair)	Private Sector LEP Board Member
Joe Chetcuti	Private Sector LEP Board Member
Michael Faulks	Private Sector LEP Board Member
Dan Fell	Doncaster Chamber
Councillor Terry Fox	Sheffield City Council
Alexa Greaves	Private Sector LEP Board Member
Peter Kennan	Private Sector LEP Board Member
Mayor Dan Jarvis MBE	South Yorkshire MCA
Mayor Ros Jones CBE	Doncaster MBC
Councillor Sir Steve Houghton CBE	Barnsley MBC
Gemma Smith	Private Sector LEP Board Member
Cathy Travers	Private Sector LEP Board Member
Bill Adams	TUC Representative
Sarah Norman	Barnsley MBC
Martin Swales	SYMCA Executive Team

Officers in Attendance:

Dr Dave Smith	Chief Executive / Head of Paid Service	SYMCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	SYMCA Executive Team
Gareth Sutton	Chief Finance Officer/S73 Officer	SYMCA Executive Team
Nici Pickering	MCA Executive Team	SYMCA Executive Team
Sharon Kemp	Chief Executive, Rotherham MBC	Rotherham MBC
Jim Dillon	Interim Director of Business and Skills	SYMCA Executive Team
Jonathan Guest	Senior Economic Policy Manager	SYMCA Executive Team
Paul Johnson	Senior Policy Manager	SYMCA Executive Team
Felix Kumi-Ampofo	Assistant Director Policy and Assurance	SYMCA Executive Team
Andrew Shirt	Minute Taker	Joint Authorities Governance Unit

Apologies:

Angela Foulkes	Private Sector LEP Board Member
Councillor Chris Read	Rotherham MBC
Richard Stubbs	Private Sector LEP Board Member
Professor Dave Petley	University of Sheffield
Kate Josephs	Sheffield City Council
Damian Allen	Doncaster MBC
Sarah Want	Sheffield University

10 **Welcome and Apologies**

The Chair welcomed everyone to the meeting.

11 **Declarations of Interest**

There were no declarations of interest in relation to the agenda items for discussion at the meeting.

There were no declarations of interest in relation to any activity since the last formal Board meeting.

There were no declarations of interest in relation to any forthcoming activity.

12 **Notes of Last Meeting - 13 January 2022**

RESOLVED – That the notes of the previous meeting held on 13 January 2022 were agreed to be an accurate record.

13 **Mayoral Update**

Members noted that today would mark the last LEP Board meeting attended by Mayor Jarvis MBE before the end of his mayoral term in May 2022. On behalf of the Board, L Nickson expressed her thanks to Mayor Jarvis MBE for his engagement with the LEP during the last 4 years, which had been key in ensuring that the public and private partnership between the MCA and the LEP Board had gone from strength to strength. Through the joint working and vision, Mayor Jarvis MBE had granted the opportunity to build a stronger, greener and fairer region, which had created opportunities and prosperity for all. Members recalled that in 2018, when Mayor Jarvis MBE had first been elected, South Yorkshire had no devolved powers or resources. The Board noted the transformative change that had been achieved through Mayor Jarvis MBE's tireless negotiations with the Government to get the best deals for South Yorkshire.

In response, Mayor Jarvis MBE expressed his thanks to L Nickson for her comments. He was extremely grateful to the efforts and dedication of the Members of the LEP Board, both on an individual and collective basis, which had added a huge amount of value to the process over the years.

The South Yorkshire Economic Summit held on 9 March 2022 had been an important milestone for the MCA, which had demonstrated the progress that had been made over the last few years. Mayor Jarvis MBE would continue to support the position as a Member of Parliament to champion South Yorkshire. He was pleased to observe the attendance of the LEP Board Members at the event.

Mayor Jarvis MBE had recently spoken to the Rt Hon Michael Gove MP in relation to the Shared Prosperity Fund, who had assured him that clarity would be provided within the Spring 2022 Statement. Mayor Jarvis MBE would liaise further with the Government between now and the Spring 2022 Statement in relation to extending the arrangement that was contained within the

Comprehensive Spending Review, to unlock the additional resources for South Yorkshire.

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

Updates were provided on:

- i) Fighting for South Yorkshire's bus and tram services.
- ii) Connected by Water.
- iii) Continuing to strengthen relationships with India.
- iv) Levelling Up White Paper and Levelling Up South Yorkshire.

RESOLVED – That Members noted the update.

14 **Levelling Up White Paper**

A report was presented which summarised the Government's Levelling Up White Paper and highlighted the implications for the region, MCA and LEP. The quality of life and growth opportunities of residents, businesses and places in South Yorkshire could be profoundly impacted upon by how the White Paper was implemented.

Dr Smith thanked those Members that had attended the South Yorkshire Economic Summit that had been held on 9 March 2022, particularly to those Members that had made contributions during the panels and workshops. The feedback that had been received to date had been extremely positive. The workshop sessions had also been favourably received and the feedback from debates will shape our policy and action over the coming years. The remit of the new Innovation Board (which will soon be constituted and announced) will ensure that some of the thinking and approaches are taken forward. He was pleased to observe the amount of coverage the summit had received, especially via social media. He considered that the way in which the summit had been set out by Mayor Jarvis MBE and L Nickson, together with the response received from A Haldane, had been helpful in exposing the opportunities and challenges brought through the White Paper.

Members noted that Mayor Jarvis MBE had agreed to write to Andy Haldane to thank him for his contributions made to the summit and to seek his support, especially regarding unlocking access to private finance. Consideration would also be given regarding how to continue the conversation with those that had attended the summit and those who had showed interest but had been unable to attend.

Professor Sir Husbands had chaired the skills session at the summit, which had received positive feedback. He did not consider that the summit had fully addressed the next course of action. He noted that he would welcome a discussion at a future LEP Board meeting regarding the next steps and choices that could be undertaken by the Board and others in relation to the themes of skills/finance.

P Kennan had been unable to attend the summit. He requested Dr Smith to inform Members on the announcement of the South Yorkshire Sustainability Centre.

In response, Dr Smith referred to the ongoing work with the University of Sheffield to seek to develop a holistic and workable approach. The Centre will be driven by a desire to achieve impact, backed by the evidence, while being sensitive to the potential consequences of the transition.

In relation to the plenary session on finance at the summit, M Faulks referred to the suggestion that the best approach for any South Yorkshire based company that sought finance, was to open a branch office in London, and that the evaluation of the equivalent company would be twice higher than that in South Yorkshire. He referred to the innovation centres within South Yorkshire, and he considered that the messaging and promotion of which should be a key activity. He considered that the summit had been very positive.

Councillor Sir Houghton CBE commented that a draft Skills Strategy will be ready in early Summer 2022. He noted the need to maximise opportunities over the next 5 years for the existing workforce and business, and to ascertain what could be undertaken over the longer term to transform the performance of South Yorkshire.

D Fell referred to the positive feedback that had been received following the summit. He was pleased to observe the different parts of South Yorkshire that had celebrated each other. However, he considered that there had been a lack of diversity within the panels and time keeping. For future years' summits, he suggested that they should strive for greater interaction.

L Nickson referred to the need for greater diversity on future panels and access to the finance session. She had observed the huge enthusiasm for the summit which had presented the opportunity to bring everyone together. She considered that the summit had addressed the collective leadership and visibility of the LEP in terms of the role which was required, and she hoped that the summit could be built upon moving forwards.

RESOLVED – That Members noted the summary of the White Paper and considered implications for the LEP and for South Yorkshire.

15

(Social Value) Eligibility Conditions for accessing MCA funding & finance

A report was submitted which provided Members with an update on the social value eligibility conditions for accessing MCA funding and finance. The paper sought endorsement of the work to be taken to the MCA Board for final approval. Members noted the ten commitments that had been produced, which were designed to ensure that funding and finance from the MCA supported organisations with a similar desired ethos and with whom the MCA could work to generate social value through all the actions, interventions and relationships.

F Kumi-Ampofo referred to the engagement that had been undertaken with the key stakeholders across South Yorkshire, businesses, anchor partners, third sectors and LEP Board Members. It was acknowledged that small

organisations may require additional support to engage fully. It was proposed to undertake a pilot during the first year, and for the findings to be reported back the LEP Board.

B Adams expressed his thanks to F Kumi-Ampofo and his team for the work undertaken, and he acknowledged the amount of input that had been provided by the Trade Unions and the Sheffield University Management School. In relation to the condition about employees being informed about the business and involved on the decision making, as highlighted within the report, he considered that this could be achieved by providing adequate facilities and communication channels for employee representation ie trade unions. He considered that, if employees were willing, they should be free to make a decision regarding whether to join a trade union. Members noted that within the region and at other regions, access to the trade unions into the workplace was increasingly patchy.

C Travers considered that trade unions were not necessarily the only answer, due to there being many other methods to engage with employees, and that this policy could create a very marginal impact due to the size of funding available, which was relative to the number of businesses within the region. She added that further consideration should be given to the broader engagement with businesses across the region to drive better practice around the key issues.

Professor Husbands commented that several companies that had exploited their staff by paying below the living wage. The ten conditions were essentially to inform a framework that allowed companies to access funds. In relation to condition 9, he considered that it would be extremely difficult for any company to achieve net zero, and that it would be necessary to plot a realistic route towards achieving net zero. He highlighted the need to work with companies who had a degree of flexibility and autonomy in the way in which they achieved desirable outcomes.

In summary, L Nickson noted that the Board broadly supported the recommendations, whilst recognising the progress that was being made, and she acknowledged the differing views which would be reflected upon by the executive team during the implementation phase.

RESOLVED – That the Board endorsed the policy and the Eligibility Conditions and recommended the same to the MCA Board for adoption.

16

Progressive Procurement Policy

A report was submitted which set out the new draft 'Progressive Procurement Policy' for the LEP and MCA that aimed to use the MCA's spending power to achieve greater 'social value'. By developing a more progressive procurement policy, which aimed to go beyond value for money in a traditional sense, the LEP and MCA could achieve greater social, ethical and environmental outcomes and realise greater added value for the economy and for society.

P Kennan queried whether there would be consistency within the policy, and whether the same level of proportionality and flexibility would be applied as in

the social value eligibility conditions for accessing MCA funding and finance. He could not see a commitment to spending within the local supply chains as a driver to social value locally.

In response, F Kumi-Ampofo commented that the work would be undertaken by the same team, and the policy would be implemented with the same level of sensitivity and reason, with consistent technical issues across the piece. He added that procurement was a key variable for consideration.

Members considered the following options:

Option 1

To do nothing and to continue with the existing approach. This would limit the reach of MCA spending and would impact on what could be reported. There was a risk of significant reputational damage as the MCA was already lagging its peers in the policy space.

Option 2

To agree a new progressive procurement policy which better reflected the ambitions for social value in the SEP. Work was underway to explore how the policy, if approved, could be implemented and how the LEP and MCA could work with anchor partners to agree and implement a consistent South Yorkshire-wide progressive procurement policy and approach.

RESOLVED – That the Board considered the draft progressive procurement policy and endorsed Option 2 and recommended to the MCA Board for approval.

17 Cost of Living Crisis

A report was presented which summarised key elements of the emerging cost of living crisis, and highlighted the implications and potential areas of focus for the region, MCA and LEP. The Bank of England had warned the population to prepare for the steepest drop in living standards for 30 years, as the cost-of-living crisis set in.

Members were referred to the high proportion of businesses within the region which were energy intensive and used fossil fuels. Supply chain of inflation would affect different groups, particularly businesses and those in low-income households. Currently, inflationary pressure was encountered across the labour market with record vacancies levels, and businesses struggling to recruit which was driving up the wages. The National Insurance contributions would increase by 1.25% from April 2022, and it was anticipated that the Council Tax bills across the UK were also expected to rise from April 2022. In April 2022, the Government would uprate benefits by 3.1% when the inflation was forecast to hit 7%.

P Kennan suggested that the thematic boards could consider whether investment programmes could be adapted to respond where feasible. He

queried whether Members should meet to consider whether there were other actions that could make a difference.

L Nickson suggested that the matter should also be discussed at the Business Advisory Group meeting to be held on 14 March 2022. She endorsed the suggestion for further discussions to be undertaken.

C Travers expressed her concern at the situation together with the prospect of moving into a recession and potentially job losses.

RESOLVED – That the Board Members reviewed the emerging evidence, noting the impact on the MCA investment programme and considered potential responses.

18 **LEP Review**

A report was submitted which set out the latest developments in the Government's ongoing review of Local Enterprise Partnerships and highlighted the potential impact on the work of the LEP in South Yorkshire.

Dr Adams referred to the discussion on the Levelling Up White Paper. The Government had indicated that where LEPs were in MCA areas, that they would be folded into the MCA structures. Further information was awaited imminently from the Government.

L Nickson referred to the aforementioned summit which had reiterated that business had to be at the heart of the discussions within the MCA. She invited colleagues to give serious consideration on the matter.

N McDonald commented that the LEP had a good working relationship with the MCA and the thematic boards. The summit had shown a diversity of individuals from the private, public and third sectors which should be built upon.

RESOLVED – That the Board noted the implications of the review and discussed what the future role of the LEP should be.

19 **Chief Executive's Update**

A report was submitted 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:

- i) India trade and investment opportunities.
- ii) Doncaster's to bid for Great British Railways headquarters.
- iii) South Yorkshire to be home to pioneering gene therapy centre.
- iv) Arts Council funding.
- v) SY Quarterly Economic Survey.
- vi) Welcome to Yorkshire.

Dr Smith requested Members to support the bid for the Great British Railways headquarters, and to encourage others to support it also.

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