

Wednesday, 2 March 2022

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

## NOTICE OF MEETING

You are hereby invited to a meeting of the South Yorkshire Local Enterprise Partnership to be held at **Online**, on: **Thursday, 10 March 2022** at **11.00 am** for the purpose of transacting the business set out in the agenda.



Dr Dave Smith  
**Chief Executive/ Head of Paid Service**



You can view the agenda and papers at [www.sheffieldcityregion.org.uk](http://www.sheffieldcityregion.org.uk) or use a smart phone camera and scan the QR code:

## Member Distribution

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
Angela Foulkes	Private Sector LEP Board Member
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
Councillor Chris Read	Rotherham MBC
Gemma Smith	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Cathy Travers	Private Sector LEP Board Member
Professor Dave Petley	University of Sheffield
Bill Adams	TUC Representative

MCA - Local Enterprise Partnership

Thursday, 10 March 2022 at 11.00 am

Venue: Online

SOUTH YORKSHIRE  
**BUSINESS**



LOCAL  
ENTERPRISE  
PARTNERSHIP

## Agenda

Agenda Ref No	Subject	Lead	Page
1.	Welcome and Apologies	Chair	
2.	Declarations of Interest <ul style="list-style-type: none"><li>In relation to any agenda item</li><li>In relation to any activity since the last formal meeting</li><li>In relation to any forthcoming activity</li></ul>	Chair	
3.	Notes of Last Meeting - 13 January 2022	Chair	5 - 12
<b>Strategic Development</b>			
4.	(Social Value) Eligibility Conditions for accessing MCA funding & finance	Felix Kumi-Ampofo	13 - 34
5.	Levelling Up White Paper	Felix Kumi-Ampofo	35 - 38
6.	Progressive Procurement Policy	Felix Kumi-Ampofo	39 - 50
7.	Cost of Living Crisis	Felix Kumi-Ampofo	
<b>Governance</b>			
8.	LEP Review	Ruth Adams	51 - 56
<b>For Information</b>			
9.	Mayoral Update	Mayor Dan Jarvis	57 - 60
10.	Chief Executive's Update	Dave Smith	61 - 62
<b>Date of next meeting:</b> Thursday, 12 May 2022 at 11.00 am <b>At:</b> Online			

This page is intentionally left blank

**MCA - LOCAL ENTERPRISE PARTNERSHIP**

**MINUTES OF THE MEETING HELD ON:**

**THURSDAY, 13 JANUARY 2022 AT 11.00 AM**

**ONLINE**

**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
Angela Foulkes	Private Sector LEP Board Member
Councillor Terry Fox	Sheffield City Council
Peter Kennan	Private Sector LEP Board Member
Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority
Mayor Ros Jones CBE	Doncaster MBC
Richard Stubbs	Private Sector LEP Board Member
Professor Chris Husbands	University Representative LEP Board Member
Professor Dave Petley	University of Sheffield
Dan Fell	Doncaster Chamber

**Officers in Attendance:**

Dr Dave Smith	Chief Executive	MCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Helen Kemp	Director of Business & Skills	MCA Executive Team
Kate Josephs	Chief Executive, Sheffield City Council	Sheffield CC
Jim Dillon	Interim Director of Business and Skills	MCA Executive Team
Andy Gates	Assistant Director - Strategic Corporate Affairs	MCA Executive Team
Felix Kumi-Ampofo	Assistant Director Policy and Assurance	MCA Executive Team
Dan Swaine		Doncaster MBC

**Apologies:**

Karen Beardsley	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
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 Want	Sheffield University

## 1 **Welcome and Apologies**

The Chair welcomed everyone to the meeting.

Mayor Jarvis MBE welcomed L Nickson in her role as interim Chair of the LEP Board, during the period of transition moving towards an election and a new Mayor to be appointed in May 2022. On behalf of the Board, he wished her well in the role of interim Chair, and he looked forward to working with her over the upcoming months.

Apologies for absence were noted as above.

## 2 **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.

## 3 **Notes of Last Meeting held on 4 November 2021**

A Foulkes requested that the minutes of the last meeting should be amended to reflect the establishment of the South Yorkshire Apprenticeship Hub, rather than a recommendation from the South Yorkshire Apprenticeship Hub.

RESOLVED – That subject to the above amendment, the notes of the previous meeting held on 4 November 2021 were agreed to be an accurate record.

## 4 **The Synergy Project (MIT REAP)**

A report was submitted which set out the findings and proposals from a report commissioned by the MCA and LEP to investigate the state of the South Yorkshire innovation ecosystem and to provide recommendations for improvement. All of the evidence had indicated that the South Yorkshire innovation ecosystem was operating at a sub-optimal level.

A study had been funded by the SYMCA, LEP, BMBC, Sheffield Hallam University and the University of Sheffield to explore the conditions required to promote Innovation-Driven Enterprises (IDEs) – start-ups, scale-ups and SMEs with high growth potential and global ambition. Over 50 interviews had been conducted to gather information from entrepreneurs, business leaders and other members of the South Yorkshire ecosystem.

F Kumi-Ampofo presented Members with a series of PowerPoint slides which reiterated the key points that were highlighted within the report.

R Stubbs agreed with the conditions for delivery as set out within the report. He considered that the report did not identify the huge interest and appetite for

the region; infrastructure and skills within the region continued to be a conversation of interest from outside of the region. He added that consideration should be given to a private sector delivery vehicle that could be independent whilst attaining public sector values.

In terms of the networking in how the private sector interacted within the region, D Fell highlighted the need for cross-fertilisation of the fields. He considered that the SYIB should be SME friendly in its delivery. He was very supportive of the recommendations highlighted within the report.

Professor Husbands considered that the move from diagnosis to prescription would always be the most difficult element. Given the pre wide-ranging diagnosis, he queried where the effort would be put into the SYIB.

M Faulks was also in support of the findings and recommendations highlighted within the report.

**RESOLVED – That the Board:-**

- i) Noted the progress in developing the detail to underpin the innovation-led inclusive growth focus and provide further steer on how to develop this work further.
- ii) That the findings from the research are discussed and noted, and Board Members propose what actions could be taken from this.
- iii) Set out how the findings from this study:-
  - Inform the work of the proposed South Yorkshire Innovation Board (separate paper).

Inform the new and emerging South Yorkshire innovation-led growth story and how the proposed Economic Summit (separate paper) could help develop this further.

## **5 Innovation Board for South Yorkshire**

A report was presented which set out a proposal to establish a South Yorkshire Innovation Board (SYIB), which would be tasked with leading on operationalising the innovation and productivity enhancing activity set out in the region's Strategic Economic Plan.

Mayor Jarvis MBE considered that the establishment of an SYIB was a sensible proposal. He commented that from a national Government perspective, innovation was crucial to addressing the productivity challenges and a key element from the Levelling Up Agenda. He had raised the matter recently in Parliament with George Freeman, Minister for Science and Innovation, who was enthusiastic of the capabilities to be offered by South Yorkshire.

Councillor Fox welcomed the report. He sought clarification as to how the SYIB would link together the four local authorities to enable collaborative working.

He queried whether matters could be explored further to ascertain whether there would be a financial cost to establishing an SYIB.

In response, A Gates commented that discussions would be undertaken to ensure that the SYIB had the correct membership. The feedback received from the recent Business Advisory Group had highlighted the importance to consider the business spatial level i.e. clustering, which would have an impact across the four local authorities.

A Foulkes wished to observe that the SYIB had a clear synergy with the emerging skills strategy. She suggested that the major skills providers should be included within the SYIB as both a vehicle and place, and for the skills to be merged earlier across people and places within the region.

P Kennan was fully supportive of the establishment of a SYIB. He referred to a number of the statistics within the budget, which stated that the national research and development had totalled approximately £26bn per year. However, the tax credit claims made for R&D based on innovation had last year totalled £47.5bn. He considered that membership of the SYIB should include accountancy firms, lawyers and specialist advisors to ensure that all of the innovative information was addressed.

Professor Husbands was supportive of the establishment of a SYIB, however he expressed concern that there was no funding available. He queried how the terms of reference were likely to cover the gap as identified within the report.

N MacDonald referred to the Business Advisory Group which met on a regular basis and consisted of a wide range of business representative bodies, which was Co-Chaired by D Fell and himself. At a recent meeting of the group, the establishment of a SYIB was unanimously approved, however the issue of resourcing was raised. The Business Advisory Group considered that it was essential for the SYIB to be private sector led, and for it to engage with the private sector moving forwards. He added that the SYIB should address the SME issues, and to ensure that the spatial dynamics were correct.

Professor Petley endorsed the suggestion that the SYIB must be private sector led and dominated, whilst avoiding the creation of a large and complex board. He made a plea to the LEP Board and the wider community to quickly create a SYIB, which would be effective, reasonably sized and private sector led.

R Stubbs referred to the need for a better narrative, which he suggested should become a task of the SYIB. He highlighted the importance to ensure that the SYIB did not become another LEP Board, and to ensure that its purpose was to focus on innovation and to ensure that it linked into the other aspects. He considered that the SYIB would become the strategic alignment setter for the work to be undertaken.

K Josephs highlighted the need for a credible private sector led voice for innovation in the region. She endorsed the comments made regarding the SYIB being private sector led.

Dr Smith also agreed with the comments made, and he added that the delivery



of the SYIB was in relation to a whole range of activities. He considered that the SYIB would address the issue for the region to attract and retain the correct range of quantum of private finance available to support business growth.

The Chair expressed her thanks to Members for the discussion, which had identified very broad support for the establishment of a SYIB, whilst noting the pace and the work to be undertaken in terms of the practical steps.

In terms of the next steps, A Gates commented that matters would be progressed further.

RESOLVED – That Members:-

- i) Approved the recommendation at 3.1 of the report to establish a South Yorkshire Innovation Board.

Considered and informed the proposed objectives, membership and the headline terms of reference set out in sections 3.2, 3.3, 3.4 and 3.5 of the report.

## 6 **Economic Summit for South Yorkshire**

A report was presented which set out a proposal for the region to host a high-profile Economic Summit in the first quarter of 2022. The summit would seek to position South Yorkshire as an innovative, forward thinking, and attractive location to invest, scale-up and commercialise ideas and to stimulate partners to work with on the development of transformational projects that unlock growth. The summit would provide an important stakeholder opportunity to showcase the investment pipeline work that had been developed by the region and to profile the growing number of innovation assets.

R Stubbs emphasised the need for investment to be made with outside communication agencies, to enable both noisy and visible conversations to be held during the summit. He queried whether the summit would be held in the former John Lewis building which was located in Sheffield.

In response, A Gates agreed that external support would be sought. The location to hold the summit would be ascertained in due course.

Dr Smith referred to the engagement that had been made for external support. It was important to undertake smaller events leading up to the summit, in order to create momentum and to enable individuals to understand the meaning of the summit.

J Chetcuti highlighted the importance to notify attendees of the date of the summit as soon as possible.

RESOLVED – That Members agreed with the plan to hold an Economic Summit in March 2022.

## 7 **Governance Report on Membership**

A report was submitted which provided an update on LEP Board governance, membership and some amendments to the roles following recent changes to the Private Sector Board membership.

Members noted that the appointment process for a substantive LEP Chair would commence after a new Mayor had taken up office following the election in May 2022.

The report sought to appoint N McDonald as the LEP Board interim Vice Chair, and D Fell to be appointed as the interim LEP Private Sector Co-Chair for the Education, Skills and Employment Thematic Board. Following the resignation of K Beardsley, the Chair would agree a recommendation of a second Private Sector Member for the Transport and Environment Board, to be reported to a future LEP Board meeting.

The Chair expressed her thanks to N McDonald and D Fell for their interim positions.

RESOLVED – That the LEP Board Members approved the changes to representation outlined within the report.

## 8 **Mayoral Update**

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

Updates were provided on:-

- Covid-19.
- The publication of the Integrated Rail Plan and the forthcoming Levelling Up White Paper.
- Fighting for South Yorkshire's fair share of the Shared Prosperity Fund.
- Strengthening relationships with India.

RESOLVED – That Members noted the update.

## 9 **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:-

- Submission of research England bid.
- Levelling Up White Paper delay.
- Hydrogen twinning city link.
- Institute of Technology Bid.

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 .....

This page is intentionally left blank



## Local Enterprise Partnership

10 March 2022

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

---

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

---

#### Director Approving Submission of the Report:

Ruth Adams, Deputy Chief Executive

#### Report Author(s):

Jonathan Guest  
Felix Kumi-Ampofo

---

#### Executive Summary:

Work has been underway over the last few months to develop a set of eligibility conditions for accessing MCA funding and finance. Ten commitments have been produced through intense engagement with partners and are presented in this policy paper. These commitments are designed to ensure that funding and finance from the MCA supports organisations with a similar desired ethos and with whom the MCA can work to generate greater social value through all our actions, interventions and relationships.

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

This will help define the type of organisations that MCA funds benefit. For example, the outputs of implementing the eligibility conditions could unlock greater work opportunities or provide more stable employment for our communities.

## Recommendations:

That the Board endorses this policy and the Eligibility Conditions and recommends same to the MCA Board for adoption.

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

None

---

### 1. Background

- 1.1 The LEP and MCA agreed to explore criteria linked to MCA investment following the publication of the Strategic Economic Plan. The SEP explicitly states that “when making investments, we will establish an upfront social contract based on our terms of business”. The Board has steered the development of this policy since inception and this paper is seeking final approval. Following this, technical processes will be put in place for implementation.
- 1.2 Initially this policy was referred to a “Social Value contract” but has since evolved (through consultation) to be known as “eligibility conditions for accessing funding and finance”. The policy will establish key commitments that enhance the social value leveraged from our funding and finance. This will help ensure that MCA financial support goes to organisations with a similar socially progressive ethos.
- 1.3 This paper updates members and seeks endorsement of the work to take to the MCA Board for final approval.

### 2. Key Issues

- 2.1 Currently, funding and finance invested by the MCA and LEP are conditioned by some basic social value commitments. Led by the LEP board, developing this policy required deep engagement with the voluntary sector, businesses, local authorities and business representative organisations to develop the commitment into more socially inclusive and environmentally sound eligibility commitments.

An example of how this policy would work is that a South Yorkshire firm making widgets that employs 70 people, may be seeking for example £1million pound loan from the MCA to grow its premises, turnover and headcount. The Eligibility Conditions will serve as a guide to ensure that the organisation adheres to the ethos of the MCA and is, for example also paying (or seeking to) pay the real living wage to their employees and has (or is developing) a net zero strategy.

- 2.2 Through the engagement process there has been pragmatism by many stakeholders who understand the drivers to do this but have also stressed the need for flexibility in implementation. Issues such as “zero hours contracts” or “workforce diversity” affect businesses differently and as such, the policy will be applied sensitively. The first year will be pilot and the board will be kept updated.

### **3. Discussion**

#### **3.1 The ten Eligibility Conditions are:**

- Pay Real Living Wage to full and part time employees, for regularly contracted hours and overtime
- Increase secure work for employees, with zero hours contracts only for those who want them
- Spend more with local suppliers in South Yorkshire, particularly with SMEs and the Voluntary, Community and Social Enterprise (VCSE) sector
- Empower employees to be informed about the business and involved in decision-making
- Enable and enhance workforce diversity
- Offer more pathways into employment through work experience, placements, internships, and apprenticeships
- Support staff progress in the organisation through training and development
- Engage with and support local communities
- Achieve Net Zero
- Create a healthy workplace

3.2 The focus of the commitments is upon organisations the MCA has financial dealings with. In accessing funding and finance, organisations will need to confirm commitment to the conditions. These commitments will then be followed through and evidenced via the usual business case development process. So, this is not about outputs specifically related to a project or scheme; the focus is on culture and continuous improvement, not one-off outputs.

3.3 The attached policy paper and FAQs reflect the need for a careful balance in implementation. All issues raised at previous updates to the LEP board have been overcome. For example, the need for proportionality has been hard wired, ensuring that expectations are tailored accordingly, allowing businesses of different sizes and those seeking different levels of funding and finance responding accordingly. The attached policy papers also explore more of the queries and challenges as well as proposing a way forward on resourcing, support and signposting, flexibility on implementation, closing of loopholes.

3.4 The policy paper meets the ambition set out in the SEP. It is also a strong basis to develop an Employer Charter. This will be explored later in 2022 and will likely involve working with all partners towards a voluntary charter which seeks a broader and sustained cultural shift in the behaviour of employers.

### **4. Ask**

4.1 The policy paper sets commitments. Implementation will require testing and exploration with stakeholders. The LEP board is invited to recommend to the MCA that the policy is adopted.

### **5. Timetable**

5.1 Following this paper, if endorsed, approval will be sought at the MCA board March 2022 meeting.

5.2 The intention is to pilot implementation in the new financial year. This will make clear the extent to which certain resources are needed (e.g. proactive support for SMEs) and any operational challenges that exist.

## **6. Financial and Procurement Implications and Advice**

6.1 There are potential resource implications and the piloting period will be used to test this out. For now, no further financial burden will be placed on the LEP and MCA because of this policy.

## **7. Legal Implications and Advice**

7.1 The Eligibility Conditions have been subject to legal review and potential implications have been explored. There are no identified barriers currently.

## **8. Human Resources Implications and Advice**

8.1 Monitoring and delivery could have a human resource implication, depending on the preferred approach. This will be further explored as part of the pilot phase.

## **9. Equality and Diversity Implications and Advice**

9.1 The proposals seek to enhance equality, diversity and social inclusion through activities funded by the MCA and interventions that are funded and delivered by partner organisations. The benefits of the criteria have been considered in detail to support decision making on funding and finance. A pragmatic and flexible approach is promoted to also support equality and diversity.

## **10. Climate Change Implications and Advice**

10.1 The commitments include a specific net zero commitment which will deliver environmental and wider sustainability benefits.

## **11. Information and Communication Technology Implications and Advice**

11.1 N/A

### **List of Appendices Included**

- A 10 Commitments
- B Policy Paper
- C Question & Answer Booklet

### **Background Papers:**

None



This document sets out the eligibility conditions for accessing funding and finance from the Mayoral Combined Authority.

### WHAT WILL THIS DELIVER?

- Increased employment security
- Increased employee satisfaction
- Increased employee health and wellbeing
- Reduced poverty and in-work poverty
- Residents not currently in employment increase their employability
- Residents into employment
- More spend is retained in the South Yorkshire economy
- Additional social value generated
- Increased workforce diversity
- Increased business productivity
- Improved energy efficiency and contribution towards South Yorkshire Net Zero targets

## CONDITIONS

Conditions	Why this is important	Examples of how to do this	How it will be measured	Impact
<b>1. Pay the Real Living Wage at least or above to full and part time employees, for regularly contracted hours and overtime</b>	25% of workers in South Yorkshire earn below the Real Living Wage compared to the 20% UK average. This is the wage rate calculated based on what people need to live.	<ul style="list-style-type: none"> <li>• Adopt the Real Living Wage</li> <li>• For employees who may currently not be on the living wage (e.g. trainees and apprentices), commit to a progression pathway which ensures this.</li> </ul>	Membership of Living Wage Foundation or confirmation by employer of UK salaried staff pay rates at the Real Living Wage or above (currently £9.90), or commitment to do so by an agreed date.	<ul style="list-style-type: none"> <li>• Reduced poverty and in-work poverty</li> <li>• Higher spend in the local economy</li> <li>• Higher levels of staff retention and motivation, and higher productivity</li> </ul>
<b>2. Increase secure work for employees, with zero hours contracts only for those who want them</b>	When people don't have regular hours or predictable shifts it means many find it impossible to manage their budgets or plans. This can contribute to anxiety.	<ul style="list-style-type: none"> <li>• Commit to not employing people on zero hours contracts &amp;/or use zero hours contracts appropriately</li> <li>• Ensure that employees who want guaranteed hours are offered them.</li> <li>• Ensure that employee contracts accurately reflect the hours that they regularly work</li> <li>• Providing adequate notice for changes to work patterns (and compensation if not)</li> </ul>	Confirmation by business that it uses zero hours contracts appropriately. This is defined as: <ul style="list-style-type: none"> <li>• Being mutually and explicitly agreed with staff</li> <li>• Ensuring no exploitation or restrictive conditions are employed, such as exclusivity clauses</li> <li>• Providing advance warning of changes to shift patterns and commit to paying employees those cancelled hours if less than 4 weeks' notice is given</li> <li>• Considering the use of annualised hours or banded hours where employees regularly work a minimum number of</li> </ul>	<ul style="list-style-type: none"> <li>• Increased employment security</li> <li>• Higher levels of staff retention and motivation, and higher productivity</li> </ul>

Conditions	Why this is important	Examples of how to do this	How it will be measured	Impact
			hours over a 6-month review period	
<b>3. Spend more with local suppliers in South Yorkshire, particularly with SMEs and the Voluntary, Community and Social Enterprise (VCSE) sector</b>	South Yorkshire has a large SME base (over 99% of businesses) and there is a strong VCSE sector. Increasing spend with local suppliers can create strong, resilient local supply chains and a vibrant local economy.	<ul style="list-style-type: none"> <li>Review and simplify purchasing processes</li> <li>Pay bills promptly, ideally within 30 days, and no more than 60 days</li> <li>Develop better relationships with the local supplier base, for example by supporting local supply chain events (e.g. Chambers of Commerce, FSB)</li> </ul>	<ul style="list-style-type: none"> <li>Exact or estimated of proportion of annual expenditure on produce, goods, services and works from suppliers in South Yorkshire, including SMEs and VCSE.</li> <li>A policy on prompt payment of bills or be signed up to Pay Promptly Code</li> </ul>	<ul style="list-style-type: none"> <li>Stronger supply chains</li> <li>Attract investment</li> <li>Employ local people</li> <li>Spend retained in the South Yorkshire economy</li> </ul>
<b>4. Empower employees to be informed about the business and involved in decision-making</b>	Giving employees a say can create trust, co-operation and a sense of common purpose, leading to higher job satisfaction.	<ul style="list-style-type: none"> <li>Provide adequate facilities and communication channels for employee representation (e.g. trade unions)</li> <li>Inform new employees of their representation or decision-making options</li> <li>Work positively with trade unions and employees.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of employee engagement, its systems and how feedback is positively used</li> </ul>	<ul style="list-style-type: none"> <li>Increased employee satisfaction</li> <li>New information and ideas</li> <li>Higher productivity</li> </ul>
<b>5. Enable and enhance workforce diversity</b>	An inclusive workforce should represent the diversity of the place that your business or organisation is based in. It is a known fact that employers who have greater workplace diversity outperform their competitors, increase	<ul style="list-style-type: none"> <li>Provide Equality, Diversity and Inclusion Training</li> <li>Establish and implement recruitment, review and appraisal processes that are fair and inclusive, and</li> </ul>	<ul style="list-style-type: none"> <li>Provide equality, diversity and inclusion information about the profile of the workforce and equalities in relation to training and career progression</li> <li>An action plan to tackle barriers to opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Increased workforce diversity</li> <li>Higher revenue growth</li> <li>Greater readiness to innovate</li> <li>A diverse talent pool</li> <li>Greater employee retention</li> </ul>

Conditions	Why this is important	Examples of how to do this	How it will be measured	Impact
	employee engagement and achieve higher profits!	support equality and diversity <ul style="list-style-type: none"> <li>Establish and implement grievance and disciplinary processes which are in line with ACAS guidance</li> <li>Appoint a named manager to take responsibility for equality, diversity and inclusion issues in the workplace</li> </ul>	with progress monitoring and reporting	
<b>6. Offer more pathways into employment through work experience, placements, internships and apprenticeships</b>	In South Yorkshire, 24% of 16-64 year old residents are economically inactive, compared to the UK average of 21%. Developing employment opportunities will support residents looking for work. This widens the pool to recruit from and creates a pipeline for future recruitment.	<ul style="list-style-type: none"> <li>Have an action plan with targets that creates employability opportunities</li> <li>Review current job roles to identify where there are possibilities to convert a role to an apprenticeship or to create an internship opportunity</li> <li>Sign up to Combined Authority/ local authority pre-employment and employability programmes</li> <li>Have a forward action plan of working with schools and colleges</li> <li>Review entry level jobs requirements to ensure that knowledge and skill</li> </ul>	<ul style="list-style-type: none"> <li>Number of people on work experience or placements, interns and/or apprentices in post or roles identified in the organisation</li> <li>An employability opportunity action plan or equivalent which is monitored and reported</li> <li>Number of hours employability support offered (excluding to employees)</li> </ul>	<ul style="list-style-type: none"> <li>Higher employment</li> <li>Higher levels of employability amongst residents previously not in employment</li> <li>A pipeline for future recruitment</li> </ul>

Conditions	Why this is important	Examples of how to do this	How it will be measured	Impact
		requirements will encourage a wide range of applicants		
<b>7. Support staff progress in the organisation through training and development</b>	South Yorkshire has lower skills levels than the UK average with 17.5% of the working age population with no or low skills, compared to 16% nationally. Ensuring that employees have clear progression pathways and access to training in the workplace improves productivity, employee motivation and retention, quality of goods and services, and profitability.	<ul style="list-style-type: none"> <li>Review promotion processes to ensure the best people for the job are recruited or promoted, irrespective of who they are</li> <li>Develop training plans for all staff and a company training budget</li> </ul>	<ul style="list-style-type: none"> <li>A training and development action plan or equivalent, with agreed monitored and reporting arrangements</li> <li>Regularly review HR policy and practice, benchmarked with best practice</li> <li>Staff retention and promotion rates</li> </ul>	<ul style="list-style-type: none"> <li>More highly skilled residents</li> <li>Higher levels of staff retention and motivation, and higher productivity</li> </ul>
<b>8. Engage with and support local communities</b>	Over one in five neighbourhoods in each borough in South Yorkshire are in the 10% most deprived in the country. Employers have a role to play in their local communities. This could be by supporting the VCSE sector.	<ul style="list-style-type: none"> <li>Engage directly with community groups and leaders, especially when organisational decisions have an impact upon residents indirectly or directly.</li> <li>Allow time (e.g. hours or days) for employees to participate in volunteering and non-exec roles</li> <li>Provide support, grants or other resource to the VCSE sector.</li> </ul>	<ul style="list-style-type: none"> <li>Number of hours engagement</li> <li>Number of volunteering days undertaken by staff</li> <li>Financial contribution to the VCSE sector</li> <li>Examples of roles and activities undertaken</li> </ul>	<ul style="list-style-type: none"> <li>Additional social value generated</li> <li>Reputational benefits</li> <li>Expanded customer base and more attractive to new employees</li> <li>Improvement to local area and pride of place</li> <li>Progression and development opportunities (from volunteering)</li> </ul>
<b>9. Achieve Net Zero</b>	Currently, a large proportion of businesses in South Yorkshire are not improving their energy efficiency and	<ul style="list-style-type: none"> <li>Develop and implement a carbon neutrality roadmap which outlines</li> </ul>	<ul style="list-style-type: none"> <li>Confirmation that the organisation regularly assesses the</li> </ul>	<ul style="list-style-type: none"> <li>Improved energy efficiency</li> </ul>

Conditions	Why this is important	Examples of how to do this	How it will be measured	Impact
	<p>there are 28 Air Quality Management Areas. SYMCA will monitor and report on its own carbon emissions.</p>	<p>how you will reduce carbon emissions</p> <ul style="list-style-type: none"> <li>• Develop a science-based target for net zero reduction</li> <li>• Provide a named individual for achieving carbon neutrality and publishing evidence and the roadmap on your organisation's website</li> <li>• Consulting with relevant stakeholders around targets.</li> </ul>	<p>environmental impacts of activities</p> <ul style="list-style-type: none"> <li>• An action plan to reduce carbon footprint with progress monitored and reported.</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution towards South Yorkshire Net Zero targets</li> </ul>
<p><b>10. Create a healthy workplace</b></p>	<p>Healthy life expectancy for men and women is significantly lower in South Yorkshire than the national average. Maintaining the physical and mental health of employees is important for keeping people in work and ageing well.</p>	<ul style="list-style-type: none"> <li>• Provision of active travel infrastructure, Cycle2Work schemes, lunchtime walks, membership for local gyms/sports teams</li> <li>• Developing an occupational sick pay schemes that is more generous than statutory sick pay.</li> <li>• Provide support for employees who have personal (or dependent) health and wellbeing issues which require additional paid leave</li> <li>• Signpost employees to health and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>• Company policy on health and wellbeing is benchmarked, monitored, and reported in annual reports</li> <li>• Quantitative information such as number of staff sickness days</li> <li>• Evidence of wellbeing support offered</li> </ul>	<ul style="list-style-type: none"> <li>• Improved healthy life expectancy</li> <li>• Fewer staff sick days</li> <li>• Higher levels of staff retention and motivation, and higher productivity</li> </ul>

Conditions	Why this is important	Examples of how to do this	How it will be measured	Impact
		<p>support services if required</p> <ul style="list-style-type: none"> <li>• Monitor employee wellbeing regularly, annually at a minimum (e.g. staff survey).</li> <li>• Proactively identify workers under stress using appropriate resource or tools (e.g. Work Positive).</li> <li>• Train and establish mental health first aiders</li> <li>• Sign up to the Be Well@Work scheme, or consider joining a health focused charter, such as the Workplace Wellbeing Charter or Mindful Employer</li> </ul>		

This page is intentionally left blank



## INTRODUCTION

This Policy Paper provides several parameters for implementing enhanced eligibility conditions for accessing funding and finance for South Yorkshire Mayoral Combined Authority (SYMCA). Further detail on how it is implemented and delivered will be explored in implementation. This note sets out the conditions, guiding principles, the context, an exploration into how this could be implemented and some next steps.

## BACKGROUND

The SYMCA have worked with a range of stakeholders including the Inclusive Growth Network, academics at the University of Sheffield and in consultation with the private, voluntary and public sector to develop this Policy Paper. The work has articulated the eligibility conditions for accessing funding and finance from the SYMCA. These eligibility conditions will shape how the SYMCA works with organisations seeking funding and finance (e.g. investments, loans, grants or other assistance).

The intention is for the conditions to be sought from businesses and organisations if they are to access the funding and finance at the SYMCA. The intention is for this to *add value* to the existing defraying of funding and finance, making sure the investments from SYMCA go further, addressing challenges in low pay, inequality, in work poverty, productivity, skills, stable employment, health, diversity and the climate emergency. This brings benefits to businesses through improved productivity, reputation, staff motivation and progression. It will also ensure that investees are aligned to the organisational ethos of SYMCA and partners as well as directly establishing a relationship around unlocking social value.

Enhanced eligibility conditions for funding and finance is an innovative approach. Innovative approaches can yield challenges. The approach set out in this policy paper borrows elements from procurement reform and community wealth building, enhanced appraisal and monitoring of projects and programmes and learning from the implementation of employer charters across the UK.

## STRATEGIC CONTEXT

The Strategic Economic Plan (SEP 2021) made a commitment to “make every penny count. We will invest where we see social value” and to “leverage public spending for greater social value”. More explicitly the SEP said that “when making investments, we (SYMCA) will establish an upfront social contract based on our terms of business”.

South Yorkshire has an opportunity to use its funding and finance to deliver greater social value, creating sustainable, long-term value for residents, the economy and environment. When organisations are awarded funding and finance the eligibility conditions will support the delivery of the Mayoral Combined Authority’s mission to grow an economy that works for everyone.

## EVIDENTIAL CONTEXT

South Yorkshire is home to world class businesses and sectors that are at the cutting edge of the modern economy. Many organisations in the private and public sector invest, innovate, provide high-skill, high-quality employment opportunities. However, there are structural challenges within the economy which need to be addressed. The eligibility conditions are not a quick fix or a silver bullet, they are part of a set of mechanisms that will unlock wider social value through SYMCA’s activities. The conditions are designed to make positive change across the following areas:

- **Pay and in work poverty** – South Yorkshire has been described as Britain's low pay capital. In 2022, it is an unfortunate fact that having a job no longer assures a route out of poverty. A growing proportion of jobs in the local economy are in sectors associated with higher levels of in-work poverty and those in low pay jobs can be trapped in insecure jobs that offer no prospects for progression. With prices increases on the way for energy and basic goods, workers need pay

that is enough to meet basic needs and to provide some discretionary income. Low pay and financial insecurity increase in-work poverty and reduce spending in local communities. Research by the Living Wage Foundation shows that 75% of businesses say paying the Real Living Wage has increased employee motivation and retention rates<sup>1</sup>.

- **Stable Employment** – Insecure employment can prevent people fulfilling their potential, getting a home and providing a secure start for their children. Insecure contracts and unpredictable work schedules can contribute to anxiety and financial insecurity. There is significant evidence which shows that workers in fixed-term or casual employment are more likely to drop out of the labour market.
- **Community wealth building** – South Yorkshire has a large SME base (99.6% of businesses) and strong VCSE sector. Supporting local businesses and VCSE organisations by buying goods, services and works locally has benefits for creating strong, resilient local supply chains. This can attract investors and has the potential to create new opportunities. It also creates a vibrant local economy where local people are employed and are able to spend money locally. The city region also has strong and resilient communities, but many face significant disadvantage with over one in five neighbourhoods in each borough amongst the 10% most deprived in the country. Engaging with and empowering communities can result in improvements to local areas and pride of place.
- **Productivity** – South Yorkshire is one of the lowest productive city regions and lags further behind compared to our international competitors. Employees who feel like a valued member of a team, find their work rewarding and exciting are more likely to feel a sense of loyalty to the business, resulting in increased productivity.
- **Diversity** – A diverse workforce that reflects the diverse range of customers, service users and the community in which they are based are more creative and more innovative. Having a wide range of skills and experience that reflects all of society, including those with disabilities, from varying ethnic backgrounds or offers a balanced gender representation means that businesses are more likely to design products and services for a broader base.
- **Climate Emergency** – South Yorkshire Mayoral Combined Authority has formally declared a climate emergency. Addressing the climate emergency requires urgent collaborative action to tackle emissions. Businesses are a key element of leading the way in the global transition to net zero emissions.
- **Health** – The Covid-19 pandemic has shone a spotlight on poor health outcomes and inequalities. Research by the Northern Health Science Alliance shows that people in the North are more likely to leave work due to sickness than those in the South, with ill health accounting for over 30% of the productivity gap between the North and the rest of England<sup>2</sup>. Employers have a key part to play in improving health outcomes across South Yorkshire. A healthy workforce is a productive and happier one. It leads to more opportunities, fewer absences, and higher morale.

The eligibility conditions will not address all aspects of the challenges above but are designed to encourage good employer behaviour and bring benefits to businesses through improved productivity and profitability, reputation, staff engagement, motivation and retention.

## CONDITIONS

The following conditions have been identified following consultation with partners:

- Pay Real Living Wage to full and part time employees, for regularly contracted hours and overtime
- Secure work for employees, with zero hours contracts only for those who want them
- Spend more with local suppliers in South Yorkshire, particularly with SMEs and the VCSE sector
- Empower employees to be informed about the business and involved in decision-making
- Enhance workforce diversity
- Offer more pathways into employment through work experience, placements, internships & apprenticeships

---

<sup>1</sup> <https://www.livingwage.org.uk/good-for-business>

<sup>2</sup> Bambra, Munford, Brown et al (2018) Health for Wealth: Building a Healthier Northern Powerhouse for UK Productivity, Northern Health Science Alliance, Newcastle.

- Support staff progression through training and development
- Engage with local communities
- Reduce carbon emissions
- Create a healthy workplace

## GUIDING PRINCIPLES

Based on the engagement with stakeholders to date, there are five principles which will guide the approach to implementation:

- **Proportionate** – to the size of grant/loan, sector and type of funding.
- **Flexible** – accounting for different organisations.
- **Balanced** – robust with monitoring, but not a burden to businesses and organisations.
- **Accessible** – a simple process with clear language and communications.
- **Connected** – linked to other support and Mayoral Combined Authority and Council initiatives.

## HOW THE CONDITIONS WILL WORK

The process for businesses and organisations to access funding and finance differs depending on the funding stream. The conditions will be utilised where the funding and contractual process is fully owned by SYMCA. The conditions will shape funding and finance applications and will link into SYMCA's assurance process and framework whereby all organisations seeking funding undergo a proportionate process and appraisal to assess the merits of the application, its strategic fit and value for money.

A key element around the implementation is flexibility in applying the conditions to businesses. Flexibility is needed due to different business models. The conditions and the scoring system below are not about a hard 'Yes' or 'No' but should also award progress and explore challenges to meeting the conditions. Flexibility does not mean standards should erode or loopholes used. As this is a new area, practical implementation will require testing how flexibility operates in practice, engaging and communicating with businesses throughout.

As SYMCA monitors the conditions, how resource clawback could be operationalised will be explored. If an organisation does not meet their eligibility conditions or is flagrantly undermining the ethos of the conditions then this should be met with proportionate procedures.

All organisations need to be treated the same and many will only need to sign up once. In working with Local Authority partners, the conditions will be applied to others and organisations will need to reflect this in their existing contracting systems.

## SCORING SYSTEM

A transparent scoring system will be used to help guide understand how organisations match up with the eligibility conditions. The scoring system highlights a series of minimum level of commitments which if met can unlock access to funding and finance at the MCA. The scoring is applied proportionately to:

- The size of business and organisation.
- The size of the funding & finance sought.

Each commitment is scored to help understand whether an organisation is:

- Meeting the commitment will be given a score of 2
- Intent towards meeting the commitment will be given a score of 1
- Do not signal their intent towards meeting the commitment will be given a score of 0

The minimum "scoring" required for the conditions is captured in this table below:

	Size of business/organisation (no. of employees)				
	Micro	Small	Medium (I)	Medium (II)	Large

		< 9	10-49	50-100	101-249	> 250
Size of grant or loan	< £50k	5	5	7	7	20
	£50k – £100k	7	7	10	10	20
	£100k – £500k	10	10	12	12	20
	£500k – £1m	12	12	15	15	20
	> £1m	15	15	18	20	20

The scores will be summed, and each business/organisation will be given a total score. If an organisation is not meeting the minimum level of commitments then the appraising team will discuss options to explore what could help address this, provide support and signpost to services.

## WORKED EXAMPLE

The thresholds in the table above are indicative and require testing. These include five categories for the size of business (micro, small, medium (50-100 and 101-249) and large) and five categories for the size of grant or loan (< £50k, £50-100k, £100-500k, £500k-1m and > £1m). The maximum score is 20 (based on scoring 2 on 10 commitments). This would be the minimum level of eligibility conditions given to a large business with over 250 employees on a grant/loan of over £1m. The minimum score will be 5. This would be the minimum score given to a micro business with less than 9 employees seeking funding or finance less than £50k.

### Example scenario

A South Yorkshire sandwich business employing 25 people is seeking to invest in hydrogen powered cars. They apply for a grant of £200k to expand their fleet. Their target score is 10. They currently achieve a score of 8. In their bid development, they work with the MCA to highlight that they would like to work towards two further eligibility conditions in the next year. Timescales are discussed and monitoring is agreed, and the sandwich business submit their bid for funding and receive a score of 12. They are successful in obtaining funding and can meet their growth aspirations. They also receive several benefits of the funding as well as meeting the conditions, finding that staff retention is better and that new clients like their net zero aspirations.

## SUPPORT AVAILABLE

It is suggested that organisations seeking to access funding and finance should be provided with the necessary support and signposting to enable them to navigate the application process. The scale and extent of this will need to be explored. For example, if an organisation needs to address their policies and activities around staff training and progression, signposting to Skills Bank could be offered.

## NEXT STEPS

It is proposed that the eligibility conditions are piloted through implementation in the next financial year (e.g. 2022/23), this would allow some of the queries to be resolved. There is potential overlap with an employer charter. The eligibility conditions could form the basis of one and the supporting mechanisms, scoring or resources could be shared with the goals of a charter.

# South Yorkshire 'Eligibility Conditions for Funding and Finance' FAQs



This document sets out FAQs for the South Yorkshire 'Eligibility Conditions for Funding and Finance' under three headings: form and content, background and rationale, and implementation. We will continue to refine and develop this list of questions as we move towards implementation.

## FORM AND CONTENT

### **What is the 'Eligibility Conditions for Funding and Finance'?**

It is an agreement between the South Yorkshire Mayoral Combined Authority, and businesses or organisations seeking funding and finance from the Mayoral Combined Authority (e.g. investments, loans, grants or other assistance). It includes a set of eligibility conditions that the business or organisation must commit to, to receive funding or finance from the Mayoral Combined Authority.

### **Is it a contract?**

The 'Eligibility Conditions for Funding and Finance' represents a set of eligibility conditions that the business or organisation must commit to, to receive funding and finance from the Mayoral Combined Authority. The 'Eligibility Conditions for Funding and Finance' forms part of the contractual relationship between the South Yorkshire Mayoral Combined Authority and businesses or organisations seeking funding and finance.

### **Is it an employer charter?**

No, the 'Eligibility Conditions for Funding and Finance' sets out eligibility conditions which apply only to businesses or organisations seeking funding and finance. Employer charters tend to be voluntary membership schemes, which are open for any business or organisation to join. The eligibility conditions could form the basis of an employer charter in the future and there are monitoring and assurance advantages of this.

### **Is it about procurement?**

The South Yorkshire Mayoral Combined Authority, local authorities and many other employers have social value procurement policies in place already. These tend to be about maximising the social value from a contract or a specific project. The eligibility conditions set out in the 'Eligibility Conditions for Funding and Finance' are designed to sit alongside these social value agreements but is designed to have no or minimal procurement implications. The 'Eligibility Conditions for Funding and Finance' is about the eligibility of a business or organisation to apply and secure funding and finance from the Mayoral Combined Authority.

### **How does this relate to the National TOMs Measurement Framework?**

The 'Eligibility Conditions for Funding and Finance' sets out eligibility conditions which apply to the operations of the end recipients, whereas the TOMs Measurement Framework is focused on project delivery. There is some crossover with how the eligibility conditions will be measured.

## **What is the legal status of the ‘Eligibility Conditions for Funding and Finance’?**

The South Yorkshire Mayoral Combined Authority has sought advice from its internal legal team on the legality of establishing the ‘Eligibility Conditions for Funding and Finance’. Their advice has been that it is within the right of the Mayoral Combined Authority to place eligibility criteria on funding or finance that it wishes to give to other organisations. This an innovative approach to encouraging good business practices and developing an economy that works for everyone.

## **What does it cover?**

The ‘Eligibility Conditions for Funding and Finance’ includes 10 eligibility conditions:

1. Pay Real Living Wage to full and part time employees, for regularly contracted hours and overtime
2. Secure work for employees, with zero hours contracts only for those who want them
3. Spend more with local suppliers in South Yorkshire, particularly with SMEs and the Voluntary, Community and Social Enterprise (VCSE) sector
4. Empower employees to be informed about the business and involved in decision-making
5. Enhance workforce diversity
6. Offer more pathways into employment through work experience, placements, internships and apprenticeships
7. Support staff progression through training and development
8. Engage with local communities
9. Reduce carbon emissions
10. Create a healthy workplace

## **Why do some of the eligibility conditions look different?**

Some of eligibility conditions are singular and refer to one specific type of activity. Others are multifaceted and/or are presented as a menu of options to be flexible and adaptable to the variety of types, sizes and sectors of businesses and organisations that engage with Mayoral Combined Authority funding and finance.

## **Are the eligibility conditions Specific, Measurable, Achievable, Realistic and Timely (SMART)?**

We have codeveloped the eligibility conditions with a wide range of stakeholders to ensure that they are written in a way to make it as easy as possible for businesses and organisations to sign up. We have used SMART principles, but also appreciate that it is important that eligibility conditions are flexible and accessible for the diverse range of businesses and organisations seeking funding and finance.

## **How do the eligibility criteria compare to other sub-regions and areas?**

The principles underpinning the ‘Eligibility Conditions for Funding and Finance’ and the eligibility criteria align with the approach taken by other sub-regions and areas around developing social value contract conditions, social value procurement policies or employer charters. Attaching eligibility criteria to funding and finance is an innovative approach.

## **Does the Mayoral Combined Authority meet the eligibility conditions?**

The Mayoral Combined Authority meets most of the eligibility conditions and is making progress towards a number of others, for instance through our work on apprenticeships, local spend and net zero. We

recognise that for us as an organisation and others across South Yorkshire, this is about behavioural shift and making progress on delivering greater social value. This is reflected in the flexibility that is built into the 'Eligibility Conditions for Funding and Finance'.

## BACKGROUND AND RATIONALE

### **What is it for?**

This is an opportunity to build social value into the eligibility conditions attached to South Yorkshire Mayoral Combined Authority funding and finance – supporting the growth of an economy that works for everyone, and addressing challenges around low pay, inequality, in work poverty, productivity, skills, stable employment, health, diversity and the climate emergency. This will bring benefits to businesses through improved productivity, reputation, staff motivation and retention.

### **Why sign up?**

Signing up to the 'Eligibility Conditions for Funding and Finance' will help make businesses and organisations even better employers or will confirm what they already know – that they are a good employer. The commitment to the 'Eligibility Conditions for Funding and Finance' is also a pre-requisite for accessing funding and finance from the Mayoral Combined Authority to help grow, innovate and flourish. Adhering to the commitments will also bring benefits to businesses through improved productivity, reputation, staff motivation and retention.

### **How will it have a long-term impact?**

This is about encouraging behavioural shift and taking businesses on a journey. The 'Eligibility Conditions for Funding and Finance' uses a short-term mechanism (e.g. funding for projects or a business grant/loan) to seek changes over the long-term by placing eligibility conditions onto the business or organisation. The eligibility conditions are focused on the business or organisation's operations in the UK, rather than for a specific project or contract.

### **How does the 'Eligibility Conditions for Funding and Finance' deliver the Mayoral Combined Authority's strategy?**

Economic and social inclusion is one of the three pillars adopted by the Mayoral Combined Authority and Local Enterprise Partnership in the Strategic Economic Plan and Renewable Action Plan. The 'Eligibility Conditions for Funding and Finance' supports the delivery of the vision in the Strategic Economic Plan to grow an economy that works for everyone, and the strong focus on inclusion and sustainability, and links to aspirations around establishing social value policies. Social value is also highlighted as an important part of recovery in the Renewable Action Plan. The 'Eligibility Conditions for Funding and Finance' is one of the modules of the Inclusion Plan, alongside health and wellbeing, social mobility, inclusive innovation, progressive procurement, and access to public services. The 'Eligibility Conditions for Funding and Finance' also links to work on community wealth building, by retaining wealth in the local economy through fair employment and creating strong local supply chains through localised procurement of goods and services.

### **How does this interact with other work on social value by South Yorkshire Mayoral Combined Authority and the four local authorities?**

The 'Eligibility Conditions for Funding and Finance' complements the existing Appendix B in the Mayoral Combined Authority Business Case guidance. This includes a set of social value indicators (from the National TOMs Measurement Framework), which can be quantified monetised, to demonstrate the social value that a specific project delivers e.g. number of apprenticeships.

The 10 social value focused eligibility conditions in the 'Eligibility Conditions for Funding and Finance' align with the Mayoral Combined Authority's procurement policy, as well as the social value policies of the four local authorities and anchor partners.

### **How has it been developed?**

The 'Eligibility Conditions for Funding and Finance' has been co-developed through engagement with businesses, organisations and local authorities in South Yorkshire. It draws on these conversations and workshops, together with a review of social value policy across the region and analysis of the inclusive economy challenge. The Mayoral Combined Authority have also worked with the Inclusive Growth Network and the eligibility conditions builds on work to define good employment practices completed over summer 2021 by the Centre for Decent Work at Sheffield Management School.

## **IMPLEMENTATION**

### **Who does it apply to?**

The 'Eligibility Conditions for Funding and Finance' applies to every business or organisations seeking Mayoral Combined Authority funding and finance. All signatories to the 'Eligibility Conditions for Funding and Finance' will only need to do so once, at the point of their first project contract with the Mayoral Combined Authority. From then onwards, commitment to the 'Eligibility Conditions for Funding and Finance' only needs to be reaffirmed

### **Can small businesses sign up?**

Yes, the 'Eligibility Conditions for Funding and Finance' is for all types and sizes of business and organisation, and the assessment is proportionate both to the size of business/organisation and size of funding/finance. We recognise that smaller businesses may need additional support to meet the eligibility conditions.

### **How do we ensure that businesses and organisations continue to come forward for funding?**

Signing up to the 'Eligibility Conditions for Funding and Finance' will be a simple and accessible process. Signatories will only need to go through the process once. From then onwards, commitment only needs to be reaffirmed. Support will be provided throughout the process to businesses and organisations.

We intend to explore impact through the pilot of the 'Eligibility Conditions for Funding and Finance'. We could look to monitor the number of businesses and organisations that enquire about funding, but do not continue to the application stage. We could also look at carrying out a one-year review with businesses and organisations that have signed up to the 'Eligibility Conditions for Funding and Finance' to understand what has worked well and where there have been barriers or challenges. The findings of this review could be integrated into the full design and implementation of the 'Eligibility Conditions for Funding and Finance' following the pilot.

### **How do businesses and organisations sign up?**

All businesses and organisations will have an opportunity to commit to the 'Eligibility Conditions for Funding and Finance' during the project and business case development phase. This means that the 'Eligibility Conditions for Funding and Finance' and the project specific funding agreement will be signed at the same time, once the Mayoral Combined Authority approves the proposal.

### **Do businesses and organisations have to meet all of the eligibility conditions?**

No, businesses and organisations do not need to meet all of the eligibility conditions. A transparent scoring system will be used to help understand how businesses and organisations match up with the commitments. This will be flexible and the scoring will be applied proportionately to the size of business/organisation and size of funding and finance sought. Each eligibility condition will be scored to



help understand whether a business/organisation meets the condition, intends to meet it, or does not intend to meet it. The scores will be summed and there is a minimum threshold depending on the size of business/organisation and size of funding and finance sought. If an organisation does not meet the minimum level of conditions then the appraising team will discuss options to explore what could help address this, provide support and signpost to services.

### **What evidence will be required to meet the social value focused eligibility conditions?**

This will be explored through the pilot of the 'Eligibility Conditions for Funding and Finance' so that it is proportionate to monitor progress but also mindful of any extra administration (particularly for smaller businesses). The application form will most likely be simple to fill in for businesses and organisations. For each eligibility condition, it could include a multiple-choice question with the option to select that businesses/organisations already meet the condition, they intend to meet it, or they do not meet it. An open text box for businesses/organisations could be provided to set out how they intend to work towards it. This would be followed up in conversation with the SYCA and to monitor progress. There could be an option to upload relevant certificates as evidence e.g. certification of paying the Real Living Wage.

### **How will the 'Eligibility Conditions for Funding and Finance' be monitored?**

This will be explored through the pilot of the 'Eligibility Conditions for Funding and Finance'. All businesses and organisations in receipt of funding or finance could be required to provide information for monitoring purposes to determine the scale of impact, in the current project assurance process in the way they currently provide information to monitor Appendix B. Baseline data could be captured when businesses and organisations apply for funding finance, potentially with several check points (e.g. end of the delivery period).

### **What support is available, and will this be provided for SMEs?**

We recognise that everyone is at a different starting point. During the pilot of the 'Eligibility Conditions for Funding and Finance', we will explore the scale and extent of support to help businesses and organisations, including SMEs and the voluntary & community sector, work towards the focused eligibility conditions. This would include signposting to existing Mayoral Combined Authority and Local Authority initiatives at a minimum.

This page is intentionally left blank



**Local Enterprise Partnership**

**10 March 2022**

**Levelling Up White Paper**

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

**Director Approving Submission of the Report:**

Ruth Adams, Deputy Chief Executive

**Report Author(s):**

Paul Johnson

[Paul.Johnson@SouthYorkshire-CA.gov.uk](mailto:Paul.Johnson@SouthYorkshire-CA.gov.uk)

Felix Kumi-Ampofo

[Felix.kumi-ampofo@SouthYorkshire-CA.gov.uk](mailto:Felix.kumi-ampofo@SouthYorkshire-CA.gov.uk)

**Executive Summary**

This paper summarises the Government's Levelling Up White Paper and highlights implications for the region, MCA and LEP.

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

This paper is for information and discussion purposes. However, the White Paper and how it is implemented could have a profound impact on the quality of life and growth opportunities of residents, businesses, and places in South Yorkshire.

**Recommendations**

That Board members note the summary of the White Paper and consider implications for the LEP and for South Yorkshire.

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

A presentation on the Levelling Up White Paper was given to the Business Advisory Group on 16 February.

## 1. Background

- 1.1 The Government's Levelling Up White Paper was published on 2 February 2022. The Mayor, MCA and LEP have been working to persuade Government that the only way to unlock growth in the North is by taking a coordinated, strategic and devolved approach to economic development, especially where MCAs are in place with democratic accountability and structures to deliver economic regeneration at functional economic level. For several months now, work has been progressing with eminent professors such as Paul Collier, Colin Mayer and Philip McCann to develop proposals for South Yorkshire and land these with Government. The Levelling Up White Paper was the opportunity for Government to respond and outline their policy direction.

## 2. Key Issues

- 2.1 It is a 332-page document with a strong diagnosis of the evidence and recognition of the scale of the challenge; it gives clarity on what Levelling Up means; there is alignment with the SEP and the MCA's work (with the Blavatnik School of Government at Oxford University and the Home Win team) on transforming our business ecosystem; some funding may now be diverted away from the Greater South East; and there could be more local control over decision-making and funding; yet the transformational funding required to deliver Levelling Up has not yet been announced. Some of the major announcements relevant to the MCA and LEP are discussed below.

### 2.2 Innovation

#### *Key announcements:*

- 55% of Government's domestic R&D funding will be outside the Greater South East by 2024/25.
- Domestic public investment in R&D outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period.
- £16bn of the Local Government Pension Scheme for investments in local projects and to make it easier to get more business investment.

#### *Implications for the MCA and LEP:*

The geographical targeting of innovation funding could begin to right the wrongs of previous decades. There will be a lot of innovation investment up for grabs, which is an opportunity for the MCA and LEP's ambitious plans for transformational business investment.

### 2.3 Housing and Culture

#### *Key announcements:*

- The '80/20 rule,' which leads to 80% of government funding for housing supply being directed at 'maximum affordability areas' - in practice, London and the South East - will be scrapped.
- £20m brownfield King's Cross-style regeneration pilot for Sheffield, plus a further £13m Brownfield Housing Fund top up directly to MCA.
- 100% of the Arts Council England funding uplift agreed at the latest Spending Review will be spent outside London.

#### *Implications for the MCA and LEP:*

Again, refocusing investment to the North is welcome. Sheffield being selected as one of two pilot areas illustrates that South Yorkshire is well placed to lead the Levelling Up agenda. This is about catalysing economic transformation, which is at the heart of the SEP. The key point here is that the case the MCA has made has landed well with Government and this will hopefully be the beginning of a dialogue which leads to a wider deal that goes beyond physical regeneration and also reaches further into the rest of South Yorkshire.

## 2.4 **UK Shared Prosperity Fund (UKSPF)**

#### *Key announcements:*

- It will be skewed to places of need.
- It will be allocated to and delivered by the MCA.
- Each place will need to produce an Investment Plan.
- SYMCA will have control over its share of the UKSPF (not announced yet), but Multiply (a £560m skills scheme) will be excluded and delivered centrally.

#### *Implications for the MCA and LEP:*

Decentralised and control over what the UKSPF is spent on is what the MCA has been asking for. Crucially, Government has still not announced how much areas will receive from the UKSPF, nor announced when this will be. It is expected that the allocation for SYMCA will be smaller compared to previous years because of the centrally driven scheme Multiply and the guarantees given to the devolved nations and Cornwall.

## 2.5 **Devolution**

#### *Key announcements:*

- Greater devolution proposed across the country with more and deeper powers for existing MCAs, with options to create new MCAs and county deals in other parts of the country.
- Commit to vastly simplify the local growth funding landscape to allow local leaders to drive change.
- Encouraging the integration of LEPs and their business boards into MCAs.

#### *Implications for the MCA and LEP:*

Additional powers for the MCA are welcome, and deeper LEP integration is already the South Yorkshire model.

- 2.6 There is a lot to welcome in the White Paper. It is reassuring that the MCA's case to Government has been heard, and there is an overdue acceptance that fundamental change is required to make a difference in economies like South Yorkshire. At this stage, however, the size of the funding does not yet match the scale of the problem. Respected sources such as Oxford Economics expect little to change in the next decade as there is "*little substance in terms of either the scale of resources committed, or the delivery mechanism and projects involved*" in the White Paper.

The MCA and LEP will need to keep making the case to Government to secure the best deal for the area. South Yorkshire is well placed to lead, especially given the policy alignment between the SEP and the White Paper, and the significant assets and great potential in the region. The challenge now is to work across the region to ensure partners are onboard with the innovation-led growth story, buy into the common

purpose and are enabled to play their full part. The Economic Summit presents an early and crucial opportunity in this regard.

### **3. Options Considered and Recommended Proposal**

3.1 This paper is for information and discussion purposes. the White Paper provides an opportunity for the Board to review its role and consider it may want to proceed.

### **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**



## Local Enterprise Partnership

10 March 2022

### Progressive Procurement Policy

---

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

---

#### Director Approving Submission of the Report:

Ruth Adams, Deputy Chief Executive

#### Report Author(s):

Laurie Heykoop  
[laurie.heykoop@southyorkshire-ca.gov.uk](mailto:laurie.heykoop@southyorkshire-ca.gov.uk)

Felix Kumi-Ampofo  
[Felix.kumi-ampofo@SouthYorkshire-CA.gov.uk](mailto:Felix.kumi-ampofo@SouthYorkshire-CA.gov.uk)

---

#### Executive Summary

This paper sets out the new draft 'Progressive Procurement Policy' for the LEP and MCA that aims to use the MCA's spending power to achieve greater 'social value'.

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

Providers of services procured by the MCA will be encouraged and incentivised to maximise the 'social value' delivered alongside their contract, which in essence will positively impact people and places throughout the region. Local businesses will be supported to develop bids which meet expectations for delivering greater 'social value', and strategically important employers in the region will be encouraged to develop equivalent policies as part of their procurement.

#### Recommendation

That Board members:

1. Consider the draft progressive procurement policy and endorse Option 2, and recommends to MCA Board for approval.

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

N/A

### 1. Background

- 1.1 The MCA's spending power is growing sharply, and with it, the potential to flex its procurement muscle to achieve organisational objectives has never been stronger. Procurement processes oversee the crucial process of allocating funding to external organisations, and traditionally this is tied to achieving the 'most economically advantageous' outcome. Whilst this is a critical criterion to apply, there is an opportunity to push contractors further in terms of how well they are meeting the LEP's strategic objectives.
- 1.2 By developing a more progressive procurement policy, which aims to go beyond value for money in a traditional sense, the LEP and MCA can achieve greater social, ethical and environmental outcomes, and in so doing realise greater added value for the economy and for society.

Activities that contribute 'social value' include the following:

- Employing people who were previously long-term unemployed
- Having work placements that pay the Real Living Wage
- Carbon savings from energy-efficiency improvements such as reducing car miles
- Supporting supply chain to adopt 'circular economy' principles

- 1.3 MCA outlay is a mix between what is spent on internal procurement and what is spent through investment funding. In 2021/22 MCA spend on procurement (which includes finance, people, premises, professional services, supplies/services, and communications) was £49m. The MCA's spend on investment was significantly higher, at £390m. What is in scope in this paper is the procurement spend (£49m). The Eligibility Conditions paper focuses on investment spending.
- 1.4 A research report is currently being developed by the Centre for Local Economic Strategies (CLES) on 'building community wealth in South Yorkshire'. Within scope of the report is procurement, and its contribution here is in helping to consider how to operationalise a progressive procurement policy.
- 1.5 This paper is in partial fulfilment of commitments made in the Strategic Economic Plan and should be considered as part of the modular approach agreed by the Board to develop the Inclusion Plan. This paper updates members and seeks endorsement to the MCA Board for final approval.

### 2. Key Issues

- 2.1 Whilst the MCA does already include 'social value' considerations within its tendering process, there is the opportunity to go further. This can be a combination of changes made within the MCA and also how it can influence this agenda more widely.

Frameworks have been developed to quantify and cost such activities so that they can be assessed on common terms. A common approach is to then weight the social value element of a bid.



In some instances, the MCA already has social value elements embedded in its procurement processes. For example, the Adult Education Budget procurement process scored bids against providing social value. However, other internal tendering exercises have simply sought a statement on social value without factoring the response into the scoring criteria. As a result, the MCA currently cannot easily report on, evidence, or effectively benchmark the added social value generated due to most of its procurement spend.

In seeking to address this there is the risk that some potential providers could be discouraged from tendering due to lack of familiarity or inability to navigate social value requirements. This is a common/known problem for procurement teams implementing a social value policy. In particular, larger organisations who are more familiar with social value in procurement may be at an advantage to smaller tenderers.

This could be counteracted in the following ways:

- Very clear communication/instruction of what the expectations and options are (i.e. what 'good' looks like)
- Dedicated effort to support (smaller) businesses on what social value options they could explore, i.e. discuss possible options for meeting requirements; this could include workshops, training sessions, and consultation advice if relevant
- Streamlined process and options to minimise burden of participation and compliance

2.2 There are a number of public sector organisations such as Stockport, Trafford, Tameside and Rochdale, STAR Procurement, who have made significant progress on Social Value through their procurement policies. Over the last 6 years they have consistently achieved social value returns of 25% in addition to savings of £30.4m. Across Yorkshire and Humber there is a Progressive Procurement Group who discuss Social Value and share best practice and achievements. Both Sheffield universities, and public health providers are also active in this space.

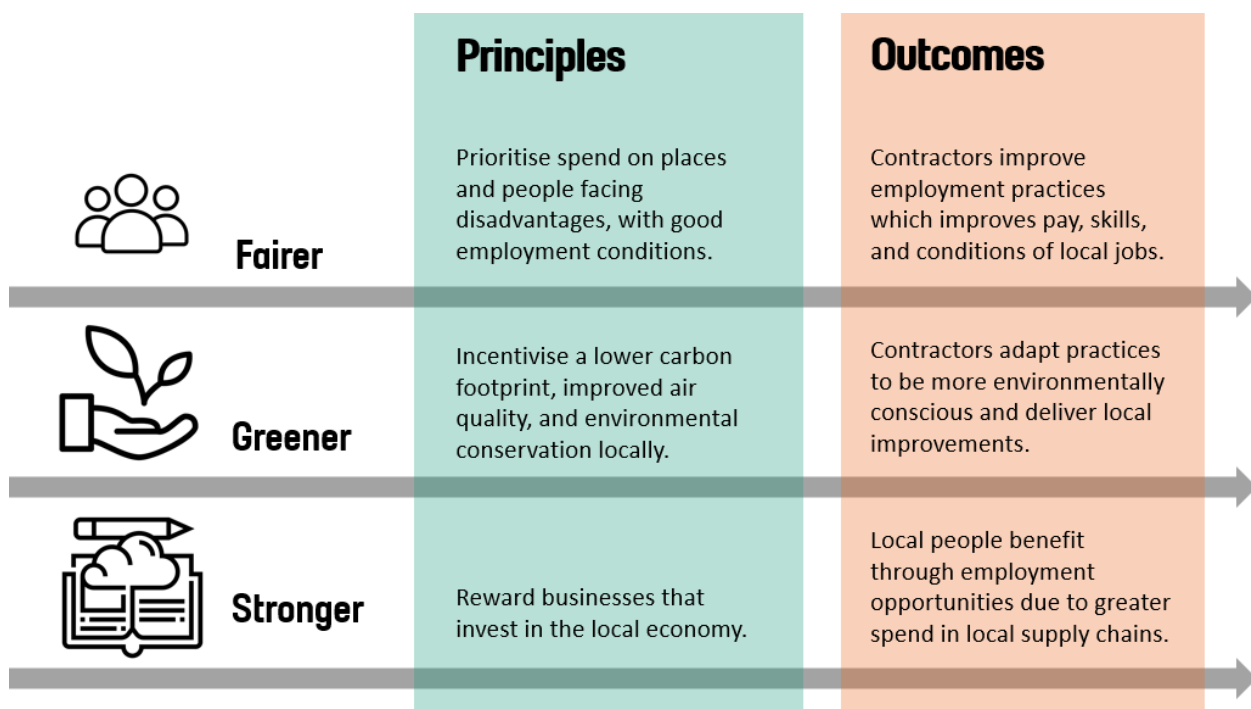
In terms of Local Authority activity closer to home:

- Barnsley has developed a social value policy for procurement, and uses a framework (mentioned below) called 'Tools, Outcomes, Measures' (mentioned below) to achieve its objectives, which include spending within local supply chains, minimising negative environmental impacts, and creating job opportunities.
- Doncaster has exercised social value requirements in commissioning major services such as waste collection.
- Rotherham has developed a 'social value charter' which contains core principles around use of the 'real' living wage, local spend and employment for disadvantaged residents. Within this sits a procurement strategy to help realise these goals, making use of the 'Tools, Outcomes, Measures' framework.
- Sheffield launched an award-winning Ethical Procurement Policy in 2019 (see outlined in Annex A) which included several measures including Social Value and significant progress has been made in delivering the commitments.

2.3 The proposed policy statement is as follows:

*SYMCA will, through all its procurement activities, deliver proportionate ethical, socially inclusive, and environmentally sustainable outcomes, in addition to the primary purpose for which such procurement is required, so that we can grow an economy that works for everyone and improve the quality of life of all residents.*

This statement reflects how a progressive procurement policy aligns with our strategic objectives, as per the diagram below.



The essential outcomes sought through revising MCA’s procurement policy are as follows:

- Harness policy around procurement rules to better fulfil our own strategic objectives, with a particular focus on ‘Fairer and Greener outcomes.
- Lead by example so that the MCA can better influence other organisations in the region to develop their own approaches to improving social value through procurement.
- Enable the MCA’s spending to stretch further. Maximise the MCA’s investment through the delivery of broader social, environmental, and economic benefits, such as more local spend and awarding procurement contracts to suppliers who will deliver social value aims such as creating employment opportunities or offsetting carbon.

### 3. Options Considered and Recommended Proposal

3.1 Below are two options.

#### Option 1

Do nothing and continue our existing approach. This limits the reach of MCA spending and will impact on what can be reported. This is because it will not be possible to benchmark and measure the difference that the MCA can make/is making to local businesses and the wider community through its spending power. There is also the risk of significant reputation damage as the MCA is already lagging behind its peers in this policy space. The MCA could be regarded as not taking social value seriously as an organisation.

## **Option 2 – recommended**

Agree a new progressive procurement policy which better reflects the ambitions for social value in the SEP. The draft policy statement set out in section 2.3 above is recommended for adoption.

Work is underway to explore how this 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. It is worth acknowledging that several partners are further along in this regard than the LEP and MCA in terms of policy and practice.

### **4. Consultation on Proposal**

- 4.1 This policy has been developed through discussion with LA procurement officers, a review of procurement practice across several partners and wider engagement as part of the research currently underway via CLES. This policy is also in partial fulfilment of commitments made in the SEP.

### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 N/A

### **6. Financial and Procurement Implications and Advice**

- 6.1 Approval of options presented above may have resource implications, for example through requiring greater internal resource and/or commissioning services. This is currently being explored in greater detail.

### **7. Legal Implications and Advice**

- 7.1 Once/if the policy is adopted, the legal implications of its implementation will be fully considered. So far, no insurmountable barriers have been raised.

### **8. Human Resources Implications and Advice**

- 8.1 N/A

### **9. Equality and Diversity Implications and Advice**

- 9.1 The policy options advanced in this paper intend to directly address equality and diversity issues in the region.

### **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**

Appendix A – Progressive Procurement Policy

**Background Papers**

N/A

## SOUTH YORKSHIRE INCLUSION PLAN

## Progressive Procurement Policy

## Context

**Using procurement policy as a tool to achieve greater 'social value'**

The MCA's spending power is growing sharply, and with it, the potential to flex our procurement muscle to achieve organisational objectives has never been stronger.

Procurement processes oversee the crucial process of allocating our funding to external organisations, and traditionally this is tied to achieving the 'most economically advantageous' outcome. Whilst this is a critical criterion to apply, there is an opportunity to push contractors further in terms of how well they are meeting our strategic objectives overall.

By developing a more progressive procurement policy, which aims to go beyond value for money in a traditional sense, we can achieve greater social, ethical and environmental outcomes, and in so doing realise greater added value for the economy and for society.

MCA outlay can be seen as a mix between what is spent on internal procurement and what is spent through investment funding. In 2021/22 MCA spend on procurement (which includes finance, people, premises, professional services, supplies/services, and communications) was £49m. The MCA's spend on investment was significantly higher, at £390m.

**This paper looks exclusively at our procurement activities.**

## SYMCA baseline

The MCA does already include 'social value' considerations within its tendering opportunities. This is weighted (%) as part of the wider quality score and the current approach is to ask a series of questions to which bidders respond. Different approaches have been used to social value: for example, the Adult Education Budget procurement process scored bids against providing 'social value' whereas other tendering exercises have simply sought a statement on social value without factoring the response into the scoring criteria.

Whilst both above approaches satisfy the requirements of the Social Value Act (2012), they provide limited opportunity to quantify the financial added value and show progress objectively. Responses to the 'social value' elements of a tender vary widely in quality: some organisations provide detailed and relevant answers, but others simply rehearse their existing CSR policies and as a result offer minimal or no additional social value. As a result, the MCA currently cannot easily report on, evidence, or effectively benchmark the added social value generated due to its spending.

## Opportunity

## Policy drivers

Central gov't

Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is a legal obligation for local authorities and other public bodies to consider the social good that could come from their procurement. The aim of the Act is not to alter the commissioning and procurement processes but to ensure that, as part of these processes, authorities consider the wider impact of service delivery. For example, it allows authorities

to choose a supplier, through a tendering process, who not only provides the most economically advantageous service, but goes beyond the basic contract terms and secures wider benefits for the community.

More recently the Cabinet Office published a Policy Statement, June 2021, advising the following are national priorities for public procurement.

- o creating new businesses, new jobs and new skills;
- o tackling climate change and reducing waste, and
- o improving supplier diversity, innovation and resilience

## SEP

The broad policy objectives articulated in the SEP are growth, inclusion, and sustainability. This makes a break from the past where the size of economic growth held the greatest emphasis, rather than the quality of that growth. It is a recognition that economic growth per se, does not automatically lead to the outcomes we seek, such as vibrant centres, reduction in poverty, or more resilient and innovative business. As part of this, the strategy ascribes to a version of 'inclusive growth' in which as many people as possible contribute to and benefit from economic prosperity.

From this perspective, the ambition for procurement is to achieve more than simply the greatest value for money in purely economic terms. Rather, our procurement ought to contribute to all objectives of growth, inclusion, and sustainability.

## What is being done elsewhere?

There are several public sector organisations such as Stockport, Trafford, Tameside and Rochdale, STAR Procurement, who have made significant progress on Social Value through their procurement policies. Over the last 6 years they have consistently achieved social value returns of 25% in addition to savings of £30.4m. Across Yorkshire and Humber there is a Progressive Procurement Group who discuss Social Value and share best practice and achievements. Both universities, and public health providers are also active in this space.

In terms of Local Authority activity closer to home:

- o Barnsley has developed a social value policy for procurement, and uses a framework (mentioned below) called 'Tools, Outcomes, Measures' (mentioned below) to achieve its objectives, which include spending within local supply chains, minimising negative environmental impacts, and creating job opportunities.
- o Doncaster has exercised social value requirements in commissioning major services such as waste collection.
- o Rotherham has developed a 'social value charter' which contains core principles around use of the 'real' living wage, local spend and employment for disadvantaged residents. Within this sits a procurement strategy to help realise these goals, making use of the 'Tools, Outcomes, Measures' framework.
- o **Sheffield** launched an award-winning Ethical Procurement Policy in 2019 (see outlined in Annex A) which included several measures including Social Value and significant progress has been made in delivering the commitments.

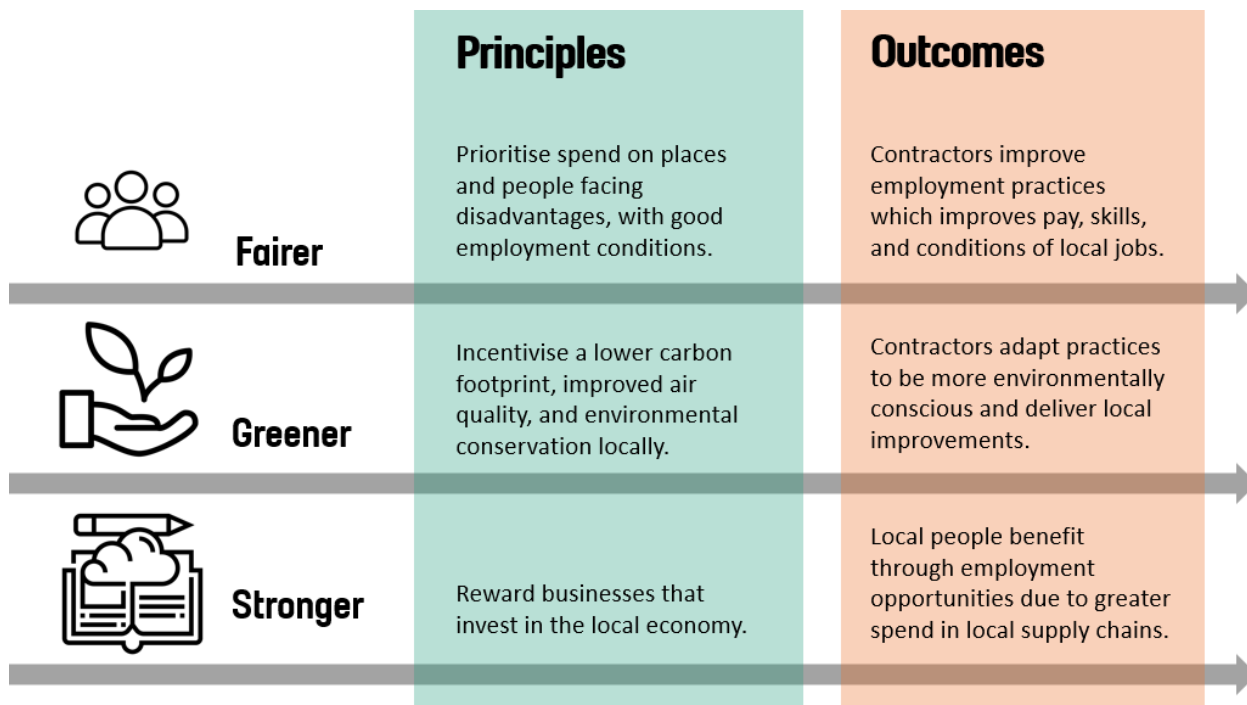
## Desired Outcomes

A first step would be to agree a new procurement policy statement which better reflects the ambitions for social value in the SEP. The following is proposed:

*SYMCA will, through all its procurement activities, deliver proportionate ethical, socially inclusive, and environmentally sustainable, outcomes in addition to the primary purpose for which such procurement is*

required, so that we can grow an economy that works for everyone and improve the quality of life of all residents.

This statement reflects how a progressive procurement policy aligns with our strategic objectives, as per the diagram below.



The essential outcomes sought through revising MCA’s procurement policy are as follows:

- Harness policy around procurement rules to better fulfil our own strategic objectives, with a particular focus on ‘Fairer and Greener outcomes.
- Lead by example so that the MCA can influence other organisations in the region to develop their own approaches to improving social value through procurement.
- Enable the MCA’s spending to stretch further. Maximise the MCA’s investment through the delivery of broader social, environmental, and economic benefits, such as more local spend and awarding procurement contracts to suppliers who will deliver social value aims such as creating employment opportunities or offsetting carbon.

### Options

- 1) Do nothing and continue our existing approach. This limits the reach of MCA spending and will impact on what can be reported. This is because it will not be possible to benchmark and measure the difference that the MCA can make/is making to local businesses and the wider community through its spending power. There is also the risk of significant reputation damage as the MCA is already lagging its peers in this policy space. The MCA could be regarded as not taking social value seriously as an organisation.

Develop a progressive social value policy to be embedded in our procurement process. This could emulate approaches such as the national Themes Outcomes and Measures (TOMs) described above. Embedding this will have implications both from a resource perspective for the MCA as it will require a sufficient level of knowledge and awareness to evaluate social value.

*Example: Social Value Portal and the TOMs – [Options (3) and (4)]*

A toolkit called TOMs (Themes **O**utcomes **M**easures) has been developed by a company called Social Value Portal. It is linked to the UN’s Sustainable Development Goals and provides a clear framework with metrics for each initiative a bidding organisation may offer. It is used extensively across both public and private sector organisations. The TOMs are across 5 themes with a series of outcomes and measures associated.

A key benefit of a TOMs-based social value measurement system is that it comprises a series of objectively researched standalone measures that can be extended or reduced without compromising the integrity of the framework, provided a consistent methodological approach is taken. All social values are expressed in financial terms, allowing comparison with the overall scale or cost of an activity (constructing a new building, for example), as well as between projects and initiatives and between organisations and industry sectors.

The below diagram shows how desired outcomes can be quantified and monetised.

Themes	Outcomes	Measures	Units	Value
Local Skills and Employment	More opportunities for disadvantaged people	No. ex-offenders employed	No. people	£23,119/per
Growth of Responsible and Local Business	More opportunities for local SMEs and VCSEs	No. voluntary hours	No. hrs	£16.07/hr
Healthier, Safer and more Resilient Communities	Reducing inequalities	Spend in local supply chain	£ spent	Local Spend Multiplier
Decarbonising and Safeguarding our World	Carbon emissions are reduced	Tonnes CO2e reduced	tCO2e	£69.35/tCo2e
Social Innovation	Safeguarding the natural environment			

*Total Social Value = Sum(Measures\*Value)*

**Recommended policy option**

Option 2 is recommended. The initial stage of exploring how to deliver higher social value through procurement ought to look *within* the MCA, to ‘get our own house in order’. beyond this, there could be opportunities to influence other organisations, such as other public sector organisations, major employers, key stakeholder businesses within the region. However, our own social value policies surely ought to be advanced before we can credibly try to push the agenda more widely.

**Developing the Preferred Option: A Proposal**

Given the resource implications of the preferred option, market solutions have been explored. After extensive research and engagement with partners in South Yorkshire and beyond, it has become apparent that the solution offered by the national leader (Social Value Portal) most closely resembles what the MCA needs.

SVP provide an online solution that allows organisations to measure and manage contributions that they, and their supply chain makes to society. Their ‘Portal’ allows organisations to report both non-financial and financial data, and rewards organisations for doing ‘good’ in the community. This includes environmental,



social and economic activities, and their service is designed to help to identify and measure the additional social value delivered through a project in terms that are meaningful to customers.

SVP are a trusted provider nationally, and are currently managing social value in procurement with several of related organisations:

- Barnsley Metropolitan Borough Council
- Doncaster Metropolitan Borough Council
- Rotherham Metropolitan Borough Council
- West Yorkshire Combined Authority
- West Midlands Combined Authority
- Manchester City Council
- Leeds City Council

#### Deliverables

1. Develop bespoke social value criteria based on the MCA's strategic objectives
2. Set up online dashboard MCA to calculate overall Social Value created
3. Support MCA during our supply chain procurement, including bid set-up and evaluation
4. Contract manage social value deliver through MCA supply chain.
5. Data checks for sense, scale and consistency. Quarterly or annual reports and an annual SYMCA performance and benchmarking report.

#### Risks

Some potential providers could be discouraged from tendering due to lack of familiarity or inability to navigate social value requirements. This is a common/known problem for procurement teams implementing a social value policy. In particular, larger organisations who are more familiar with social value in procurement may be at an advantage to smaller tenderers.

This could be counteracted in the following ways:

- Very clear communication/instruction of what the expectations and options are (i.e. what 'good' looks like)
- Dedicated effort to support (smaller) businesses on what social value options they could explore, i.e. discuss possible options for meeting requirements; this could include workshops, training sessions, and consultation advice if relevant
- Streamlined process and options to minimise burden of participation and compliance

This page is intentionally left blank



## Local Enterprise Partnership

10 March 2022

### Cost of Living Crisis

---

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

---

#### Director Approving Submission of the Report:

Ruth Adams, Deputy Chief Executive

#### Report Author(s):

Jonathan Guest

[Jonathan.Guest@SouthYorkshire-CA.gov.uk](mailto:Jonathan.Guest@SouthYorkshire-CA.gov.uk)

Felix Kumi-Ampofo

[Felix.kumi-ampofo@SouthYorkshire-CA.gov.uk](mailto:Felix.kumi-ampofo@SouthYorkshire-CA.gov.uk)

---

#### Executive Summary

This paper summarises key elements of the emerging cost of living crisis and highlights implications and potential areas of focus for the region, MCA and LEP.

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

This paper is for information and discussion purposes. The cost of living crisis has a very real and present implication for all South Yorkshire residents, especially people on low incomes and businesses that operate on very tight margins.

#### Recommendations

That Board members review the emerging evidence, noting the impact on the MCA investment programme and consider potential responses.

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

N/A

## 1. Background

- 1.1 The Covid pandemic delivered a multi-generational global economic shock. However, thankfully initial dooms day projections have not (yet) fully materialised. Instead, it seems a multitude of factors (including Covid, Brexit, energy, and Climate Change, war in Europe etc) are combining to deliver a economic and social pressures, unseen for decades. Inflation is now 5.5% in the UK and over 7% in the US. And many are struggling to heat their homes and put food on the table. For an area like South Yorkshire, with entrenched inequalities, the implications could be devastating.
- 1.2 Everyday cost of living, such as buying food or paying for energy, is rising too fast for wages to keep up. Some of the pressures could be particularly severe because there are several factors driving increased costs, which means there isn't a "silver bullet" solution to reach for. This means UK households are facing increased costs across the board, rather than just seeing a hike in their supermarket receipts or energy bills.
- 1.3 This "economic shock" is likely to impact the poorest in society the most, and therefore threatens the LEP Policy Objective of "Inclusion" as the crisis will have a direct bearing on virtually all outcomes agreed in the SEP. As the Board charged with developing policy to growth the economy, this is a clear and present risk to your remit.

## 2. Key Issues

- 2.1 The Bank of England has warned the population to prepare for the steepest drop in living standards for 30 years as the cost of living crisis sets in. Many economic commentators have highlighted warning signs that the fall in incomes (once adjusted for inflation and tax) for UK residents is expected to worsen over the next few months. Several economic factors are driving the cost of living crisis. These are summarised below:

### 2.2 Cost of Energy (and particularly fossil fuels)

Much of the cost of living crisis has focused upon the impact of cost rises for energy. The average gas and electricity bill in the UK will rise by 54% on April 1<sup>st</sup> 2022 when the regulator Ofgem lifts its price cap. This is an increase of roughly £700 a year for most households. There are major concerns for some South Yorkshire households as the housing stock in South Yorkshire is below average energy efficient and around 109,000 households are classified as being in Fuel Poverty.

Rising electricity prices will mean greater costs for many businesses especially energy intensive industry (EII) businesses. EII's include sectors such as chemistry, steel, plastics, paper, wood, refinery, ceramics, and many others. Looking at Combined Authorities across England, South Yorkshire MCA has the biggest share of its business stock classed as energy intensive.

UK petrol and diesel prices have hit their highest levels on record in recent months. This impacts upon many motorists (particularly in areas of South Yorkshire which are more car reliant) and upon businesses.

The energy prices are being driven by a variety of macro factors including geopolitics, supply issues and rocketing demand. Most of the energy that is consumed in South

Yorkshire is produced from fossil fuels. Petrol and diesel still dominate in the transport sector, with natural gas dominating in the domestic and industry and commercial sectors. Overall, fossil fuels still account for 89% of South Yorkshire's energy supply with renewables, bioenergy, and waste accounting for a small but growing proportion (11%).

### **2.3 Supply Chain Pressures**

Disruption to global supply chains from the pandemic and Brexit is believed to be the reason behind price increases for food and some products (e.g. electricals).

Global shipping costs have also increased. The average cost of shipping a large container increased fourfold in the 12 months to September 2021. Other issues like environmental factors (e.g. poor wheat harvests in late 2021) and labour or raw material costs have led to some food products rising by almost 50% over the past year. On average, the overall rise in food prices has been around 4.8%.

A high-profile campaign by Jack Monroe has highlighted that this rise does not accurately reflect the true scale of price increases for the poorest. This is because price increases on budget options in supermarkets have a much higher impact, proportionally, on the costs of essentials for poorer families. There is concern that as household bills and food prices rise, foodbank use will also continue to rise. Anecdotal evidence suggests that food banks are seeing soaring demand in the early parts of 2022 (in the context of rising use of foodbanks over the last decade).

### **2.4 Labour costs & wages**

There is a shortage of labour in many sectors including hospitality and transport. This is particularly acute in certain areas of the economy, often long-term skill shortage areas such as HGV drivers. This is partly due to the pandemic but also compounded by Brexit, which saw many foreign workers leave the country.

For many organisations facing shortages, offering a wage premium, or raising salaries can retain or attract workers into the areas with shortages. However, rising wages are often transferred onto consumers with the final price for goods and services being adjusted to account for price rises.

2.5 Despite skills shortage areas (and other sectors like financial services) seeing rises in wages, inflation and planned tax increases means that average take-home pay for many is likely to fall over the coming year. High rates of inflation erode the spending power of workers' pay packets, with many commentators predicting that average weekly earnings after tax will fall in real terms in 2022. In a low pay economy, such as South Yorkshire there will be opportunities for some to seek better pay (through pay rises or changing jobs) but the overall picture is of lower incomes.

### **2.6 Tax Changes and Rises and Changes to Universal Credit**

From April, national insurance contributions will increase by 1.25 percentage points and many commentators believe that council tax bills across the UK are also expected to rise in April. The Government is to uprate benefits by 3.1% in April, when inflation is forecast to hit 7%. This represents a real term cut to those receiving benefits.

Universal Credit (UC) changes announced in the budget will also make low-earning and non-working UC recipients worse off (compared to under the £20 per week uplift). The Resolution Foundation estimates that while 1.3 million UC families will be better off, nearly three times this number (3.6 million) will be worse off.

## 2.7 **Prospects for South Yorkshire**

There are reports of other costs rising such as rents, public transport, and electrical goods. All this point towards some stark challenges for many communities in South Yorkshire, particularly because of the economic position it is in now.

This includes higher rates of deprivation, many areas of low household income, high rates of fuel poverty, high rates of child poverty, high rates of car dependency, the age of housing stock and low take up of alternative energy. Businesses also face some challenging times with higher rates of energy intensity across the business base, low take up of alternative energy and several big sectors worse affected by the economic factors listed above (e.g. Manufacturing (e.g. energy), logistics (e.g. wages) and retail (e.g. supply chain).

Many low-income households already pay the “poverty premium” whereby, extra costs are paid on essential products for people on low incomes and in poverty are supplemented because of their situation. For example, people may pay for essential products and services such energy, through prepayment meters; loans and credit cards with high interest rates; and insurance premiums tend to be higher in deprived areas.

Overall, the cost of living crisis is expected to hit lower and middle-income households in the UK (and therefore South Yorkshire) the worst.

- 2.8 For the LEP and MCA, the inflationary pressure on the economy is manifesting itself through procurement challenges, misleading cost estimates and fast diminishing programme headroom. Over time, this will negatively impact on the quantum of investments the MCA can make and thereby limit the ability to achieve agreed outcomes. Work is underway to develop options for the MCA Board to consider.

## 3. **Options Considered and Recommended Proposal**

- 3.1 Price increases will continue to affect residents and businesses across South Yorkshire and eventually the economic challenges will be directly felt by all South Yorkshire households in one way or another. However, many of the levers needed to mitigate the cost of living crisis are beyond the scope of the LEP (and MCA). The aim of this paper is to stimulate a discussion and consider what actions the LEP may want to take directly or indirectly (e.g. including convening, leading, lobbying and influencing). The Board may also want to consider how planned commitments could go further.

---

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

- 4.1 N/A

## 5. **Financial and Procurement Implications and Advice**

- 5.1 There may be financial and procurement implications depending on discussion and the course of action.

**6. Legal Implications and Advice**

6.1 N/A

**7. Human Resources Implications and Advice**

7.1 N/A

**8. Equality and Diversity Implications and Advice**

8.1 N/A

**9. Climate Change Implications and Advice**

9.1 The cost of living crisis has some strong links to the climate emergency. The cost of living crisis highlights the importance of the cost elements of net zero.

**10. Information and Communication Technology Implications and Advice**

10.1 N/A

**11. Communications and Marketing Implications and Advice**

11.1 Potential impact depending on discussion.

**List of Appendices Included**

None

**Background Papers**

This page is intentionally left blank



## Local Enterprise Partnership

10 March 2022

### Government Review of LEPs

---

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

---

#### **Director Approving Submission of the Report:**

Ruth Adams, Deputy Chief Executive

#### **Report Author(s):**

Lyndsey Whitaker  
Lyndsey.whitaker@southyorkshire-ca.gov.uk

---

#### **Executive Summary**

This report sets out the latest developments in the Government's ongoing review of Local Enterprise Partnerships and highlights the potential impact on the work of the LEP in South Yorkshire.

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

The LEP is a longstanding entity that has been part of the decision-making structure in South Yorkshire since 2010 with responsibility for developing the Strategic Economic Plan, delivering the Local Growth Fund and championing the interests of businesses in South Yorkshire. Changes to the role of the LEP will therefore have a bearing on the SYMCAs methods of engagement and consultation with the private sector and others.

#### **Recommendations**

The Board is asked to consider the implications of the review and to discuss what the future role of the LEP should be.

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

None

### 1. Background

- 1.1 At the March 2021 Budget, the Government launched a review on the **form, function and geographies** of Local Enterprise Partnerships (LEPs) in England. The Government committed to consult and work in collaboration with LEPs and local businesses on the evolution of LEPs.
- 1.2 The principle aim of the review was to ensure that local businesses would continue to be represented in decision-making processes that impact on businesses and economic growth, albeit under a new operating model from 2022/23. However, the Government's intention of better aligning LEP governance arrangements and geographical boundaries with new and existing Combined and Mayoral Combined Authorities (MCAs) was a key consideration for the review.
- 1.3 The review ran throughout 2021/22 with the LEP Network, individual LEPs and the Metro Mayor's M10 group participating in a series of stakeholder interviews to inform advice to Ministers on the 2021 Autumn Budget and Spending Review and the Government's Levelling-Up agenda.
- 1.4 The outcome of the review was expected to be published early in 2022 to provide some certainty over the continuation of Government funding to LEPs prior to the start of the 2022/23 financial year. This has been an ongoing concern for those LEPs that are not already aligned with a Combined or Mayoral Combined Authority and which are reliant on Government funding to fund the operational and staff costs for the LEP. The outcomes of the review are now expected to be known during 2022/23 through a series of announcements. This is largely due to the differing status of devolution negotiations across the country, and the different legal and geographical boundaries which need to be considered.

### 2. Key Issues

- 2.1 The publication of the Levelling-Up White Paper on 2 February has provided some early indication of the review's likely conclusions:
  - Greater devolution across England with additional and enhanced powers for existing MCAs and the option to create new MCAs and county deals where they are not already in place.
  - Simplifying local growth funding and allowing local leaders to drive change in their area.
  - Encouraging LEPs to integrate with an MCA so that a '**Business Board**' will be in place to work with existing MCAs, emerging or aspirational MCAs and those areas with a County Deal. The generic term of 'Business Board' is being used by Government officials but the exact title is yet to be determined.

Government has also confirmed that LEPs will not be given responsibility for Levelling-Up funding.

- 2.2 On 11 February a meeting was held between LEP representatives and the LEP Network and the Department for Levelling Up, Housing and Communities (DLUHC) to discuss the implications of the White Paper and progress on the Government's review of LEPs. DLUHC confirmed at this meeting that Ministers will write to LEPs in late February/early March to provide more clarity on the **timing, sequencing and transition** to the new Business Board arrangements. However, the letter will not prescribe what the geographical boundaries or principles of a 'Business Board' should be.
- 2.3 Unlike South Yorkshire, the vast majority of the 38 LEPs are not covered by, or accountable to, an MCA. Due to the time needed to agree a devolution or county deal with Government, as well as the process for electing a Mayor, the period of transition of LEPs to new arrangements with MCAs could take up to two years to implement. It is also unclear whether the letter will clarify whether LEPs will receive transition funding until the new operating model is in place.

### 3. Options Considered and Recommended Proposal

- 3.1 This is the first opportunity for LEP Board members to discuss the future and evolving role of the LEP in South Yorkshire. As the letter from Government has not yet been received the proposed action is for LEP Board members to have an early discussion about functions and principles for a 'Business Board' in South Yorkshire that will work with the MCA and Mayor. Following the discussion, a set of proposals and resulting implications will be developed for further consideration by the LEP and MCA Boards in the next meeting cycle.
- 3.2 To help identify the potential role, function and principles of a 'Business Board' in South Yorkshire, LEP Board members may wish to discuss the following questions:
- How can we ensure that the voice of businesses in South Yorkshire is captured?
  - How could the 'Business Board' inform and shape the work and pilot projects that the MCA funds? For example, approaches to innovation, investment and trade opportunities or work with significant industrial, employing or growing sectors in South Yorkshire.
  - How could the 'Business Board' influence decision-making on programmes and projects that impact on businesses? Should the 'Business Board's' role be advisory or should the Board's role be more formalised?
  - Should the governance structure of the current LEP Board be maintained (ie. defined term limits, frequency of Board meetings, advertised recruitment of Board members, gender and sector balance of the Board) or should the 'Business Board' be more fluid?
  - What functions should a 'Business Board' have to best support the MCA and Mayor? For example, should the Board set economic strategy or advise on the direction of the MCAs economic policy? Should the Board have a role in developing and promoting South Yorkshire's identity as a place, destination and/or brand?
- 3.3 If the Government issues the letter to LEPs before 10th March, a verbal update will be given at the meeting to further aid discussion.

#### **4. Consultation on Proposal**

- 4.1 Not Applicable - the LEP Board may however wish to consult partners, stakeholders and businesses for views on the future role of the LEP in South Yorkshire.

#### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 Not Applicable – the LEP is already compliant with the recommendations in the Levelling Up White Paper on geography and alignment with the MCA. The MCA and LEP can decide on a suitable timeframe for implementing any further changes to the role or structure of the LEP.

#### **6. Financial and Procurement Implications and Advice**

- 6.1 Not Applicable – the Government has not committed to awarding any further funding for LEPs from the 2022/23 financial year.

#### **7. Legal Implications and Advice**

- 7.1 Not Applicable – the MCA is the legal and accountable body for the LEP.

#### **8. Human Resources Implications and Advice**

- 8.1 Not Applicable – no staff are directly employed by the LEP.

#### **9. Equality and Diversity Implications and Advice**

- 9.1 Not Applicable

#### **10. Climate Change Implications and Advice**

- 10.1 Not Applicable

#### **11. Information and Communication Technology Implications and Advice**

- 11.1 Not Applicable

#### **12. Communications and Marketing Implications and Advice**

- 12.1 Any change in the role or composition of the LEP will need to be communicated through a communications and marketing campaign so that partners, stakeholders, businesses and the general public are aware of the changes.

#### **List of Appendices Included**

None

#### **Background Papers**

None



This page is intentionally left blank



## Local Enterprise Partnership

10 March 2022

### Mayoral Update

---

#### Purpose of Report

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

---

#### 1. Fighting for South Yorkshire's bus and tram services

South Yorkshire's public transport network connects people, communities and businesses to jobs, training and social opportunities every single day of the week. A reliable, affordable and frequent service is essential. It is key to building back better from the pandemic.

However, emergency funding that has maintained bus and tram services during COVID was scheduled to end on 31 March. A failure to have continued support risked 50% of buses running across South Yorkshire being scaled back or cut completely.

As well as meeting with the senior teams of First Bus and Stagecoach to discuss their plans to reduce services, I have continued to make the case into government with local leaders and MPs to ensure emergency funding is renewed to support the public transport recovery effort across the region. For these reasons I welcome the Government's recent decision to extend the emergency funding until October.

Although we don't yet have details of the local allocation, I am pleased that operators have agreed to delay possible network and service reductions to allow time to undertake an options appraisal process that will run through to the summer seeking to manage, minimise and mitigate service impacts on the travelling public.

Whilst I continue to believe in the huge potential of our buses, it is clear the current system in South Yorkshire is not delivering as it should. On the 4 March the MCA will decide whether or not to commence a formal investigation of bus franchising as an option to deliver the best services for the region.

A formal investigation of the merits of bus franchising in South Yorkshire will not revolutionise bus services overnight but an investigation is an essential, legal requirement if we do want to move on to franchising itself and therefore a critical step in our effort towards transforming the region's public transport offer, and

ensuring buses in South Yorkshire work for passengers across the region in the long term.

We simply have to look at every option to transform our region's transport – and that has to include franchising.

Moving to the formal franchising assessment is the right decision for South Yorkshire. But I want and need operators to act like real partners now, and for government beyond emergency funding to provide the transformative investment they promised when we accepted their invitation to submit our Bus Services Improvement Plan. Without partnership and transformative funding, we cannot hope to reverse the cycle of decline – and build the future that South Yorkshire deserves.

## **2. Connected by Water**

At the end of January, I was delighted to launch the Connected by Water Action Plan, with colleagues from councils and environmental organisations across South Yorkshire. An ambitious plan, it seeks to reduce flood risk and tackle the climate emergency head on.

First conceived after the 2019 floods that devastated communities across South Yorkshire, the Plan brings together key stakeholders to work together to tackle the issue. Local councils, the Environment Agency, Yorkshire Water and other organisations formed a partnership and work began on the action plan, which combines 144 actions and 100 projects with a total investment of £400 million to better protect over 17,000 homes, businesses and infrastructure across South Yorkshire. A key part of the Plan is using natural solutions to cut flood risk, like tree planting and land management, because it doesn't just tackle flooding, it helps with nature recovery and gets us closer to our target of Net Zero carbon emissions by 2040 at the latest.

The 'living plan' will continue to evolve based on what we learn over the coming months and years, but it will ensure that we are doing all we can to protect homes and businesses across South Yorkshire from the devastating impact of flooding.

## **3. Continuing to strengthen relationships with India**

The long-established relationship between South Yorkshire and India was further strengthened at an important Round Table event hosted by the Indian High Commission in London on the 22<sup>nd</sup> February. Keynote speakers at the event were the High Commissioner of India to the UK, Ms Gaitri Issar Kumar, Richard Stubbs, Chair of the South Yorkshire India Advisory Board and LEP Board member and myself.

The event focused on the opportunities for more South Yorkshire businesses to export to and establish a presence in India, and for more Indian businesses to trade with and invest in South Yorkshire. Given the Free Trade Agreement currently being negotiated between the UK and Indian Governments, the Round Table was a very positive and timely discussion for the region.



---

I look forward to welcoming the UK's High Commissioner to India to South Yorkshire later this month and the opportunity to showcase a number of key businesses and locations in the region.

#### **4. Levelling Up White Paper and Levelling Up South Yorkshire**

Early in February the Government published its long awaited and much anticipated Levelling Up White Paper (LUWP).

I welcome moves to create London-style powers across England, devolve more control over skills, and to spread R&D and culture spending more evenly around the country, as well as the regeneration efforts in Sheffield. If government are ready to put real resources into a partnership driven from South Yorkshire and not SW1, it could be the start of something significant.

The White Paper is a step in the right direction, without the means to achieve the positive ambition it sets out. Its 12 'missions' are great aspirations – but their Lion-like ambition is matched with mouse-like resources. The money is almost all recycled, and often less than the funds it replaces. In practice, cuts to local government funding since 2018 easily outweigh funding in that period from the main levelling up funds – by an average of £50m, across 144 out of 157 local authority areas.

Without the funding needed for real change, the government's promises of levelling up will remain hollow.

#### **5. Thank you**

As this is my final LEP Board meeting before the end of mayoral term I want to put on record my huge thanks to all members of the Board – past and present – for their support, hard work and dedication over the last four years.

It has been a great personal pleasure to work with you to create the stronger, greener, and fairer South Yorkshire that we all wish to see – and as is detailed in our Strategic Economic Plan. This will only be possible by partners from across the region and beyond coming together to deliver it. By bringing partners and stakeholders together from the public and private sectors, with our universities, colleges, and trade unions, the LEP has the ability to act as the fulcrum to realise this change.

Whilst this will clearly not happen overnight, by working together and remaining focused on this goal, there is a huge opportunity to unleash the undoubted potential of people, communities, and businesses across South Yorkshire. I look forward to continuing to work with the LEP, in my capacity as an MP, to deliver on this immense ambition.

Thank you, and good luck.

This page is intentionally left blank



## Local Enterprise Partnership

10 March 2022

### 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. India Trade and Investment opportunities

The long-established relationship between South Yorkshire and India was strengthened in February at a Round Table event hosted by the Indian High Commission in London. Keynote speakers were the High Commissioner of India to the UK, Mayor Dan Jarvis and LEP Board Member Richard Stubbs who chairs the South Yorkshire India Advisory Board. SYMCA is planning a trade mission to India later in the year, with a reciprocal visit to South Yorkshire by India's business and civic leaders from the Maharashtra region. The UK's High Commissioner to India is expected to visit South Yorkshire this month and will be hosted at a number of key businesses and locations in the region.

#### 2. Doncaster to bid for Great British Railways headquarters

This month, Doncaster will submit its expression of interest in becoming the home of Great British Railways (GBR), a new public body in charge of the UK's train services. The government recently launched the competition to find the location for the new HQ, which will have an estimated capacity for 600 people. GBR will be responsible for ticket prices, setting timetables and rail infrastructure. Doncaster Council will submit its expression of interest (deadline 16 March) with backing and support from across South Yorkshire.

#### 3. South Yorkshire to be home to pioneering gene therapy centre

Sheffield has been chosen as the location for one of only three Gene Therapy Innovation & Manufacturing Centres to be established in the UK. The pioneering Gene Therapy Innovation & Manufacturing Centre (GTIMC) has received £1.5m grant funding from the South Yorkshire Renewal Fund towards its state-of-the-art

facilities being built at a total cost of £14.2m. The GTIMC is expected to create 35 high value jobs.

#### **4. Arts Council funding**

The Culture Secretary has confirmed the government's commitment to increased funding for Arts Council England to support Levelling Up. Arts Council England has been asked to redistribute another £24m per year from their existing budget to neglected places by 2025. The government has committed that 100% of the additional funding for Arts Council England, agreed at the 2021 Spending Review, will go to support culture and creativity outside London.

#### **5. SY Quarterly Economic Survey**

The LEP and MCA continues to work with SY Chambers of Commerce to support the South Yorkshire Quarterly Economic Survey (QES). The Quarter 1 2022 survey is now open and runs until 11 March. As part of this work, the QES delivery team has launched SY PolicyPod - a podcast which offers perspectives from leading figures from businesses, organisations and public institutions in the region. The next edition will pick up the innovation theme and build on the SY Economic Summit.

#### **6. Welcome to Yorkshire**

Welcome to Yorkshire has gone into administration. SY MCA is engaged in the discussions and officers will work with the LEP and business community to ensure that new arrangements reflect the position in South Yorkshire.