

Wednesday, 4 May 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 **Meeting Room G3/4, 11 Broad Street West, Sheffield, S1 2BQ**, on: **Thursday, 12 May 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 Member	Sector	LEP	Board
Neil MacDonald (Vice-Chair)	Private Member	Sector	LEP	Board
Joe Chetcuti	Private Member	Sector	LEP	Board
Michael Faulks	Private Member	Sector	LEP	Board
Dan Fell	Doncaster Chamber			
Angela Foulkes	Private Member	Sector	LEP	Board
Alexa Greaves	Private Member	Sector	LEP	Board
Peter Kennan	Private Member	Sector	LEP	Board
Gemma Smith	Private Member	Sector	LEP	Board
Richard Stubbs	Private Member	Sector	LEP	Board
Cathy Travers	Private Member	Sector	LEP	Board
Councillor Terry Fox	Sheffield City Council			
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			
Professor Chris Husbands	University Representative		LEP	Board Member
Professor Dave Petley	University of Sheffield			
Bill Adams	TUC Representative			
Eugene Walker	Sheffield City Council			

**MCA - Local Enterprise Partnership**

**Thursday, 12 May 2022 at 11.00 am**

**Venue: Meeting Room G3/4, 11 Broad Street West, Sheffield, S1 2BQ**

**SOUTH YORKSHIRE  
BUSINESS**



**LOCAL  
ENTERPRISE  
PARTNERSHIP**

**Agenda**

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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>		
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<b>Strategic Development</b>			
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8.	LEP Review Integration Plan Process	Ruth Adams	43 - 46
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**MCA - LOCAL ENTERPRISE PARTNERSHIP**

**MINUTES OF THE MEETING HELD ON:**

**THURSDAY, 10 MARCH 2022 AT 11.00 AM**

**HYBRID MEETING**

**SOUTH YORKSHIRE  
BUSINESS**



**LOCAL  
ENTERPRISE  
PARTNERSHIP**

**Present:**

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

**Officers in Attendance:**

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

**Apologies:**

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

10 **Welcome and Apologies**

The Chair welcomed everyone to the meeting.

11 **Declarations of Interest**

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

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

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

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

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

13 **Mayoral Update**

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

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

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

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

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

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

Updates were provided on:

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

RESOLVED – That Members noted the update.

#### 14 **Levelling Up White Paper**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 16 **Progressive Procurement Policy**

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

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

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

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

Members considered the following options:

### **Option 1**

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

### **Option 2**

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

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

## **17 Cost of Living Crisis**

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

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

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

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

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

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

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

## 18 **LEP Review**

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

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

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

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

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

## 19 **Chief Executive's Update**

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

Updates were provided on:

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

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

RESOLVED – That Members noted the update.

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

Signed .....

Name .....

Position .....

Date .....



**Local Enterprise Partnership**

**12 May 2022**

**South Yorkshire Innovation Board**

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**Is the paper exempt from the press and public?** No

**Reason why exempt:** Not applicable

**Purpose of this report:** Discussion

**Is this a Key Decision?** No

**Has it been included on the Forward Plan?** No

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**Director Approving Submission of the Report:**  
Dave Smith, Chief Executive

**Report Author:**  
Joseph Quinn  
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**Executive Summary**

This paper provides an update on the progress of establishing a South Yorkshire Innovation Board (SYIB), tasked with leading on the development of innovative solutions to achieving innovation led growth at scale and across South Yorkshire as set out in the SEP. The board will also be the place where the principal innovation actors, innovative businesses, and thinkers converge to craft the South Yorkshire innovation story and provide this along with solutions for consideration by the LEP (and its successor body) and adoption by the SYMCA.

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

A successful SYIB will underpin the SEP ambition to provide the enabling conditions for innovation to drive the transformation of the South Yorkshire economy. Increasing the volume of innovative start-ups and scale-ups and supporting existing businesses to generate and commercialise new ideas, adopt new thinking and technology is fundamental to improving the productivity of South Yorkshire. A thriving innovation eco-system will support the development of a local economy where businesses, entrepreneurs and individuals are engaged and inspired to innovate.

## Recommendations

That the Board notes the progress towards the formation of a South Yorkshire Innovation board.

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

Non-Applicable

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### 1. Background

- 1.1 Innovation, adoption and defusal is critical to the long-term health of the South Yorkshire economy. Evidence suggests that areas that invest in research and development and businesses that access innovation support activity create higher quality jobs and are more likely to export and grow their business.
- 1.2 South Yorkshire has long recognised the importance of driving the innovation agenda; support has been in place for both indigenous and inward investors to grow through investment in South Yorkshire based research centres, and the host of business support programmes that exist to support innovation. Notable assets include the National Centre for Food Engineering, the Sheffield Hallam Advanced Wellbeing Research Centre (AWRC) and the wider Olympic Legacy Park development, the new Gene Therapy Manufacturing Innovation Centre, the Translational Energy Research Centre, the UKRIIN Rail Innovation Centre and the University of Sheffield's Advanced Manufacturing Research Centre (AMRC) and Nuclear Advanced Manufacturing Research Centre (NAMRC) and the Digital Media Centre. It has also found expression in the Made Smarter programme and a host of smaller programmes supporting business change and adaptation.
- 1.3 The proposal for the formation of a South Yorkshire Innovation Board was approved by the Local Enterprise Partnership Board on January the 13<sup>th</sup> 2022. The intention to launch the Board was made public at the South Yorkshire Economic Summit. The board will provide strategic leadership of the 'innovation' agenda by bringing together the private sector, public bodies, research councils, funders, and innovation orientated organisations. This paper provides an overview of progress to date and provides an overview of forthcoming activity for consideration by the Board.
- 1.4 The MCA has agreed to the development of a South Yorkshire Transformational Impact Investment Plan (TIIP); which will explicitly be focused on delivering the SEP through the resources available in the South Yorkshire Renewal Fund.

### 2. Key Issues

- 2.1 **Appointment of a Chair:** The process of identifying and selecting a chair for the SYIB has been on-going since the decision taken by the LEP in January 2022. The Mayor and Chair of the Local enterprise partnership (LEP) have appointed Lynda Shillaw, Chief Executive of Harworth as

Chair for an interim period of 1 year to set up and initiate the activities of the Innovation Board. At the end of this period the incoming Mayor, in consultation with the Lep Chair (or its successor body) will have the option to further consider the Chairing options..

- 2.2 **Membership:** The Chair of the SYIB, in consultation with the chair of the LEP and the South Yorkshire Mayor, will determine the makeup of the Innovation Board, agree the final terms of reference and undertake selection/recruitment of the board members.

The Membership will be drawn from anchor institutions, innovative businesses in our sector specialisms, research bodies and the finance and corporate world in such a way that the key stakeholders in the innovation ecosystem are well represented.

It should be noted that membership will need to be carefully considered to ensure a well-balanced board of diverse perspectives, Industry expertise and innovation experience to encourage discussion, debate, and creative tension to stimulate thinking and ideas that lead to well-informed risk-reward assessments about proposals to address South Yorkshire innovation challenges.

- 2.3 **Objectives of the SYIB:** The LEP board paper presented on January 13<sup>th</sup>, 2022 (see background paper) outlined the future high-level objectives of the SYIB, further discussion with stakeholders and the outputs of the South Yorkshire Economic Summit have helped to refine these objectives into three key themes for the board to focus on.

Whilst a critically important Board it will not be an executive body. It is there to develop solutions that the LEP and the MCA will need to take on the programmes and investment, in particular the content of the TIIP.

- 2.4 **Innovation driven business growth**

Feedback from the South Yorkshire Economic Summit (SYES) clearly indicated that most businesses recognise that embracing disruptive activity will be key to unlocking latent growth in the South Yorkshire economy. However, it was equally clear that many are struggling with the concept of innovation and how it enables and how it leads to sustainable growth without generating intolerable levels of risk and uncertainty.

The innovation board will focus on activity that helps facilitate the capacity of businesses and entrepreneurs to pivot with novel products, services and business models that promote exploration, discovery and fast, affordable experimentation to support both incremental improvements and breakthrough innovation.

It will focus on the key elements of the SY innovation ecosystem that must be put in place to support productivity improvements across a range of sectors through investment, land allocation, research, partnership building, training, and use of technology or adoption of improved process.

## 2.5 **Skills for Innovation:**

The relationship between skills and innovation is well defined and accepted. Previous focus has been almost exclusively on the role of universities and the capacity for high growth start-ups as a route to a higher proportion of Innovation Driven Enterprises (IDE) and associated job creation.

To complement our higher education provision additional focus will also be placed on intermediate skills and intrapreneurship to ensure our diverse communities are further engaged in the benefits of innovation and we utilise the talents of SY residents by creating a highly trained local workforce.

The innovation board will focus on finding routes to increasing practical and technical skills that underpin research and development and look at ways of reducing the barriers to South Yorkshire residents engaging in the training required to enable an innovation intensive economy.

In addition, the Innovation board will also explore routes to increasing the demand for skilled individuals from employers and explore innovative routes to deliver industry driven skills provision that meets the current and future needs of employers.

## 2.6 **Access to finance:**

The need to continue to improve the availability of finance is key to supporting innovative companies' capacity to grow, however a combination of a complicated financial landscape and underdeveloped early-stage finance market in South Yorkshire are acting as a break on economic growth.

To support SY ambitions the Innovation Board will need to explore in granular detail the funding landscape we need to develop to support innovative firms. The scope is wide, but the SYIB will lead our thinking on this issue; including looking at existing schemes such as the Northern Gritstone Fund, existing British Business Bank and commercial schemes and other investment vehicles. The board will explore novel solutions that include co-investment models and look to influence the criteria for funding acceptable to include greater emphasis on larger socio-economic benefits as well as the traditional future profitability.

## 2.7 **The Blavatnik School of Governance (BSG):**

Discussion debate and disagreement between diverse perspectives is critical to driving forward innovation. To ensure there is robust challenge and new viewpoints a consortium of academics led by Professor Sir Paul Collier will provide external support to define the questions we want the innovation board to answer, to provide national and international experience of what works and to provide independent evaluation of the actions we take in South Yorkshire.

The group will support the development of a shared set of assumptions on the areas of focus for South Yorkshire and the future development needs of our businesses.

### 3. Options Considered and Recommended Proposal

3.1 N/A – discussion paper

### 4. Consultation on Proposal

4.1 There has been no formal consultation sought on the formation of a South Yorkshire Innovation Board. Soundings have been taken with national bodies including Innovate UK, other MCAs who have already established Innovation Boards and with Government Officials. Further informal consultation with businesses and partners has taken place at the South Yorkshire Economic Summit on the 9<sup>th</sup> of March 2022. Feedback received on the need for and focus of the SYIB has been incorporated into this update.

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

5.1 An indicative timeline of activity is as follows:



### 6. Financial and Procurement Implications and Advice

6.1 There are no direct funding or procurement implications as a result of the 13<sup>th</sup> January LEP board approval for the formation of SYIB.

### 7. Legal Implications and Advice

7.1 The MCA has the power to promote the economic development and regeneration of its area using the general power of competence under s.1 Localism Act 2011.

### 8. Human Resources Implications and Advice

8.1 Not applicable

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

- 9.1 Transforming South Yorkshire's innovation ecosystem should create opportunities for all people, regardless of age, gender, ethnicity, or other circumstances. The proposed terms of reference (appendix 1) include a specific reference to ensuring that the Board has this as a focus. To successfully deliver on that objective it will be important that the membership of the South Yorkshire Innovation Board also reflects the diversity of the businesses and people we want to support and the communities we serve.

## **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 Provision for substantial communications, marketing and advocacy to support SYIB to deliver on its objectives will be hardwired into the work of the Board through the MCA Executive Team.

### **List of Appendices Included**

- A Draft SYIB terms of reference

### **Background Papers**

LEP board paper 2013 South Yorkshire Innovation Board

### Establishing a South Yorkshire Innovation Board

#### Context

- The SEP has a clear focus on innovation, but there is a significant task ahead to turn these policies into solutions that deliver our agreed vision.
- The region has some world-leading assets with increasingly well-developed plans to continue to enhance, augment and strengthen these. But these alone will not deliver the transformation South Yorkshire needs.
- There is no South Yorkshire wide strategic leadership of the ‘innovation’ agenda. There is also no strategic body that draws together the private sector, public bodies, research councils, funders, and organisations such as Innovate UK.

The SEP’s proposition for growth has led to several interrelated missions, five of which are:

#### a) **Make Science (and Innovation) Work**

- i. Grow innovation and its stickiness in South Yorkshire, ensuring that entrepreneurs are supported to flourish here and increasing the number of Innovation Driven Enterprises (IDEs) exponentially.
- ii. Create physical clustering high growth, high value businesses across South Yorkshire.
- iii. Create business networks and networking, connected to our translational research assets wherever possible.
- iv. Improve adoption of technology by businesses and thereby improve productivity and competitiveness in the supply chains.

#### b) **Make Finance Work**

- i. Intervene to create the conditions that bring in the level and type of finance needed.
- ii. Enable access to a menu of private finance solutions, at scale including Angel Finance, loan finance, equity finance and venture capital for South Yorkshire.

#### c) **Make Skills Work**

- i. careful, deliberate and ambitious interventions that disrupt the status quo and deliver a well-equipped labour market.
- ii. revolutionise vocational and technical education to deliver the outcomes we need. This particularly important if we are to address the generational inequalities in South Yorkshire.

#### d) **Make land and property work**

- i. Develop solutions to our commercial and domestic property needs that offer something new and appealing to address our underlying challenges
- ii. Helps to address our sustainability challenges in the quality and energy efficiency of our property

- e) **Tell a new South Yorkshire story**
  - i. create a narrative that binds this and the local institutions together to achieve it, and convinces the “external world” to buy into it

To lead the development of solutions, a South Yorkshire Innovation Board will be established under the Governance of the LEP and SYMCA. The LEP has established this body and agreed its terms of reference. The Chair will be appointed by the Chair of the LEP in consultation with the Mayor. The Innovation Board would be made up of private sector (especially entrepreneurs, finance experts), academia and the public sector. The Board will be supported by the SYMCA Executive.

### **Terms of Reference of the SY Innovation Board**

- 1) Provide the leadership to create the solutions that makes South Yorkshire the place where innovation-driven enterprises want to locate.
- 2) Provide leadership to foster a new approach to economic development in South Yorkshire centred around innovation in the missions set out above. In particular, this includes operationalising the SEP ambitions across start up, scale-up, commercialisation and the industrialisation of ideas, new supply chain opportunities, and clustering.
- 3) Lead the development of an enabling ecosystem which fosters a culture of successful innovation and ensures the necessary components are in operation and functioning well in South Yorkshire.
- 4) Harness and extend the impact of South Yorkshire’s innovation assets regionally and nationally.
- 5) Provide leadership which ensures the development of translational research and clusters in specific thematic areas where South Yorkshire has a competitive advantage. These are Sustainable Manufacturing and Engineering; Energy; Digital Technology; Health and Wellbeing and Advanced Logistics.
- 6) Ensure South Yorkshire’s innovation ecosystem system supports productivity improvements across a range of lower-paid sectors through investment, training, use of technology or adoption of improved process.
- 7) Provide leadership which ensures that inclusive outcomes are hardwired through all innovation and growth interventions. Transforming South Yorkshire’s innovation ecosystem should create opportunities for all people, regardless of age, gender, ethnicity, or other circumstances.
- 8) Collaborate and connect with other Innovation Boards and advice on how South Yorkshire can learn from peers.
- 9) Develop strong relations with partners, especially central Government and complementary publicly funded bodies.
- 10) Identify and promote growth opportunities for South Yorkshire.

### **Short to medium-term outputs**

- 1) Development of a South Yorkshire Innovation narrative and secure delivery commitments from key partners, including the Government.

- 2) Oversee the development of interventions to deliver the SEP and national government objectives and inform national, regional and local investment plans.

### **Membership and operations**

The Board will be private sector-led. It will be independent of thought and influence those who make decisions and commit investment.

The Board should include at least one of the following stakeholders: entrepreneur, risk capital, corporate, government, and university. Membership should be drawn from anchor institutions, innovative businesses in our sector specialisms, research bodies and the finance and corporate world. The Board should also strike the right balance in terms of gender, ethnic and demographic representation. Private sector representation on the Board must include both SME and big business.

Size matters and it is important that the Board does not become unwieldy. To this end, the Board should have up to nine members, but preferably no more than seven.

Board members will be appointed in their personal and professional capacity, and not as representatives of their organisations. This means that in the event of a resignation, the seat cannot automatically be passed to another within that organisation. Similarly, substitutes cannot be permitted at meetings.

Proposed Membership include:

1. Chair (with a co-chair if this can be agreed)
2. SME
3. Big business
4. Entrepreneur and (possibly) Intrapreneur (these could come from the first three above)
5. Academia (two seats)
  - a. One from the Sheffield Universities
  - b. One from Home Win
6. Finance (two seats and must include a risk capital expert)
7. MCA Chief Exec

### **Role of Board members**

- Each board member should be given responsibility to drive change for each of the innovation areas the Board will focus on: skills, start up, scale-up, adoption, commercialisation and the industrialisation of ideas, new supply chain opportunities, and clustering.
- Provide expertise and knowledge to deliver interventions to create a high performing innovation ecosystem in South Yorkshire.
- Champion a new culture of innovation across South Yorkshire.

### **The Chair and the Board will need to consider the following:**

- Frequency of meetings.
- Method of Operation – principles and assumptions.

- Membership - members with decision making responsibility and advisory. Including the process for new members.
- Meeting quorate requirements.
- Standard agenda items.
- Roles and responsibilities (collective and individually).

### **Other things to consider**

- Should there be a term of office for Board members? This could be tied to the mayoralty to create the opportunity for a new mayor to revise it. The negative of this approach is that it gives the impression of being public sector driven.
- Do we have a LEP representative on the Board? doesn't have to be the LEP Chair or one of the usual suspects. There are advantages and disadvantages of having a LEP Board member involved. The pros are that there would be less room for disagreement, and it is an opportunity to ensure alignment with the MCA's agenda. The cons are that it could have the look of the same old story, it may seem to MCA/LEP dominated, and feedback from the Synergy report is that MCA/LEP driven boards are not popular with entrepreneurs and businesses.
- There will be a resource implication for this. The Board should be driven by the private sector and they should feel like they have ownership and responsibility for delivery. Nevertheless, a secretariat role will be needed. How do we plan to resource this? The Innovation Project Director is the most obvious MCA Exec Officer lead.

## Local Enterprise Partnership

13 January 2022

### South Yorkshire Innovation Board

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<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

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**Director Approving Submission of the Report:**  
Ruth Adams, Deputy Chief Executive

**Report Author(s):**  
Andrew Gates  
[Andrew.gates@southyorkshire-ca.gov.uk](mailto:Andrew.gates@southyorkshire-ca.gov.uk)

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#### **Executive Summary**

This paper sets out a proposal to establish a South Yorkshire Innovation Board (SYIB), tasked with leading on operationalising the innovation and productivity enhancing activity set out in the region's Strategic Economic Plan. The Board will be the place where the principal innovation actors, idea generation, advocacy, innovation businesses and thinkers converge to craft the South Yorkshire innovation story, steer the plan of action and oversee its implementation.

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

A successful South Yorkshire Innovation Board (SYIB) will support businesses, people and places to thrive by leading on the development of interventions across the public and private sector that will stimulate idea generation, the commercialisation of those ideas, the scale-up of existing businesses with latent productive capacity and the attraction of new public and private R&D investment into South Yorkshire.

#### **Recommendations**

That Board members:

- 1) Approve the recommendation at 3.1 to establish a South Yorkshire Innovation Board.
- 2) Consider and inform the proposed objectives, membership and the headline terms of reference set out in section 3.2, 3.3, 3.4 and 3.5.

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

Not Applicable

### 1. Background

- 1.1 The Strategic Economic Plan sets out the importance of, and the focus for, a radical new approach to unlocking the innovative capacity of the region. The MCA, LEP and partners have made huge progress in driving the innovation agenda forward. In particular, the programme of investment made in supporting both indigenous and inward investors to grow, direct investment in South Yorkshire based research centres, and the host of business support programmes that exist to support innovation. Notable assets include the National Centre for Food Engineering, the Sheffield Hallam AWRC and the wider Olympic Legacy Park development, the new Gene Therapy Manufacturing Innovation Centre, the Translational Energy Research Centre, the UKRIIN Rail Innovation Centre and the University of Sheffield's AMRC and NAMRC.
- 1.2 Despite these efforts and being the location for a host of nationally and internationally significant higher education and translational research centres, South Yorkshire remains one of the least productive and innovative economies in the United Kingdom. Our assets are not fully exploited, nor do they span the full geography of South Yorkshire.
- 1.3 The challenge set out in the SEP requires a concerted effort across a host of partners and stakeholders to make more of our existing assets, to grow further the translational research offer and to connect our businesses to them, to develop new business support programmes, to stimulate networks and collaboration and to shift perceptions locally, nationally and internationally about the nature, potential and prospects of South Yorkshire's economy.
- 1.4 This is the right time to take this work to the next level. The Government's Levelling Up White Paper is expected to have a focus on place-based R&D. The development of the South Yorkshire Renewal Fund and new opportunities such as the Government's Shared Prosperity Fund will give the region and local partners some more locally controlled tools to invest in growth.

### 2. Key Issues

- 2.1 **A renewed clarity of focus.** The SEP makes clear that we must
  - i) Grow innovation and its stickiness in South Yorkshire, ensuring that entrepreneurs are supported to flourish here, and increasing the number of IDEs exponentially
  - ii) Create physical clustering high growth, high value businesses across South Yorkshire
  - iii) Create business networks and networking, connected to our translational research assets wherever possible.
  - iv) Improve adoption of technology by businesses and thereby improve productivity and competitiveness in the supply chain
  - v) Intervene to create the conditions that bring in the level and type of finance needed.

- vi) Enable access to a menu of private finance solutions, at scale, including Angel Finance, loan finance, equity finance, venture capital for South Yorkshire.

2.2 **Partnership building and building the networks.** There is no single place in South Yorkshire where private sector, public bodies, research councils, funders, and organisations such as Innovate UK come together to develop our innovation story, steer policy and shape interventions. It is critical that we engage with the right institutions and influencers in Whitehall and NDPBs, businesses, partners and potential investors and supporters in the work of any new governance body/structure.

2.3 **The primary role of the LEP and MCA.** Any new structures must be established formally under the governance purview of established structures, with a clear line of sight and accountability.

### 3. Options Considered and Recommended Proposal

#### 3.1 Option One

3.1.1 It is proposed that a **South Yorkshire Innovation Board be established** to provide leadership on the key issues set out in Section 2.

3.1.2 Subject to agreement from the LEP Board and the Chair of the SYIB, the agreed objectives (draft below) will form the basis of a focused terms of reference:

- i) Provide leadership to drive and deliver a new approach to economic development in South Yorkshire centred around innovation. In particular, this includes operationalising the SEP ambitions across start up, scale-up, commercialisation and the industrialisation of ideas, new supply chain opportunities, and clustering.
- ii) Lead the development of an enabling ecosystem which fosters a culture of successful innovation and ensure the necessary components are in operation and functioning well in SY.
- iii) Harness and extend the impact of South Yorkshire's innovation assets regionally and nationally.
- iv) Provide leadership which ensures the development of translational research and clusters in specific thematic areas where South Yorkshire has a competitive advantage. These include Sustainable Manufacturing and Engineering; Energy; Digital Technology; Health and Wellbeing and Advanced Logistics.
- v) Ensure South Yorkshire's innovation ecosystem system supports productivity improvements across a range of lower-paid sectors through investment, training, use of technology or adoption of improved process.
- vi) Provide leadership which ensures that inclusive outcomes are hardwired through all innovation and growth interventions. Transforming South Yorkshire's innovation ecosystem should create opportunities for all people, regardless of age, gender, ethnicity, or other circumstances.
- vii) Collaborate and connect with other Innovation Boards and advice on how South Yorkshire can learn from peers.
- viii) Develop strong relations with partners, especially central Government and complementary publicly funded bodies.
- ix) Identify and promote growth opportunities for South Yorkshire.

3.1.3 **Appointment of a Chair.** The Chair of the LEP in consultation with the Mayor, will appoint the Chair of the SYIB.

- 3.1.4 **Governance.** The Board will sit under the governance of the LEP and the MCA. The LEP as a partnership between the public and private sectors would establish this body and formally approve its terms of reference. Support from the MCA Executive will be hardwired into any new structure ranging across functions including data and insight, policy development, governance and secretariat, communications and advocacy.
- 3.1.5 **Membership.** The Board must be private sector-led and dominated. It should have enough distance from the MCA and LEP to be independent in its thinking, being creative and fearless in challenging the orthodoxy, in designing solutions that work for South Yorkshire and that deliver the SEP objectives. It must also speak with credibility and purpose at the local, regional and national stage.

The Board should include at least one of the following stakeholders: entrepreneur, risk capital, corporate, government, and university. Membership should be drawn from anchor institutions, innovative businesses in our sector specialisms, research bodies and the finance and corporate world in such a way that the key stakeholders in the innovation ecosystem are well represented. The Board should also strike the right balance in terms of gender, ethnic and demographic representation. Private sector representation on the Board must include both SME and big business.

## 3.2 **Option Two**

**Do minimum** – the Board could opt to continue with present arrangements and perhaps appoint an Innovation Champion from amongst its current membership.

**Implications** – this may increase the focus on innovation and provide some form of focal point for related policy development. However, this could miss the opportunity to transform the regional innovation landscape and ecosystem. It may not send out the “right” signals to the government and the private sector about the scale of the Board’s ambition and its seriousness in pursuing innovation as a key means of growing an inclusive economy.

## 4. **Consultation on Proposal**

- 4.1 There has been no formal consultation sought on this proposal. However, soundings have been taken with national bodies including Innovate UK and some regional partners as to the need for, and focus of, a South Yorkshire Innovation Board.

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

- 5.1 Subject to the discussion at LEP Board, the MCA Executive will refine the proposed objectives, terms of reference and membership with an intention of making significant progress both publicly and privately, including identifying potential candidates for Chairing the Board and, if possible, establishing a Shadow Board before the end of March 2022.

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

- 6.1 There are no direct funding or procurement implications as a result of the recommendation set out for approval by LEP Board.

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

- 7.1 The MCA has the power to promote the economic development and regeneration of its area using the general power of competence under s.1 Localism Act 2011.

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

- 8.1 Not applicable

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

- 9.1 Transforming South Yorkshire's innovation ecosystem should create opportunities for all people, regardless of age, gender, ethnicity, or other circumstances. The proposed terms of reference include a specific reference to ensuring that the Board has this as a focus. To successfully deliver on that objective it will be important that the membership of the South Yorkshire Innovation Board also reflects the diversity of the businesses and people we want to support and the communities we serve.

## **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 If Members approve the proposals there will be a considerable communications, marketing and advocacy focus to support the SYIB deliver on its objectives. This support will be hardwired into the work of the Board through the MCA Executive Team.

### **List of Appendices Included**

None

### **Background Papers**

None

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## Local Enterprise Partnership

12 May 2022

### Integrated Rail Plan: Strategic Positioning Response and Actions

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**Is the paper exempt from the press and public?** No

**Reason why exempt:** Not applicable

**Purpose of this report:** Discussion

**Is this a Key Decision?** No

**Has it been included on the Forward Plan?** Not a Key Decision

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**Director Approving Submission of the Report:**

Martin Swales, Interim Director of Transport, Housing and Infrastructure

**Report Author(s):**

Alex Forrest

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**Executive Summary**

This report provides an update on South Yorkshire Mayoral Combined Authority (SYMCA) response to the Government's Integrated Rail Plan (IRP) for the Midlands and North and seeks LEP contributions in developing a post-IRP Strategy and Positioning Plan.

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

The IRP determines the level and location of planned Government investment in the rail network for the Midlands and North over the next 20-30 years. This in turn will impact on the level of connectivity, capacity and quality of rail services for South Yorkshire together with the scale of economic, social and environmental benefits these services will generate.

## **Recommendations**

The LEP is recommended to discuss and provide comment on issues raised in this report, with accompanying slides, to inform a post-IRP Strategy and Positioning Plan for South Yorkshire.

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

Transport and the Environment Board

17 March 2021

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### **1. Background**

- 1.1 The Government published its Integrated Rail Plan on 18th November 2021, setting out long term plans for investment in the rail network for the Midlands and North. This focused on plans for High Speed Two (HS2) and Northern Powerhouse Rail (NPR) but also covered other key investment over the next 20-30 years, such as electrification and major line and station upgrades.
- 1.2 The IRP plans for HS2 are broadly in line with the previous proposals for connecting South Yorkshire to the Midlands and London, albeit with a shortened HS2 eastern leg and more conventional line running. The electrification of the Midland Mainline to Sheffield and the plans to run two HS2 services per hour from London to Sheffield with a journey time of 87 minutes, are both positive.
- 1.3 The IRP plans for NPR (the desired high-speed network to connect the six core cities in the North) does not include South Yorkshire and focuses solely on the line between Liverpool, Manchester and Leeds. The preferred NPR network supported by Transport for the North and Northern Leaders, is not included in the IRP, leaving Sheffield, Hull and Newcastle off the network.
- 1.4 The HS2 eastern leg that was planned to Leeds, will now only be built from Birmingham to East Midlands Parkway, meaning that NPR services from Sheffield to Leeds will be unable to use the HS2 line from Clayton Junction (near Thurnscoe) as was planned. A further study is being undertaken to consider how best to serve Leeds by HS2 and until this is concluded the original HS2 eastern leg route remains safeguarded. This means that South Yorkshire residents, landowners and businesses along the HS2 eastern leg continue to be impacted.

## **2. Key Issues**

- 2.1 Since the IRP was published, the MCA has been examining strategic positioning and co-ordinated action to address South Yorkshire priorities. The development of a post-IRP Strategic Positioning Plan is underway with the support of our constituent local authorities and the presentation today seeks to engage the LEP in this work. The accompanying presentation highlights progress to date.
- 2.2 The focus of MCA activity in the next few months will be on securing commitment to identified priority schemes and ensuring we have input into the IRP schemes that affect South Yorkshire. It will also involve influencing the Leeds Network Review Study through our contributions and representation. Views of LEP members are invited on content of the accompanying presentation which frames our actions so far and next steps with supporting actions.

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

### **3.1 Option 1**

Discuss and provide comment on issues raised in this report and accompanying slides to inform a post-IRP Strategic Positioning Plan for South Yorkshire.

The plan will enable the promotion of SYMCA's priority rail schemes and be used to secure investment and improvement in rail connectivity.

### **3.2 Option 1 Risks and Mitigations**

There is a risk that despite the development of a plan, this does not influence government and we fail to secure investment. We will engage closely with DfT and wider stakeholders in the development of this plan.

## **4. Consultation on Proposal**

- 4.1 Consultation will take place with Local Authority partners, DfT, Network Rail, private sector partners and wider stakeholders on the plan and scheme priorities. Views and support of the LEP and business community are important in framing our priorities and asks of Government.

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

- 5.1 It is important that SYMCA acts on this to influence key decisions and workstreams that are commencing and ensure the region is well represented.

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

- 6.1 There are no direct financial implications arising from this report.

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

7.1 There are no legal implications of this report.

## **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 Improving rail services and infrastructure will encourage more people to use rail instead of the private car, and for more freight to transfer from road to rail, reducing CO<sub>2</sub> emissions and transport's contribution to climate change.

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

11.1 N/A

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

12.1 SYMCA will undertake communications and engagement on its proposed response to the Integrated Rail Plan to ensure maximum impact and support for the actions.

## **List of Appendices Included**

N/A

## **Background Papers**

Government's Integrated Rail Plan

<https://www.gov.uk/government/publications/integrated-rail-plan-for-the-north-and-the-midlands>

## Local Enterprise Partnership

12 May 2022

### State of the South Yorkshire Economy

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**Is the paper exempt from the press and public?** No

**Purpose of this report:** Governance

**Funding Stream:** Not applicable

**Is this a Key Decision?** No

**Has it been included on the Forward Plan?** Not applicable

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**Director Approving Submission of the Report:**  
Dave Smith, Chief Executive/Head of Paid Service

**Report Author(s):**  
Jonathan Guest, Head of Policy

**Executive Summary:**

South Yorkshire was hit severely by the COVID-19 outbreak. Necessary lockdowns contained the pandemic but halted activity in many key sectors. As restrictions have eased, the economy has roared back; South Yorkshire's economic growth has some underlying issues and faces further challenges on its path towards a stronger, fairer and greener economy.

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

Click or tap here to enter text. The full economic and social effects of the pandemic are still unfolding. The Board presentation and discussion should enable the LEP and MCA refine its focus and target interventions as these continue to be developed.

**Recommendations:**

That the board discusses the key issues raised by the presentation and considers what actions may be necessary to grow an economy that works for everyone

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

None

## Background

1.1 Last year was a record-breaking year for the economy. The UK experienced some of the fastest economic growth since the end of the World War 2. However, towards the end of the 2021 and in 2022 (so far) the impacts of the omicron variant, geopolitical tensions, supply issues, higher taxes, rising energy bills, increased borrowing costs and a squeeze on incomes have shaped some economic turbulence which could unfurl into a major economic shock for the UK and South Yorkshire.

1.2 At the meeting, a presentation will be provided which will set out the state of the South Yorkshire economy. This cover paper provides the context for the presentation and discussion during the meeting.

## 2. Key Issues

### 2.1 **The shadow of the Covid-19 Pandemic remains**

The pandemic led to a global health crisis with no parallel in living memory. The impact on the economy and societies around the world has been both deep and widespread. While restrictions have now eased, South Yorkshire now faces a prolonged period of disruption to economic activity and jobs, which risks exacerbating pre-existing weak productivity growth, inequalities, child poverty and regional disparities

The impact from the pandemic has also been varied geographically. Some of our most deprived areas have faced a “double whammy”, they faced a big levelling up challenge before the pandemic and are among the hardest hit by the pandemic. Recovering for them is likely to take longer than in other places. Even then, they will need support to fix their underlying economic conditions that meant they entered the pandemic in a weaker economic position.

### 2.2 **Economic recovery continues but appears stifled.**

As the UK economy roared back after successive lockdowns, businesses welcomed customers back through their doors and job vacancies hit record levels. However, growth was constrained by labour market “bottlenecks” which emerged in parts of the economy where that reopened from almost complete closure during lockdown and rely heavily on migrant labour or younger workers.

The economic recovery has been stifled by labour supply (and sometimes supply chain) constraints continued. Evidence in South Yorkshire appears to reflect the labour market bottlenecks as skills shortages have appeared for growing sectors (e.g. Software engineering) and existing skills shortages have got worse (e.g. HGV drivers). There is growing evidence that many sectors have continued to struggle to hire workers for several months.

### 2.3 **The rationale for Levelling up remains important**

Since last year, more clarity on the Government’s ‘Levelling up’ agenda is available. The Levelling up White Paper is broadly correct in its assessment of spatial inequalities in the UK and the need for South

Yorkshire (and other Northern areas) to “level up”. It is also 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. Data is central to understanding the levelling up challenge and a series of levelling indicators show the challenge for South Yorkshire. Particular issues are identified around business density, health inequalities and skills supply and demand.

#### 2.4 **Cost of living crisis is starting to bite**

A multitude of factors (including Covid, Brexit, energy, and climate change, war in Europe etc) are combining to deliver an economic shock not seen for decades. 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. Inflation is now at 7.2% and this is affecting many residents’ ability to pay bills and put food on the table. For an area like South Yorkshire, with entrenched inequalities, the implications could be devastating.

#### 2.5 **Economic turbulence predicted**

As we look to the future, many analysts have identified further economic challenges. It is expected by some commentators that inflation will rise further (or continue at higher levels), there will be falls in retail sales and geopolitical tensions and particularly the war in Ukraine threaten could push the economy into “reverse”.

#### 2.6 **Continued relevance of the SEP**

The fundamental challenges identified as part of the development of the Strategic Economic Plan remain important. The need to focus on and invest to build a stronger innovation ecosystem for businesses remains important. Likewise, the need to develop human capital and equip people with the relevant skills to contribute to and benefit from economic activities continues to be a central aspect of ensuring inclusive economic growth.

Specifically, the past year has shown the continued importance of maximising our skills system to improve progression, educational attainment and ambition of our residents. There is also increased recognition that health is a key part of prosperity. Good health is not just personal, but an asset that improves wellbeing, productivity and the ability of individuals to contribute to their families, communities, wider society and the economy.

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

3.1 An options assessment is not applicable to this paper. The conclusions from the discussion that ensues, and the actions that arise, if there are any, will be considered in greater detail. An options assessment may then be worthwhile at that stage.

#### 3.2 **Option 1 Risks and Mitigations**

Not applicable at this stage

**3.3 Recommended Option**

Not applicable

**4. Consultation on Proposal**

4.1 Not applicable

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

5.1 Not applicable

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

6.1 Not applicable

**7. Legal Implications and Advice**

7.1 Not applicable

**8. Human Resources Implications and Advice**

8.1 Not applicable

**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 Not applicable

**List of Appendices Included**

None

**Background Papers:**

None



## Local Enterprise Partnership

01 May 2022

### South Yorkshire Economic Summit

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**Is the paper exempt from the press and public?** No

**Reason why exempt:** Not applicable

**Purpose of this report:** Discussion

**Is this a Key Decision?** No

**Has it been included on the Forward Plan?** No

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#### Director Approving Submission of the Report:

Stephen Batey

#### Report Author(s):

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#### Executive Summary

The South Yorkshire Economic Summit (SYES) took place on the 9<sup>th</sup> of March 2022. This paper provides an update on progress made on the day and following the event. The SYES brought together over 130 businesses, politicians, policymakers, and anchor institutions to consider the challenges and opportunities for South Yorkshire following the publication of the Levelling Up White Paper.

Subsequent to the Economic Summit the MCA agreed at its March meeting to support through the South Yorkshire Renewal Fund the development of four Place-Plans and a Transformational Impact Investment Plan (TIIP) to deliver on our SEP ambition.

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

A common understanding of the structural challenges of the South Yorkshire economy and a shared commitment to using technology and innovation as a catalyst for inclusive economic growth will deliver the foundation for future intervention to support productivity improvements across a range of sectors, unlocking new opportunities for the residents of South Yorkshire.

## Recommendations

That the Board notes the outcome of the South Yorkshire Economic Summit (SYES) and the shared ambition expressed by attendees, the outlined next steps, and the future communication activity.

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

Non-Applicable

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## 1. Background

1.1 The SYES presented an opportunity to galvanise our partners and demonstrate our collective ambitions to address key enablers of growth. The SYES asked questions of our stakeholders on the following areas:

- Financing growth: How to access and improve the opportunities in South Yorkshire?
- Land and Property: How can we support spatial agglomeration of physical capital, companies, and workers?
- Innovation Ecosystems: how can we support our emerging innovation ecosystem to ensure sustainable future growth
- Skills and talent: What interventions are required to reduce the mismatch between skills supply and demand that impacts social mobility and business productivity?
- Promoting South Yorkshire: South Yorkshire has huge potential, but we are modest how do we speak as one to promote our potential?

This paper provides an update of progress to date and an overview of forthcoming activity for consideration by the Board.

## 2. Key Issues

2.1 **Financing growth:** The SYES brought together major financial institutions including HSBC, Bank North, British Business Bank and British Growth Fund. All participants indicated that finance is available in the system, however South Yorkshire is not accessing these opportunities sufficiently and often the conditions for investment are not in place. The finance market in South Yorkshire for early-stage finance is underdeveloped and needs to be nurtured with specific interventions and understanding approaches to de-risking investments need to be explored.

### Key takeaways included:

- Public/Private funding vehicles have a significant role to play for early-stage investment.
- Direct engagement with large financial institutes is required to explore ways to increase the levels of investment into South Yorkshire businesses.
- South Yorkshire must do more to promote itself as an area of opportunity for venture capital investment.

### Addressing these challenges:

- To support SY ambitions the innovation board will be tasked with exploring funding schemes that support innovative firms through grants, loans, guarantees, and equity funding. The board will explore novel solutions that include co-

investment models and look to influence the criteria for funding acceptable to include greater emphasis on larger socio-economic benefits as well as the traditional future profitability. Note: Please see the additional paper on SY Innovation Board.

- Discussions have started with banks and investors represented at the summit. A proposal for a new investment vehicle may be brought to the MCA for approval to test our thinking on this work, and we expect this work to be an early priority for Summit follow up.

**2.2 Land and Property:** The SYES attracted a diverse panel of local and international perspectives on what it really means to organise for success, building critical mass, developing R&D capability, creating broad connected communities, sequencing financing, planning and convergence of sectors.

Contributions were received from the Global Institute on Innovation Districts, Olympic Legacy Park (OLP), Barnsley Digital Media Centre (BDMC), University of Sheffield's Advanced Manufacturing Research Centre (AMRC), Nuclear Advanced Manufacturing Research Centre (NAMRC) and Peels groups Gateway East proposal. The group provided views on the key elements that have driven their success, how their ambitions have been realised and what needs to be in place to increase the impact of these assets for the residents of South Yorkshire. The panel discussed how the Economic Assets, Networking Assets and Physical Assets interact and the role of strategy to enable their success.

**Key takeaways included:**

- Culture and mindset are fundamental to developing successful clusters and developing the mindset and collective ambition are key to enhancing collaboration and knowledge spill over.
- Planning for success needs to be deliberate and considered – these clusters are not primarily organic, and the conditions need to be nurtured. This includes ensuring the skills system produces specialist skills that compliment local employment conditions and infrastructure challenges are addressed including transport, housing and broadband.
- The region needs to focus on connecting our well-established assets together to provide a complimentary offer to external investors and facilitate access to specialisms irrespective of the geographical location of the facilities.

**2.3 Innovation Ecosystems:** Facilitated by Team SY and Capital Enterprise (Laura Bennett and Ceri Batchelder) the workshop was held to discuss the entrepreneurial and innovation ecosystems in South Yorkshire.

An innovation and entrepreneurial ecosystem consist of many elements, all of which need to work in synergy to support start-ups, support enterprise to scale, commercialise R&D, attract investment and grow the next generation of entrepreneurs. Creating the conditions to enable this activity will underpin the outcomes identified in the SEP. The workshop set out to understand if any of the components of these pillars is missing or hindering growth in South Yorkshire.

The following elements were considered by the workshop:

- Talent & Workforce
- Funding & investment
- Incubation
- Acceleration
- Universities
- Community

**Key takeaways included:**

- The foundation of viable ecosystem is emerging in South Yorkshire but is still underdeveloped.
- The different elements of the system are at different levels of maturity with specific focus needed in key areas including finance and investment, incubation and talent and workforce.
- The ongoing activity to develop the Advanced Manufacturing Innovation District (AMID) provides an opportunity to investigate in detail with partners how to develop the areas that need specific focus.

**Addressing these challenges:**

A primary focus of the South Yorkshire Innovation Board will be to focus on the key elements of the SY innovation ecosystem that are in place to support productivity improvements across a range of sectors through investment, land allocation, research, partnership building, training, and use of technology or adoption of improved process.

**2.4 Skills and talent:**

Facilitated by Prof Sir Chris Husbands a panel of experienced practitioners discussed the role of Higher Education providers (HE), Further Education providers (FE), schools and private training providers in ensuring the local workforce have the skills that compliment the local Job market.

**2.5 Key takeaways included:**

- South Yorkshire is a hotbed for skills thinking with some truly innovative provision and thinking underway (ranging from UTC provision to the LSIP). The right people are engaged in the conversation and have an appetite to make changes. Further skill devolution will be critical to moving the agenda forward.
- There is currently a mismatch between education leavers and the specialist skills needs required by South Yorkshire businesses. Stronger collaboration between business and education and skills providers is required to close this gap.
- The training needs of all age groups need to be considered more broadly to ensure provision recognises the underemployment present in South Yorkshire.
- All elements of the skills system need to work together to meet the needs of South Yorkshire residents by providing complimentary provision reducing competition between providers.
- There is a significant role for intermediate technical skills to further empower innovation activity and the panel were convinced of the importance of apprenticeships, the need for the region to make significant interventions to support SMEs become apprentice employers and for those pathways to be very clear.

- There remains a need for focussed development of softer skills including creative thinking, emotional intelligence and problem solving.

### **Addressing these challenges:**

- To complement our higher education provision additional focus will also be placed on intermediate skills and intrapreneurship to ensure our diverse communities are further engaged in the benefits of innovation and we utilise the talents of SY residents by creating a highly trained local workforce.
- The development of a South Yorkshire skills strategy will look to address many of the challenges articulated at the SYES.
- We will further consider how softer skills are embedded both in our business support offers and leadership training and encourage business to develop these skills in their existing workforces.

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

- 3.1 The Summit brought together a broad set of stakeholders. All of whom engaged actively in the discussion and debate.

It is proposed that we harness the appetite and enthusiasm generated by the Summit to deepen these relationships and focus discussions on the production of tangible products, principally on the development of the TIIP.

To do so it is proposed that the MCA develop a programme of mini-Summits driven by the five themes addressed by the Summit over the course of the Summer; focused on exploring in greater depth the evidence base, the opportunity, and the interventions we may be able to generate.

This programme of engagement would support the work of the Mayoral Combined Authority and its thematic boards, LEP and the new South Yorkshire Innovation Board.

It is then proposed that we bring together a wider Economic Summit in 2023 that reflects on the progress we have made, and identifies new challenges, new opportunities, and new South Yorkshire stories.

Board members are asked to reflect on the potential phasing of any mini-Summits and how they could align with development work already underway, for example the Skills Strategy development work.

## **4. Consultation on Proposal**

- 4.1 N/A -discussion paper

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

- 5.1 N/A - discussion paper

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

6.1 N/A -discussion paper

**7. Legal Implications and Advice**

7.1 N/A-discussion paper

**8. Human Resources Implications and Advice**

8.1 N/A-discussion paper

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

9.1 N/A-discussion paper

**10. Climate Change Implications and Advice**

10.1 N/A-discussion paper

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

11.1 N/A-discussion paper

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

12.1 Provision for substantial communications, marketing and advocacy to support future action related delivery of the Economic Summit 2023 will be hardwired into the work of the Board through the MCA Executive Team.

**List of Appendices Included**

Not applicable.

**Background Papers**

None



## Local Enterprise Partnership

12 May 2022

### LEP Review Integration Plan Process

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

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**Director Approving Submission of the Report:**  
 Dave Smith, Chief Executive/Head of Paid Service

**Report Author(s):**  
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**Executive Summary:**  
 This report provides an update on the recently received LEP Review guidance and maps out the process to making the required Integration Plan submission to Government.

**What does this mean for businesses, people and places in South Yorkshire?**  
 The MCA governance model includes strong representation from the private sector in both the positioning of the LEP and the Thematic Board arrangements. This ensures the private sector voice is represented in policy and decisions relating to all of the priority areas of the economic plan.

**Recommendations:**  
 That the LEP Board Members approve the process outlined in this report, noting the potential timeline for further engagement on the Plan.

**Consideration by any other Board, Committee, Assurance or Advisory Panel**  
 None

## 1. Background

1.1 The Levelling Up White Paper and subsequent guidance on the LEP Review sets out a process to 'fold' LEP in MCA areas into the MCA governance arrangements. The initial indication from Government is that the governance model already in place in South Yorkshire of MCA / LEP governance integration through the structure of Thematic Boards is at the heart of their intentions, as it sees the private sector voice engaged in the detail of MCA decision making. This is a positive indicator of confidence in local arrangements and recognises the strength in the local arrangements for delivering economic growth outcomes and future devolution propositions.

1.2 The requirement of all MCA, outlined in the guidance, is to agree and submit and Integration Plan before 29 July 2022 or by 27 January 2023, where more time is needed.

The expectations of government in the development of the Plan are that:

- The plan must take account of the content outlined in the guidance. MCA will lead the development of the plan, outlining all considerations that apply.
- The LEP and other key stakeholders should be engaged in the development of the plan and the LEP must sign this off prior to submission to government.
- Arrangements must embed a strong, independent and diverse local business voice into local democratic institutions... The Board must have a meaningful role in decision making and should be consulted on all relevant economic decisions.

There are a number of other requirements regarding staffing resources, which are non-applicable given the MCA serves as the employing body for a single Executive.

1.3 Section 2 of this paper sets out the process to undertake to meet the first deadline for submission of the Plan by 29<sup>th</sup> July 2022.

## 2. Key Issues

2.1 The requirement for the Integration Plan is to ensure that the MCA is appropriately supported by a Private Sector Board such that economic planning is carried out in partnership with Local Leaders that clearly articulates their areas economic priorities and sectoral strengths..... LEPs or Local Democratic Institutions where LEP functions are Integrated should continue to use their convening power to bring together business, education, and other local economic stakeholders.

The plan therefore needs to articulate:

- Purpose
- Governance
- Engagement and Communication Plan
- Financial or Resource Plan\*

\*Due to the existing arrangements with the MCA as Accountable Body for the LEP this is not felt to be an issue for South Yorkshire plan.

Work undertaken by the LEP and MCA in setting up the current governance arrangements will be drawn upon to develop the initial sections of the Plan supplemented with engagement to develop the section on the forward engagement and communications plan.

2.2 To meet the deadline of 29 July, there is a need to meet the following milestones:

<b>Milestone</b>	<b>Who</b>	<b>Date</b>
<i>Engagement discussion LEP Private Sector</i>	<i>Private Sector</i>	<i>26/04/2022</i>
Agreement to the Draft Plan development process	LEP Board	12/05/2022
First Draft Plan to date circulated	LEP / MCA	20/05/2022
Draft Plan discussed MCA	MCA	06/06/2022
Final Draft Plan circulated	LEP / MCA	29/06/2022
LEP Board Decision	LEP	07/07/2022
MCA Board Decisions	MCA	25/07/2022
Submission to Government		29/07/2022

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

#### **3.1 Option 1**

At this stage there are no alternative options to consider. The requirement for an Integration Plan to be developed is mandatory and risks any future Core and discretionary budgets for LEP led activity being withheld from the MCA.

There is the option that the submission is delayed until the long stop date of January 2023, this would permit greater time to discuss options, but could jeopardise future resource payments. We are seeking clarity on the implications of a later submission.

#### **3.2 Recommended Option**

The recommended option is to seek to progress to the first submission date.

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

4.1 A consultation and engagement plan will be required, this is in the process of being developed.

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

5.1 Until the 29 July or 27 January 2023 if longer time is required.

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

6.1 The guidance has made a number of stipulations regarding the submission and making future funds contingent on compliance.

*Requirement of an open process to recruit independent members is a pre-requisite for the release of further core or transitional funding.* This is in line with current arrangements and a process is already in place to comply with this.

*The functions and roles agreed and contained within the integration plan will form the basis of the core funding grant offer.* This will be part of the submission and is in line with an annual submission currently made for Core Grant.

*Performance against these functions will inform future core funding decisions.* We already report against and Annual Performance Requirement for strategy, governance and delivery and have reporting mechanisms in place.

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

- 7.1 Following the development and approval of the plan there will be a requirement for some changes to Board Terms of Reference and / or the Constitution. This will be considered as part of the developing work plan.

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

- 8.1 None – the Executive is an integrated team, employed by the MCA and supporting the work of the Mayor, MCA and LEP. There are therefore no TUPE implications as there are in other places.

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

- 9.1 Gender and diversity will continue to play a part in the recruitment of the private sector to ensure a representative board is in place.

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

- 10.1 None

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

- 11.1 None

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

- 12.1 Following approval of the appointments, the website will be updated to reflect the agreed portfolio's and positions. Further communication and press releases remain to be considered and agreed.

## **List of Appendices Included**

None

## **Background Papers:**

Strengthening Governance in Local Enterprise Partnerships (2018)



## Local Enterprise Partnership

12 May 2022

### Chief Executives Update

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#### 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.

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#### 1. Destination Marketing

A Yorkshire officers group has been set up to take forward work on destination marketing operations for Yorkshire, following Welcome to Yorkshire going into administration. Private sector LEP Board members Joe Chetcuti, Neil MacDonald and Dan Fell have been involved, and the group will shortly be coming to the LEP and wider business community to help further shape the work.

#### 2. Shared Prosperity Fund

The government has released UK Shared Prosperity Fund allocations – the replacement to EU funding. SYMCA has been allocated £46,162,439 comprising of Core UKSPF funding of £38,906,130 and £7,256,309 from Multiply - a programme to offer free courses to adults to improve numeracy. UKSPF allocations the prospectus can be found on the GOV.UK website. The MCA and LEP will be considering how to deliver the programme most effectively.

#### 3. Bid for GBR HQ

This month, Government is expected to announce the shortlist for the headquarters of Great British Railways. SYMCA, SYLEP, and partners across the region are supporting Doncaster's bid. Given Doncaster's historic links with the railways dating back to the 1850s, its central position on the East Coast Main Line, and its air, rail and road links, the town is ideally placed. People are being asked to get involved by indicating why they think the HQ should be based in Doncaster by completing an online survey.

## **5. South Yorkshire Business Advisory Group**

SY Business Advisory Group continues to meet on an eight-weekly cycle to discuss and input into key items of concern to the business community. The group includes key representative organisations including: the three local Chambers of Commerce, the Federation of Small Businesses (FSB), the Confederation of Business Industry (CBI), UNITE, Finance for Enterprise, MakeUK, InTrade Forum, Sheffield Property Association, South Yorkshire Community Foundation, and the British Business Bank.