

MCA - MAYORAL COMBINED AUTHORITY BOARD

MINUTES OF THE MEETING HELD ON:

MONDAY, 24 JANUARY 2022 AT 10.00 AM

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



Present:

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

In Attendance:

Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Stephen Edwards	Executive Director	South Yorkshire Passenger Transport Executive
Sarah Norman	Chief Executive, Barnsley MBC	Barnsley MBC
Dr Dave Smith	Chief Executive	MCA Executive Team
Martin Swales	Interim Director of Transport, Housing, Infrastructure and Planning	MCA Executive Team
Steve Davenport	Principal Solicitor & Monitoring Officer	MCA Executive Team / South Yorkshire Passenger Transport Executive
Gareth Sutton	Chief Finance Officer/S73 Officer	MCA Executive Team
Stephen Batey	Head of Mayor's Office	SCR Mayor's Office

Apologies:

Councillor Alex Dale	NE Derbyshire DC
Councillor Steve Fritchley	Bolsover DC
Councillor Tricia Gilby	Chesterfield BC
Councillor Simon Greaves	Bassetlaw DC
Councillor Garry Purdy	Derbyshire Dales DC
Jim Dillon	MCA Executive Team
Helen Kemp	MCA Executive Team
Sharon Kemp	Rotherham MBC
Eugene Walker	Sheffield City Council

1 Welcome and Apologies

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

2 **Announcements**

Mayor Jarvis commented that, with regard of Covid, because of the efforts of the people of South Yorkshire, Public Health, the NHS, pharmacists, the vast number of volunteers and the number of boosters administered, the region was just about holding the line but still just ahead of intolerable pressure on health and social care services. Case rates were falling but were still high and the number of hospital admissions had led to pressure on the NHS. Whilst welcoming the easing of restrictions, the Mayor urged people to be cautious and to do everything possible to break the chain of infection. The cautious approach would apply to the region's public transport where the wearing of face masks would be strongly encouraged after the easing of restrictions.

The Mayor made several points regarding bus services in South Yorkshire.

Patronage levels were not back to their pre-pandemic levels which was a major implication for bus services and their viability. To date the emergency government funding to keep services running had been vital but this support would probably be withdrawn at the end of March. The Mayor and council leaders acknowledged this whilst recognising that there was not the necessary resources to respond.

Looking to the future, work was ongoing to develop the Enhanced Partnership with the bus operators with whom there was a current consultation. Plans were being developed for investment to improve bus services over the short, medium and longer term as well as exploring options as how to manage the network in the future.

The Levelling Up White Paper was still awaited nearly two years after the last election. It was hoped by the next meeting of the Board a detailed consideration of the White Paper and what it would mean for South Yorkshire could be brought forward together with how the MCA would respond.

3 **Urgent Items**

None.

4 **Items to be Considered in the Absence of Public and Press**

None.

5 **Voting Rights for Non-constituent Members**

It was noted that Non-Constituent members were welcome to participate in the discussion of every item on the agenda.

6 **Declarations of Interest by individual Members in relation to any item of business on the agenda**

Mayor Jones and Cllrs Fox and Houghton declared interests in respect of items 14 and 20 with regard to schemes in their own council areas.

7 **Reports from and questions by members**

None.

8 **Receipt of Petitions**

None.

9 **Public Questions**

It was noted that three public questions had been received.

The following question was received from Matthew Topham.

“As South Yorkshire’s leaders appreciate the urgency of the climate and cost-of-living crises facing the region and have committed to consider starting a formal franchising investigation at this meeting, will the Combined Authority commit to make the investigation an institutional priority by committing Combined Authority funding, to avoid costs falling on local councils as has been done in West Yorkshire, and to appoint new, specialised project managers as soon as possible?”

The Mayor replied that bus franchising would be discussed at item 11 on the agenda. Should the MCA agree to go ahead with the statutory investigation, decisions on funding and the availability of suitable capacity would then be made. Several options were being explored and all local authority leaders would be involved in discussions.

The following question was received from Jim Bamford.

“The draft Enhanced Partnership Plan states, ‘the bold pledges we have set for the future of our bus network (include) a cap on daily and weekly fares’. Can you confirm that such a cap would only apply to those fares set by the Combined Authority, but that the operators would continue to set their own fares as they do now and any such fares cap would not apply to those operator set fares. Would you list which of the fares on the Travel South Yorkshire website would and which would not be covered by the cap.”

Mayor Jarvis replied all fares are currently set by the commercial operators and not by the MCA, this will continue to be the case under the Enhanced Partnership. The proposal for capping fares that was central to the Bus Service Improvement Plan submitted to central government is one that will make a huge difference to passengers and would be expected to apply across the majority of tickets that are available. But, as set out in the Plan, it needs the promised government funding in order to deliver and we await this decision from government.

The following question was received from Dinah Ward.

“7,000 jobs are on the way as the Mayoral Combined Authority pumps £170m into South Yorkshire firms’, Sheffield Star 7th December 2021. How many of these jobs also address the climate and nature emergency? Are the jobs in

sectors we need to grow, and not in those that need transforming or that are a major part of the problem? Will the companies be required to show proof of sustainability? Can we examine which companies are being supported and why?"

Mayor Jarvis firstly addressed the specific reference to the Article in the Sheffield Star. He replied that, for the avoidance of any doubt, the £170m is not investment that the MCA has yet committed to or agreed to but the sentiment of the article rightly reflects that we are working with a cohort of businesses that can grow or locate here.

I want to reassure you and the public that the MCA looks at each business and assesses its merit along with the case for public funding. Crucially we also consider it with our policy priorities which includes sustainability objectives and we monitor that against the commitments that the companies make. We are also developing conditionality around investments which will include elements on decarbonisation.

Recent investment includes support for new battery technology too support electric vehicles, support for the UK atomic energy facility and developing smart transport systems. I can also assure you that we monitor performance to ensure we hold businesses to the commitments they have made.

10 **Minutes of the meeting**

RESOLVED – That the minutes of the meeting held on 15th November 2021 be agreed as a true record.

11 **Options to Support the Delivery of the Region's Bus Service Improvement Plan (BSIP)**

A report was presented which set out the process to formally assess bus franchising as an option to deliver the Bus Service Improvement Plan. The report recommended that the constituent local authorities consider the matter ahead of an additional MCA meeting in early March 2022 to determine whether to issue the notice of intention to prepare an assessment of a proposed franchising scheme in accordance with S. 123C of the Transport Act 2000.

The process of a franchising scheme would enable the MCA to fully consider whether a bus franchising scheme would be the preferred model to support the delivery of the MCA's ambitions for the bus service network in South Yorkshire, as set out in the Bus Service Improvement Plan.

It was noted that, given the time to complete the franchising assessment, the work to establish and implement the Enhanced Partnership between the MCA and bus operators continued, as approved by the MCA on 15th November 2021.

Members acknowledged that there were significant operational challenges ahead and prior to a franchising assessment and subsequent steps could be completed. These issues were not specific to any particular model of bus governance and would need to be considered whichever approach was taken.

- Likely reduction/ending of government Covid subsidy support.
- Passenger recovery to pre-Covid levels was expected to take several years.
- Significant cost inflation pressures with the system.

Cllr Houghton commented that he would like the MCA, along with local MPS and the local authorities, to write to ministers urging the continuation of financial support for public transport due to the likely catastrophic consequences of ending the Covid subsidy at the end of March.

The matter of franchising was a huge decision and it was important that each council had the opportunity to consider the implications.

Although supportive of franchising he recognised that it would be a lengthy process, the costs were enormous and there was also the matter of where the money would come from. There were also significant risks and, if agreed to go ahead, there would be a need to retain a constructive relationship with the operators during the period of the project.

Mayor Jones and Cllr Houghton expressed similar sentiments to Cllr Houghton stressing the importance of public funding support in the short term whilst welcoming the option to formally assess bus franchising.

RESOLVED – That the Board note the contents of the report ahead of an additional MCA meeting in early March 2022, when the Board would determine whether to issue the notice of intention to prepare an assessment of a proposed franchising scheme in accordance with S. 123C of the Road Transport Act 2000.

12 **Gateway East Governance Proposals**

A report was submitted which sought approval for the creation of a Strategic Partnership delivery model to oversee delivery of the Gateway East Economic Blueprint development proposals.

The Board was reminded that Gateway East was one of the eight Growth Areas identified in the current Strategic Economic Plan. An Economic Blueprint for Gateway East was approved by the LEP in July 2020. The Blueprint provided a roadmap for developing the Gateway East Innovation Project.

An interim Shadow Board was established with an initial task to consider the governance and delivery options necessary to oversee development and delivery activity. The Board commissioned Deloitte to undertake governance and delivery option evaluation work.

The report concluded that there were two possible preferred governance models details of which were set out in the report.

Following consideration of the options report by the shadow Board the recommended option was to establish a Strategic Partnership to support delivery of the outcomes and ambitions set out in the Economic Blueprint.

THE Board supported the proposal whilst noting the need to ensure the benefits were spread across the whole of South Yorkshire.

RESOLVED – That the Board approve the recommendation to form a Strategic Partnership governance and delivery model to accelerate the practical delivery of Gateway East.

13 **The Yorkshire and Humber Climate Change Plan**

A report was submitted that presented the Climate Action Plan that had been prepared and published by the Yorkshire and Humber Climate Commission. The Action Plan called for meaningful climate leadership from larger institutions in government and the public and private sectors to deliver ‘significant, tangible contributions’ to help tackle the climate and ecological emergency.

The Board was informed that the Yorkshire and Humber Climate Commission (YHCC) was an independent advisory body set up to bring key partners from the public, private and third sectors together to support and guide ambitious climate actions across the region.

The Climate Action Plan was developed by YHCC with the help of more than 500 people from across the region. The Plan was published in November 2021.

The Action Plan stressed the need for Yorkshire and Humber to be “climate ready” to face increasing risks from climate change, stating that not acting with the required urgency and ambition would both prolong the region’s contribution to the problem and worsen local impacts.

Following initial feedback, a more detailed exercise was underway to assess alignment of the YHCC plan to existing local plans. The aim was to identify which of each of the 50 actions were already embedded within existing local strategies, plans and delivery programmes.

RESOLVED – That the Board note the YHCC action plan’s publication and the ongoing work to assess its alignment to local plans.

14 **Approval of the South Yorkshire Flood Catchment Plan**

A report was submitted asking the Board to consider and approve the final draft South Yorkshire Flood Catchment Plan entitled ‘Connected by Water’.

Members were reminded that, following the 2019 flooding in South Yorkshire, Mayor Jarvis and local authority Leaders submitted a South Yorkshire Business and Infrastructure Resilience Priority Flood Programme to government which included the proposal to prepare a catchment wide flood plan covering the whole of South Yorkshire.

The Catchment Plan outlined the actions to be undertaken to reduce flood risk, mitigate climate change and support climate resilient communities across South Yorkshire. It would support better joint working, provided a compelling programme to attract potential investors and demonstrated the measures being

put in place to protect local communities. It also provided a clear programme of well-developed projects to help secure the remaining investment required across the region to alleviate and mitigate future flooding.

RESOLVED – That the Board:

- (i) Approve the final draft South Yorkshire ‘Connected by Water’ Flood Catchment Plan.
- (ii) Note that a proposal was considered by the Housing and Infrastructure Board on 18th January for the use of some previously committed but unallocated MCA Gainshare funding (for flood resilience and mitigation) to support implementation of the Flood Catchment Plan.

15

ZEBRA Business Case

The Board was reminded that the government had made available up to £270 million of funding as part of the Zero Emission Bus Regional Area funding. The funding would support the government’s commitment to decarbonisation, help to deliver 4,000 zero emissions buses as well as support partnership working between transport authorities, bus operators and other key stakeholders.

Following the successful Expression of Interest submission to DfT last year for funds to support the procurement of zero emission buses for the region, a Full Business Case had been developed for submission for DfT by 31st January 2022.

Following discussions with the local authorities and Stagecoach a preferred scheme to purchase buses service Barnsley, Doncaster, Rotherham and Sheffield had been developed.

SYMCA proposed to bid for up to £6.3m of DfT ZEBRA funding. A further £3.4m of funding was provisionally allocated from the City Region Sustainable Transport Settlement as well as a contribution of £5.3m from Stagecoach. The total project costs of £15m would fund approximately 27 electric buses and associated charging infrastructure.

Mayor Jones expressed disappointment that the main Bus Operator in Doncaster, First had not wished to be involved in the project. S Edwards confirmed that Stagecoach was the only operator who had expressed interest in the scheme.

RESOLVED – That the Board:

- (i) Agrees to delegate the approval of the submission of the Full Business Case to DfT, seeking grant funding in the region of £6.3m, by the DfT deadline of 31st January 2022 to SYMCA’s Chief Executive Dave Smith.
- (ii) Approves the Finance Director accepting the grant offer from DfT providing it accords with the grant application/Full Business Case.
- (iii) Approves the MCA entering into the contractual arrangement to deliver the

ZEBRA project, as approved by the Monitoring Officer.

16 **Business Support Funding**

A report was submitted requesting the approval of funding for the 16 RAP advisors for a further 12 months.

M Mumtaz reminded the Board that the MCA currently funded 16 RAP advisors deployed across the four local authority areas.

The business advisors deliver vital support to local businesses and cover a range of specialist areas including financial planning, access to funding, workforce development and digital technology.

The advisors had been funded under the RAP through Gainshare. This funding was due to expire at the end of March 2022; currently there was no alternative funding source to continue this vital support. Extending the provision would ensure that local businesses continued to receive this support to help grow and recover over the next 12 months.

At its December meeting the Business Recovery and Growth Board had approved the recommendation to continue funding for a further 12 months until March 2023 whilst trying to source alternative funding beyond that point.

The funding to continue the provision would be through a virements of fund from an area of the Renewal Action Plan which had not continued.

RESOLVED – That the Board approve the redeployment of £850,000 of Gainshare (through virement of funds allocated to other projects under the Renewal Action Plan, which were likely to remain unspent) to fund the continued provision of Renewal Action Plan Business Advisors for a further 12 months.

17 **2021/22 Budget Revision 3**

A report was considered which provided revised Group budget forecasts to the end of the financial year 2021/22 and recommended the adoption of the budget estimates, adjustment to budgetary ceilings and the distribution of grant received.

The Board was informed that a Quarter 2 budget revision exercise had been undertaken at the end of November 2021. The results of the exercise highlighted a number of issues that would influence the MCA's financial position over the remainder of the financial year, as well as planning for the medium term.

1. Whilst government funding for bus and tram had been committed to the end of the year, uncertainty on post-March support was increasing the risk that operators pre-emptively would begin service reductions over Quarter 4.
2. The MCA would receive a further tranche of Additional Restrictions Grant

to support those businesses affected by the latest Covid variant.

3. The budget was now flexed to accommodate activity supported from the region's successful Community Renewal Fund bids.
4. Flexibilities secured with government now meant that the Getting Building Fund expenditure targets should be met.
5. Capital programme slippage was now likely to move a significant amount activity to the new financial year.

RESOLVED – That the Board:

- (i) Adopt the revised budget estimates.
- (ii) Note the slower than forecast pace of the capital programme.
- (iii) Approve the acceptance and distribution of the Additional Restrictions Grant top-up of £1.72m for the year ending March 2022.

18 **Budget and Business Plan Development**

A report was submitted which provided an update on the budget and business planning processes for the forthcoming financial year. The report also set out the assumed level of resource available to the MCA to invest into its priorities and outlined forecast financial risks.

It was noted that following engagement with the South Yorkshire Leaders and Mayor, the report recommended approval of the proposal to freeze the transport levy and local subscriptions at current levels.

RESOLVED – That the Board:

- (i) Approve the South Yorkshire Transport Levy for financial year 2022/23.
- (ii) Approve the proposal to not set a Mayoral Precept for the financial year 2022/23.
- (iii) Note the proposal to freeze local authority subscriptions for financial year 2022/23.
- (iv) Note the forecast scale of consolidated Group spending power in the forthcoming year.
- (v) Note the intention to bring the final Group revenue budget and capital programme for approval to the MCA's March meeting.

19 **South Yorkshire Renewal Fund: Progress Update**

A report was considered which set out the progress made to-date on the development of the South Yorkshire Renewal Fund.

G Sutton informed the Board that the Renewal Fund was a real opportunity for the region. It supported local determination and how the Gainshare funding was used. It also broke the MCA out of the cycle of being dependent upon government funding streams which were often short term in nature and limited in coverage. It also offered the opportunity to address structural constraints that had held the MCA back in the management and delivery of programmes.

The report recommended a phased approach to investment and recognised the sheer scale of the delivery challenges in the new year and also recognised that some schemes could be brought forward.

The report recommended a life-cycle funding model which would try to address some of the recognised constraint, and it was proposed to invest revenue funding into the project feasibility fund.

The report also recognised the significant ongoing collaboration with partners to shape the next stage of activity. A further update would be brought to the Board in March.

RESOLVED – That the Board:

- (i) Note the work to develop the Fund to-date.
- (ii) Note the proposed phased approach to the release of Gainshare funding.
- (iii) Note the proposed adoption of a lifecycle approach to investment.
- (iv) Approve the proposal to release the Project Feasibility Fund to support the design and development of high quality investment propositions that meet the conditions of supporting inclusive, green economic growth.

20

Programme Approvals

A report was submitted which requests progression of seven schemes, early release of development cost funding and approval of one project change request subject to the conditions to be set in the Assurance Summaries.

RESOLVED – That the Board approve:

- (i) Progression of “South Yorkshire Rail Station Improvements” project to full approval and award of £3.45m grant to South Yorkshire Passenger Transport Executive subject to the conditions set out in the Assurance Summary attached at Appendix A1.
- (ii) Progression of D0012 – “UK Operations Growth Plan” to full approval and award of £1,75m to a Barnsley based company subject to funding being available and conditions set out in the Assurance Summary attached at Appendix A2.
- (iii) Progression of “Century BIC II to full approval and award of £2.6m grant to Rotherham Metropolitan Borough Council (RMBC) subject to the conditions set out in the Assurance Summary attached at Appendix A3.

- (iv) Progression of “Fargate Measures” project to full approval and award of £6m grant to Sheffield City Council (SCC) subject to the conditions set out in the Assurance Summary attached at Appendix A4.
- (v) Progression of “A631 Rotherham to Maltby Bus Corridor” Outline Business Case (OBC) to Full Business Case (FBC) and the release of development cost funding of up to £0.25m to RMBC subject to the conditions set out in the Assurance Summary attached at Appendix B1.
- (vi) Progression of “Barnsley-Doncaster Quality Bus Corridor” OBC to proceed to FBC and the release of development cost funding of up to £0.95m to Barnsley Metropolitan Council subject to the conditions set out in the Assurance Summary attached at Appendix B2.
- (vii) Progression of “Sheffield Heart of the City 2 – Block A” OBC to proceed to FBC to SCC conditions set out in the Assurance Summary attached at Appendix B3.
- (viii) Approval of project change requests as detailed in Appendix C.
- (ix) Recommendation that officers should seek as strong a deal as possible with regards to loan and overage.
- (x) Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered at 1-6 above subject to funding being available.

21

Appointment of External Auditors

A report was submitted detailing options for the procurement of an external auditor.

The Board was informed that the MCA’s current external audit arrangements would come to an end by March 2023 with a decision now required on how to appoint an auditor from 2023/24 onwards.

It was noted that there were three broad options open to the MCA under the Local Audit and Accountability Act 2014 when considering how to procure and appoint an external auditor. These were:

- To opt into the national procurement undertaken by PSAA.
- Procure individually.
- Seek to carry out a joint procurement along with neighbouring local authorities.

The report considered the three options offering comparative advantages and disadvantages.

RESOLVED – That the MCA opt into the national arrangement delivered by PSAA for the procurement of an external auditor.

22 **Annual Review of Assurance Framework**

A report was submitted which gave details of the annual review of the Assurance Framework.

The report summarised the amendments that had been incorporated into the 2022/23 Assurance Framework and presented them for consideration by members ahead of submission to the government departments for their review and approval before 31st March 2022. It was noted that further minor amendments may be made to the draft as the SYMCA integration process continued prior to submission.

RESOLVED – That the Board:

- (i) Note, at section 2.2 of the report, the key amendments that had been made to the Assurance Framework to ensure compliance with the Government’s requirement’s and issued guidance.
- (ii) Endorse the updated Assurance Framework, set out at Appendix 1 to the report, and consent to the report being submitted to Government for departmental review and agreement.

23 **Delegated Authority Report**

A report was submitted which updated the Board on decisions and delegations made by the MCA and the Thematic Boards.

RESOLVED – That the report be noted.

24 **AOB**

Mayor Jarvis put on record collective thanks to Helen Kemp who had led the business and skills agenda with distinction during her time with the MCA and wished her all the best for the future.

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

Signed

Name

Position

Date