

**SCR INFRASTRUCTURE EXECUTIVE BOARD**

**24<sup>th</sup> FEBRUARY 2017**

**BROAD STREET WEST, SHEFFIELD**

<b>No.</b>	<b>Item</b>	<b>Action</b>
1	<p><b><u>Welcome and Apologies</u></b></p> <p>Present:</p> <p><u>Board Members</u>            Mayor Ros Jones (DMBC) - CHAIR            Martin McKervey (LEP / Nabarro)            Chris Scholey (Doncaster Bassetlaw NHS Foundation Trust / LEP)            John Mothersole (SCC)</p> <p><u>Also in Attendance</u>            Ed Highfield (SCC)            Matt Gladstone (BMBC)            Neil Firth (DMBC)            Dave Armiger (BaDC)            Mel Dei Rossi (SCR Exec Team)            Mark Lynam (SCR Exec Team)            Tim O'Connell (RMBC)            Ben Morley (SCC)            Gareth Finch (Peel) for item 5            Craig Tyler (Joint Authorities Governance Unit)</p> <p>Apologies were received from Board Members Cllr John Burrows (CBC) and Neil Taylor (BaDC) + Peter Dale (DMBC), Katie Jackson (SCR Exec Team) and Paul Wilson (DDDC)</p>	
2	<p><b><u>Minutes of the Previous Meeting</u></b></p> <p>The minutes of the previous meeting held on 16<sup>th</sup> January were agreed to be an accurate record.</p> <p>Clarity was requested regarding what had been agreed at the last meeting in respect of agenda item 10 – Enterprise Zone Fund Investment Strategy. It was affirmed the Board's decision was to only use viability funding to support projects within the sector-scope of the agreed EZ strategy until otherwise</p>	

	<p>determined. It was therefore requested that a report be received in 6 months' time to comment on how effective this policy has been and to facilitate further consideration of whether it might be prudent to expand the offer to cover other acceptable uses.</p> <p><b>Action: Ben to present the update report in 6 months</b></p> <p>Regarding the SCRIF Programme Review, it was noted the joint meeting between the Directors of Finance and the Economic Directors is to be convened shortly.</p> <p>It was noted the TEB meeting received an update report on the Strategic Modelling Tools project which would be of interest to IEB members.</p> <p><b>Action: Mel to arrange for circulation of the report to IEB</b></p>	<p><b>BM</b></p> <p><b>MDR</b></p>
3	<p><b><u>Declarations of Interest</u></b></p> <p>None noted.</p>	
4	<p><b><u>Urgent Items / Announcements</u></b></p> <p>None requested.</p>	
5	<p><b><u>Doncaster Sheffield Airport (DSA) Vision</u></b></p> <p>The Board was provided with a presentation on the vision for the airport and Aero Centre Yorkshire, noting DSA is one of the 4 strategic priorities for the SCR.</p> <p>The presentation covered an overview of the existing airport offer and infrastructure, passenger and freight throughput figures, the DSA Master Plan and Vision Plan, challenges associated with achieving the vision and priority actions.</p> <p>The Board noted that DSA is the 1<sup>st</sup> new full-service airport in the UK for 50 years and is the UK's fastest growing airport with 38% growth in passenger numbers over the past year.</p> <p>The Board recognised the airport should not be viewed as a transport project, but rather an essential economic driver for the SCR, and nationally a genuine opportunity to redress the north-south balance by becoming the north's 2<sup>nd</sup> intercontinental airport.</p> <p>It was noted that Aero Centre Yorkshire has been included as 1 of the Northern Powerhouse's portfolio of 13 key investable projects.</p>	

An explanation of Peel's Plan terminology was provided. It was noted the Master Plan might be viewed as 'bottom up' with growth forecasting based on certainties, whilst the Vision Plan may be regarded as 'top down', transformational and aspirant, based on what might be achievable with appropriate regional and national support. It was noted the passenger throughput forecasts are 8m p.a. for the Master Plan and 25m p.a. for the Vision Plan.

Consideration was given to the challenges that lie between the airport and its full potential. It was noted these include accessibility and connectivity, awareness (regionally, nationally and internationally) and availability of scheduled destinations and regulatory complications e.g. state aid.

It was noted business plans will be produced to oversee how DSA will achieve its Master Plan and aim to achieve its Vision Plan and confirmed these will be appropriately referenced in the refreshed SEP.

Discussing the challenges, the group noted plans to help address connectivity issues with the creation of a new rail station at the airport, facilitated by a loop on the East Coast Mainline. It was noted this proposal has been supported in principle by TEB, with the board also recognising the wider economic benefits this would deliver including the easing of congestion at Doncaster Station.

Regarding increasing awareness, it was suggested there is an immediate requirement for Highways England to improve signposting to the airport from the motorway network.

It was agreed that TfN recognition of the airport's strategic potential is of paramount importance and an expectation noted that the airport will have prominence in TfN's International Connectivity Action Plan as it is developed. It was noted that to engender this expectation, efforts continue to engage TfN representatives at all levels.

**Action: Martin to progress efforts to realise John Cridland's attendance at a major event at the airport**

**MM**

It was agreed that a prerequisite of being able to promote the airport is the need of a coherent Transport Strategy, and the Board was informed this would be facilitated as part of the Strategy's refresh.

**Action: Mark to represent the Board's interests in the airport as part of the refresh of the SEP and Transport**

**ML**

	<p><b>Strategy and infusion of the airport Master Plan and Vision Plan.</b></p> <p>It was asserted the SCR needs to be capable of speaking with 'one voice' on matters of strategic importance such as DSA.</p>	
6	<p><b><u>Performance Review – Q3 Dashboard</u></b></p> <p>A report was received to provide an update of the performance of the Infrastructure Programme as at the end of Q3 2016/17 and to highlight any areas that require Executive Board input.</p> <p>The Board was advised the Q3 dashboard shows a forecast SCRIF funding expenditure of £35,473,962 for 2016/17 generating a gap of £38,893,038 against the 2016/17 allocation of £74,367,000.</p> <p>The Board was asked to note the remedial actions that have been taken to address the gap through the early commission call for projects with a focus of delivering spend in 16/17 which resulted in the Combined Authority's approval of 9 projects as part of the early commission to enable £28,433,000 of spend toward the forecast underspend of £38,893,038 this financial year. It was also noted two projects are still to complete the assurance/ due diligence process, with a funding requirement of up to £17,000,000.</p> <p>It was noted the Q3 returns, as submitted by the scheme promoters, indicate a cumulative in year spend of £23,716,725 of SCRIF funding. This figure has been reconciled with the figure held by the Sheffield CC Finance team who process SCR Fund claims. There is a notable difference between the two records, in part this is due to errors in the quarterly returns. Promoters to ensure that actual and forecast spend reported matches the claims made. SCR Performance team to assist in highlighting gaps.</p> <p>The Board was provided with quarterly return performance information and advised of ongoing work to address gaps in the information being received.</p> <p>Change requests were received and considered.</p> <p>The Board's attention was drawn to projects' 'rag-rated' as red and advised of remedial actions being undertaken to address matters. It was noted that ratings are generated by variance from financial profile or based on intelligence provided by the scheme promoters.</p>	

Noting that 46% of the 2016/17 programme is still to be spent in Q4, consideration was given to what actions might be introduced to avoid the back-loading of spend in future years.

The Board discussed further the actions required to achieve the planned year end outturn. MDR confirmed that the reported spend highlighted in the year end tracker was achievable; however, there is still considerable risk with 18 funding agreements to be completed before grant can be claimed.

Progress is being tracked on a weekly basis, but with 5 weeks to go legal / funding agreements need to be prioritised.

**Action: All to ensure that these agreements are appropriately prioritised within each LA.**

It was highlighted that 3 opportunities to claim have been agreed to year end.

- End of February – an additional opportunity to claim grant for all known invoices in relation to projects with signed agreements.
- 24<sup>th</sup> March – Final opportunity to claim grant for additional invoices.
- 30<sup>th</sup> March – opportunity to accrue for eligible costs incurred to year end.

**Action: All LA's to ensure that grant claims are processed in line with the above deadlines, noting that early commission schemes will not be permitted to roll funds over in 17/18 if not claimed.**

**RESOLVED, that the Board:**

- 1. Notes the position of the SCRIF Programme at the end of Q3**
- 2. Notes the commentary relating to the red project flags**
- 3. Endorses the change requests to the spend allocations and profile of the following projects, noting that these do not affect each project's notional allocation:**
  - **The request to re-profile £1,033,000 for spend from 2016/17 to 2017/18 for the Olympic Legacy Park**
  - **The request to bring forward £830,000 from 2017/18 into 2016/17 for M1 Junction 36 (Hoyland)**
  - **The request to bring forward £2,458,000 from 2017/18 into 2016/17 for Sheffield Retail Quarter**

**ALL**

**ALL**

	<ul style="list-style-type: none"> <li>• The re-assignment of SCR funding from Harworth Bircotes phase 2 junction improvements to highway infrastructure works at the proposed Harworth South business development (part of the same scheme).</li> <li>• The change to spend profile for the Worksop Phase 2 project, accelerating funding originally allocated for post-2022 into year's 2017/18 and 2018/19 totalling £1,482,000</li> </ul>	
7	<p><b><u>Integrated Infrastructure Plan – Funding Next Steps</u></b></p> <p>It was reported meetings are being arranged to look at the funding options for the various IIP packages ahead of formal consideration by the Infrastructure Delivery Group.</p>	
8	<p><b><u>SCR JESSICA Property Fund</u></b></p> <p>A paper was received outlining how the JESSICA fund will continue to deliver funding to support private sector development.</p> <p>It was noted the SCR Combined Authority recently approved up to £10m of SCRIF to be invested in the SCR JESSICA to establish the “SCR Property Fund”. This funding will be available to invest across the whole SCR on a flexible basis.</p> <p>An explanation of the term ‘repayable grant’ was provided, noting these are effectively high risk loans for which some or all of the allocation is repayable if certain criteria are achieved.</p> <p><b>RESOLVED, that the Board notes the report and approves the Property Fund Investment Strategy</b></p>	
9	<p><b><u>IEB Business Plan Progress Dashboard</u></b></p> <p>Provided for information.</p>	
10	<p><b><u>Any Other Business</u></b></p> <p>No further matters requested.</p>	
11	<p><b><u>Date of the Next Meeting</u></b></p> <p>Friday 7<sup>th</sup> April, 10.00am at Broad Street West, Sheffield</p>	