

## 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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**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