Annual Report 2019/20 and Delivery Plan for 2020/21

Sheffield City Region

LOCAL ENTERPRISE PARTNERSHIP



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Version Control

V1	1 st Draft	AH
V3	2 nd draft	AG
V4	Further cuts to text	
V5	Put some comments in	RA
V6	Added highlight section & case	AH
	studies	
V7	Amended text	
V8	Inclusion of additional text,	LW
	outputs and finance	
	information	
V9	V8	Final edits

Introduction from the LEP Chair

James Muir, Sheffield City Region LEP Chair



I am pleased to present the 2019/20 LEP Annual Report and Delivery Plan for 2020/21. This report and plan come at an incredibly challenging time for our businesses and our communities. The COVID-19 pandemic is not only creating the biggest economic crisis in living memory, it will have a lasting effect on our way of life, our attitudes and behaviours.

The LEP will play a central role in supporting the economy during, and in the immediate aftermath of this crisis, but it must also prioritise its plans to ensure that in the recovery phase we build back a stronger and more resilient regional economy.

We can 'build back better' if we collaborate across all stakeholders in the most effective manner possible.

The past year should give us confidence that we can deliver, that we have the right governance, the right team and the right partnership in place to develop and deliver recovery programmes that help businesses get back on their feet, that help people back into work and that helps our places emerge even stronger and more vibrant.

In the last year we met our target of £35.5million investment in the region's economy, we created or safeguarded 5,246 jobs, we supported 1,282 businesses, assisted 1,834 new learners and levered in £140.5 million of private sector investment. These are results that we should be proud of.

With the LEP fully embedded in the work of the Mayoral Combined Authority our governance model is robust and we continue to renew our Board membership with a focus on improving diversity and building a broader mix of expertise and skills.

We will also approach the next year with a clearer focus on the strategy we need to pursue over the long term. The work we have done in the last year on establishing a new Strategic Economic Plan stands us in good stead locally and nationally and helps set the long-term framework for our economic recovery plan.

Despite the challenges we face I look forward to the year ahead. We should be positive, bold and relentless in our focus on delivery.

I look forward to working with the private and public sector to make this happen.

James

Message from the Mayor

Dan Jarvis, Mayor of the Sheffield City Region



Update from the SCR Chief Executive

Dr Dave Smith, Sheffield City Region Chief Executive



We have much to be proud of over the last year. This Annual Report and Delivery Plan exemplifies the quality and commitment of the organisation I am proud to lead. Whilst retaining a focus on delivery of a complex capital programme I am delighted that over the last year we have invested heavily in the development of a new Strategic Economic Plan.

Our track record of delivery, the improvements to governance, transparency and accountability and the development of an exciting pipeline of new investment into the region is testament to the work being done by the LEP Board, the Executive Team and all our partners across the region.

There is no doubt that we are ambitious. We are seeking to transform our economy, to connect our businesses and people to economic opportunity, to build a cleaner and greener region, and to run a safe and reliable transport network.

The city region is growing but we know we can achieve a lot more to transform our economy, to provide opportunities and prosperity for our communities and businesses, to build on our strengths as a region in which people want to live, work and invest.

The challenges are formidable and include reversing decades of underinvestment, developing innovative ways of dealing with the outcomes for businesses and people of Brexit and Covid-19, and devolving powers and resources from Government so that decisions can be made by those who best know the city region.

As we look forward to what will be an incredibly challenging year, I am confident that the organisation is ready to step up once again.

Dave

Introduction

This Annual Report and Delivery Plan looks back on our achievements in the last year and forward to our plans for delivery in 2020/21.

The Local Enterprise Partnership Board (LEP)

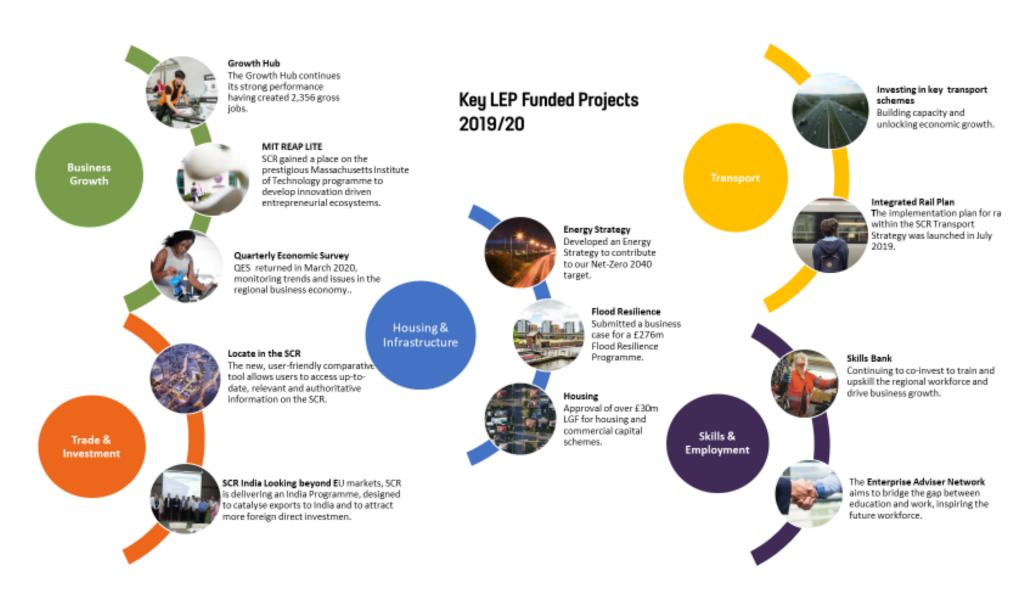
Our business-led partnership brings together the private sector, the four Leaders of the Local Authorities and the Sheffield City Region Mayor to drive economic growth in the region.

The LEP works hand in glove with the Mayoral Combined Authority (MCA).

Five Thematic Boards support our work in delivering the aims and objectives of the Strategic Economic plan. These boards focus on Business Growth, Housing, Infrastructure, Skills and Employment and Transport.

The work of the LEP is supported an SCR Executive Team which advises the LEP, SCR Mayor and MCA on policy, commissioning of projects and programmes, and manages and monitors the delivery of projects.

Highlights of 2019-20



Review of 2019/20

Programmes the LEP has delivered

The Sheffield City Region LEP delivers a range of programmes to support the growth of the local economy. The majority of these programmes are funded through the Local Growth Fund (LGF) – a £363.7 million investment that provides grants and loans to a broad range of projects over the period 2015 to 2021.

In the last year we have delivered the following programmes:

- Infrastructure Programme we commenced work on redeveloping vacant land and property into new commercial premises including the Digital Media Centre in Barnsley, building new link roads such as the DN7 Hatfield Link Road to the M18 and installing a flood alleviation scheme in the Upper Don Valley.
- Business Investment Fund we have helped indigenous and re-locating businesses to plug finance gaps which could not be met through traditional sources.
- Growth Hub we launched several new initiatives to provide advice and practical support to business owners including the Scale-Up initiative, our Brexit Planning Tool, Access to Growth + and Talent Bank. We are proud that our efforts resulted in the SCR Growth Hub being ranked in the top three Growth Hubs nationally and secured a prestigious pilot innovation programme with the Massachusetts Institute of Technology (MIT).
- Trade and Investment we launched the 'Locate in SCR' online tool to provide a wealth of information to potential investors on our sites, potential workforce and opportunities to aid their decision-making. We have worked intensively with 30 foreign-owned companies through our Key Account Management (KAM) project to secure further Foreign Direct Investment into the Northern Powerhouse. We also held a successful trade mission to India to showcase the City Region's strengths in advanced manufacturing.
- **Skills and Employment** we signed-up over 100 businesses and 1,000 individual employees and learners on our Skills Bank 2 project within nine months of its launch. We also matched 50 employers with 50 schools and colleges to improve careers advice and guidance for young people through our Enterprise Adviser Network (EAN) programme.

In the last year we have met our target of investing £35.5million in the region's economy, we attracted £140.5 million of private sector investment, created or safeguarded 5,246 jobs, supported 1,282 businesses, assisted 1,834 new learners and completed 326 new homes.

Progress made towards our ten-year targets

The LEP is on track to surpass the targets of our current Strategic Economic Plan, which were to create 70,000 new jobs and 6,000 businesses by 2024.



Target:

Grow the economy by 10% (or £3.1 billion) by 2024.

Progress to date (2019/20):

We achieved this target in 2018 due to strong performance in a range of industrial sectors. The SCR economy is currently valued at £35 billion.



Target:

Create 70,000 net new jobs by 2024, with 30,000 to be highly skilled.

Progress to date (2019/20):

We are ahead of schedule on achieving this target with 57,000 jobs created since 2014. This growth has been private sector-led with the business services and manufacturing sectors adding the most jobs.



Target:

Generate 6,000 new business start-ups by 2024.

Progress to date (2019/20):

9,435 new businesses have started-up in the Sheffield City Region since 2014.

Development of a new Strategic Economic Plan

Over the past year, the LEP began work on a twenty-year economic strategy which sets out the economic vision and policy objectives for our businesses, our communities and places. To ensure that our plan addresses the needs and ambitions of our businesses and partners, we engaged with over 250 business leaders and organisations from the public, private and voluntary sectors on the draft strategy.

Mayoral Combined Authority Projects

In 2019/20 we have delivered several major projects and initiatives which are funded by the Mayoral Combined Authority, but which relate to the LEP's thematic priorities. These are:

Working Win – we invested £2.179 million into our Health Led Employment Support Trial; a pilot project which is assisting over 6,000 people with mental and physical health issues and disabilities into sustainable employment.

Transforming Cities Fund - we secured £166 million through the Government's Transforming Cities Fund to support sustainable travel in the Sheffield City Region and complement our LGF investment in improving transport connectivity.

One Public Estate - we delivered £328,000 revenue savings and secured planning permission on public sector owned buildings and land to develop new housing and employment sites.

Made changes to our governance model

- Over the last year we have effected a move from the LEP covering the nine local council
 areas of South Yorkshire (Barnsley, Doncaster, Sheffield, Rotherham) and the North
 Nottinghamshire and Derbyshire district council areas (Bassetlaw, Bolsover, Chesterfield, NE
 Derbyshire and Derbyshire Dales) to the four South Yorkshire council areas only.
- The accountable body status for all LEP funds was transferred to the MCA.
- The MCA became the employing body for the SCR Executive Team.
- Five new Thematic Boards were launched which are co-chaired by a LEP Board member and local authority Leader.
- The first LEP Delivery Plan was published.
- All key policies, governance, scrutiny and assurance documents and procedures have been reviewed and updated.

A high performing organisation

Each year the Government undertake a review of LEP performance. In the last year the LEP has received a clean bill of health. The results of the Government's Annual Performance Review indicated that the LEP was rated as 'Good' for Governance, Delivery and Strategy.



Case Studies

Supporting small businesses

Bag It Don't Bin It (BIDBI) produce branded cotton tote bags. BIDBI make bags for some of the world's top brands, arts establishments charities, as well as independent businesses large and small.

Working with our Growth Hub the company have accessed funding to install new equipment, expand its manufacturing footprint and create a further 10 jobs.

"As a business, the help and support given to us from day one has been tremendous....as a result we have decided to stay within Sheffield City Region as the business continues to expand – we feel it's important to keep the young vibrant spirit our of culture by staying central in a city where investment and growth has been high on the agenda."



Kingsbury Press

Kingsbury were established in Doncaster in 1971 and specialise in the printing of high-quality books, brochure and presentation products to luxury sectors across the UK and also in the USA.

Through a £300,000 Business Investment Fund contribution we have supported a significant expansion to double Kingsbury's production footprint.

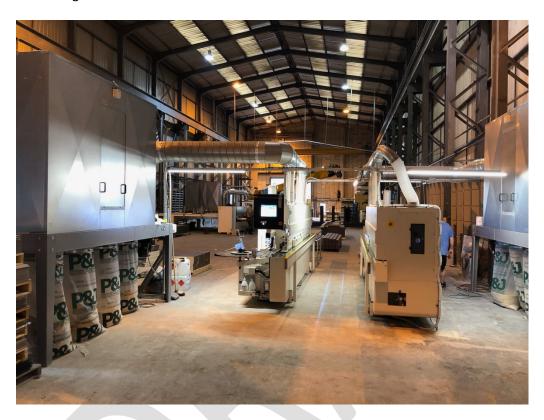


Laminates Limited

Laminates are the UK's leading specialists in the manufacture and distribution of bespoke kitchen surfaces.

In 2019 the Sheffield based business with over 30 years' experience in the industry secured a new contract with the largest supplier to the UK Kitchen Retail market and resulting supply chains with the largest Laminate manufacturers in the world.

In a move which would triple their manufacturing output, they had to invest heavily in new equipment and premises. A Business Investment Fund grant of £100,000 was awarded in support of the project delivery; not just future proofing the family-owned company but also creating 6 new jobs for the region.



Developing the skills of our employees

Aardvark Swift

Specialist recruitment company Aardvark Swift have boosted their plans for international expansion after receiving training and support through Skills Bank.

The Rotherham-firm, who specialise in recruitment in the video game industry, have put 18 members of staff through training secured via the Sheffield City Region's Skills Bank programme; unlocking their growth plans with a focus on global clients and new markets.



PES Performance

Engineering design firm PES Performance has used Skills Bank to increase services available for existing clients, as well as target new customers.

The firm, based at Sheffield's Advanced Manufacturing Park, recently put four of their senior engineering design team through training with the support of Skills Bank.

The team attended training on Finite Element Analysis (FEA) after the company spotted the opportunity to grow their offer to existing and new clients by incorporating this new in-house capability.



Attracting new investors to the region

<u>UK Atomic Energy Authority</u> is a UK government research organisation responsible for the development of fusion power. The unique research and testing facility for fusion components will create up to 40 highly skilled jobs. The 2,800 square meter, purpose-built facility is currently under construction at the Advanced Manufacturing Park in Rotherham. Once completed, the building will be used to develop joining technologies for various materials including novel metals and ceramics, and then to evaluate the materials and components under test conditions that will simulate those that would be experienced inside a fusion device.

Sheffield City Region Local Growth Fund allocation: £2,200,000

Total project cost: £22,000,000



Investing in our urban centres

The Glass Works project helps transform a 3.8-hectare site in the heart of Barnsley town centre.

The scheme will also act as a catalyst for wider private sector investment in the town centre, housing developments, commercial space and transport infrastructure.

Sheffield City Region Local Growth Fund allocation: £7,430,000

Total project cost: £142,303,975



Growing our visitor economy

Our investment in the <u>Yorkshire Wildlife Park Expansion</u> helps to unlock a new entrance, a visitor hub with themed restaurants, a destination hotel and investment in signature animal reserves; expanding the existing park by 150 acres to make Yorkshire Wildlife Park one of the top destinations in the UK.

Sheffield City Region Local Growth Fund allocation: £5,000,000 (100% loan) Total project cost: £56,900,000



The innovative <u>Grey to Green Phase II</u> project will make Castlegate and Exchange Street a location for new investment and cutting-edge businesses, as well as attracting additional city centre living. Due to be completed in 2020, it creates habitats for wildlife and will help city cooling, as well as providing local park and riverside access.

Sheffield City Region Local Growth Fund allocation: £3,320,000 Total project cost: £5,083,865

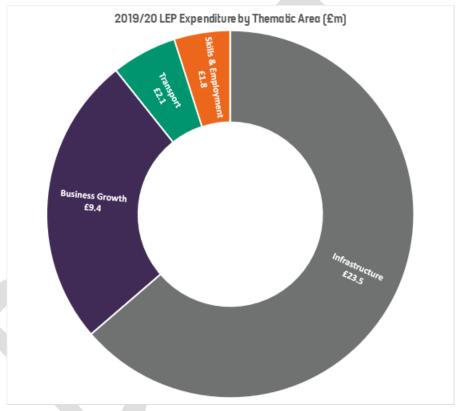


How we spend our money – and our budget plans for the next year

As a public body we must ensure that our budget is balanced. The majority of the LEPs' revenue funding comes from enterprise zone income, commercial income from assets, national government contributions and local council subscriptions. Capital funding comes through the LEP Growth Deal with Government and other investment grants that support our capital infrastructure programmes, including improvements to road, rail and cycleways, regeneration schemes, new college facilities and housing developments.

We also bring in Government, European and private sector funding to support our economic services and support for businesses. Like all public bodies, we face financial pressures and consistently look for ways to make our investments go further, reduce costs and leverage private sector investment.

The diagram below shows how LEP revenue and capital income was invested in projects during the 2019/20 financial year by thematic area.



Our plans for 2020/21

The only thing that we can be certain of in the year ahead is that it will prove to be one of the most challenging years that businesses and communities across the Sheffield City Region ever face.

The work of the LEP Board will no doubt change as a result and we will have to be resilient, we will have to work differently, smarter and more effectively than ever before to help make sure that we emerge from the health, economic and social crisis that Covid-19 pandemic brings.

The work done in the last year to prepare a strong evidence based Strategic Economic Plan must be completed, with our Covid-19 Economic Recovery Plan acting as the bridge between the current economic crisis and the longer-term ambitions of the SEP. The LEP will fully engage with the SCR Mayor on the development and production of the Economic Recovery Plan.

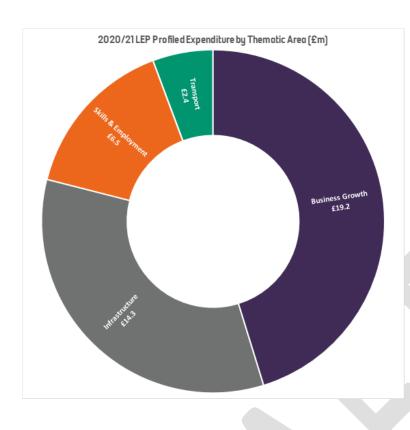
We also look forward to consulting businesses, partners and the general public on our longer-term vision and priorities for economic growth.

Whilst considerable focus will be spent on supporting businesses to recover from the pandemic to safeguard jobs in the region, we must also look to capitalise on opportunities for business development and job creation in the future.

In 2020/21 we will prepare the SCR Digital Infrastructure Strategy to provide a framework for the roll-out of full fibre and 5G across South Yorkshire to support businesses and employees to operate virtually. There is significant potential to re-purpose South Yorkshire's expansive network of mines as an innovative and renewable energy source, so we will undertake preliminary work with neighbouring LEP areas and the Green Smart Community Energy Partnership to investigate Minewater heat schemes.

We will also complete the SCR Housing Review and implement the recommendations to ensure that the City Region provides affordable, high-quality and resource-efficient homes.

The diagram below shows how we plan to investment LEP revenue and capital income in projects during the coming year by thematic area.



In 2020/21, we will invest our funding in the following contracted projects and programmes:

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2020-21	Expected Outputs/Outcomes 2020-21	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Facilitating and proactively supporting growth amongst existing firms.		Business Investment Fund (BIF)	April 2015/16	£17.69m	Jobs: 620	£52m	Achieved by 2020/21 Jobs: 3,472 Projected by 2024/25 Jobs: 3,959
		Hub Enhancement		£0.034m			
Facilitating and proactively supporting growth amongst existing firms and ensuring that new businesses receive the support they need to flourish.	Business Growth	Growth Hub	April 2015/16	£0.684m			
Facilitating and proactively supporting growth amongst existing firms.		Access to Finance		£0.126m			
Attracting investment from other parts of the UK and overseas and improving our brand.		Key Account Management (Trade & Investment)		£0.140m			
	Sub-Tota						

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2020-21	Expected Outputs/Outcomes 2020-21	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Securing investment in infrastructure where it will do most to support growth. Infrastructure		DN7 Hatfield Link Delivery of 2km new road from M18 J5 to unlock a mixed use development comprising 3,100	March 2019	£0.797m	Jobs:100	£11.16m	Achieved by 2021/2022: Homes: 100 Jobs: 439 GVA: £0 Achieved by 2022/2023 Homes: 200
	houses, 395,000 m2 of commercial floor space and retail and educational facilities.	2010				Jobs: 476 GVA: £0 Total Projected : Homes: 3,100 Jobs: 7,681 GVA: £910,587,387	
	Digital Media Centre The Project will acquire and refurbish 'The Core' building, delivering three floors of "grow on" office space, a ground floor co-working space and provision of a tech lab facility.	March 2019	£0.107m	Jobs: 137	£2.13m	Achieved by 2021/2022: Jobs: 137 Achieved by 2022/2023: Jobs: 137 Total Projected Jobs: 137	
		Grey to Green Phase 2 Transformation of Castlegate /Victoria Quays as a major location for new investment, particularly for cutting edge technology and creative businesses. Providing 1,235 m2 of Sustainable Urban Drainage, 2,852 m2 of meadow planting, a 2,860 m2 new cycleway and 5,209 m2 new carriageway.	Feb 2019	£0m	Jobs: 0 GVA: £0	£3.32m	Achieved by 2021/2022: Jobs: 355 GVA: £0 Achieved by 2022/2023 Jobs: 355 GVA: £18,000,000 Total Projected Jobs: 766 GVA: £29,000,000

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2020-21	Expected Outputs/Outcomes 2020-21	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Securing investment in infrastructure where it will do most to support growth.	Infrastructure	Upper Don Valley Flood Alleviation Phase 2 Providing 1.07 km of linear flood defence to three discrete flood 'cells' within a high risk flood area on the River Loxley (a tributary of the River Don) and at the confluence of the Loxley and the River Don. The project will provide improved resilience to flooding for households, commercial properties and transport and other critical infrastructure whilst opening up development sites.	Dec 2019	£2.300m	Jobs:0 Businesses with improved flood defence: 152	£3.46m	Achieved by 2021/2022: Jobs:0 Businesses with improved flood defence: 152 Achieved by 2022/2023 Jobs: 86 Businesses with improved flood defence: 152 Total Projected Jobs: 86 Businesses with improved flood defence: 152
g. o		M1 junction 37 (Claycliffe Economic Growth Corridor) Phase 1 The Project will deliver highway improvements to the A628 Dodworth Road and Pogmoor Road crossroads; a key arterial route into Barnsley's principal road network. Highway improvements will unlock prime development land currently restrained by highway capacity.	Sept 2019	£0m	Jobs:167 GVA: £11.6m	£1.17m	Achieved by 2021/2022: Jobs:167 GVA: £11.6m Achieved by 2022/2023: Jobs:167 GVA: £11.6m Total Projected Jobs: 167 GVA: £63.6m

Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2020-21	Expected Outputs/Outcomes 2020-21	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Securing investment in		M1 junction 36 (Goldthorpe A6195 Dearne Valley Economic Growth Corridor) Phase 2 Highways improvement to alleviate current constraints and to facilitate the proposed development of 72.9ha of employment land at Goldthorpe.	July 2019	£5.039m	Jobs:0	£7.32m	Achieved by 2021/2022: Jobs:0 Achieved by 2022/2023 Jobs: 83 Total Projected Jobs: 1,400
infrastructure where it will do most to support growth.	Infrastructure	M1 junction 36 (Hoyland - A6195 Dearne Valley Economic Growth Corridor) Phase 1 1.8km of new and improved highways that will unlock significant employment land, opening up the regeneration and growth of the whole Dearne Valley.	Dec 2015	£6.046m	Jobs:154	£15.7m	Achieved by 2021/2022: Jobs:605 Achieved by 2022/2023 Jobs: 4,555 Total Projected Jobs: 4,555
		Energy and Sustainability		£0.044m			
Sub-To			Sub-Total	£14.33m			
Developing the City Region's skills base, Skills and		Digital Engineering Skills Development Network	Dec 19	£3.092m		£3.713m	
labour mobility and education performance	Employment	Doncaster UTC	Mar 2020	£0.050m		£0.150m	

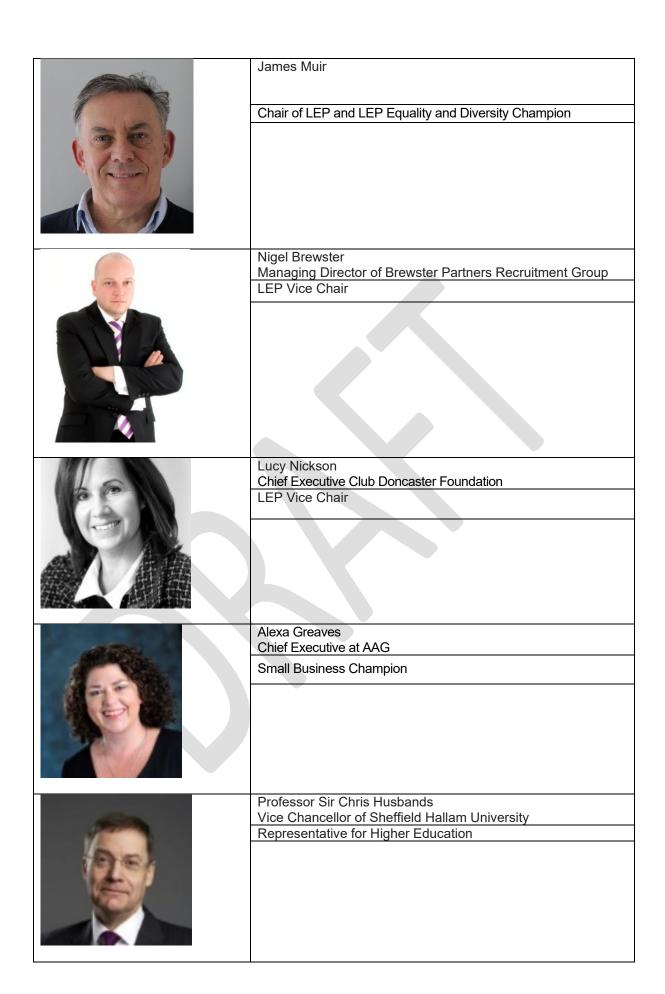
Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2020-21	Expected Outputs/Outcomes 2020-21	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Developing the City		Barnsley College Digital Innovation Hub	Mar 2020	£1.871m		£2.590m	
Region's skills base, labour mobility and education performance	Skills and Employment	Skills Bank 2		£0.790m			
		Enterprise Advisor Pilot		£0.180m			
			Sub-Total	£5.983m			
Securing investment in infrastructure where it will do most to support	Transport	Inner Ring Road (Sheffield) Improvements to selected junctions on the Sheffield Inner Ring Road to provide increased capacity for planned city centre regeneration particularly in the Riverside Business District. Project seeks to provide additional traffic capacity by adding a 2km of newly built road.	Feb 2019	£0m	Jobs: 150 GVA: £8.72m	£3.79m	Achieved by 2021/2022: Jobs:150 GVA: £8.72m Achieved by 2022/2023 Jobs:150 GVA: £8.72m Total Projected Jobs: 150 GVA: £8.72m
growth.		A630 West Moor Link Road (Doncaster) This improvement scheme will provide extra capacity both under the rail bridge and at key junctions for traffic along the route, with improved journey times for commuters, business users and public transport providers	Mar 2020	£2.232m			

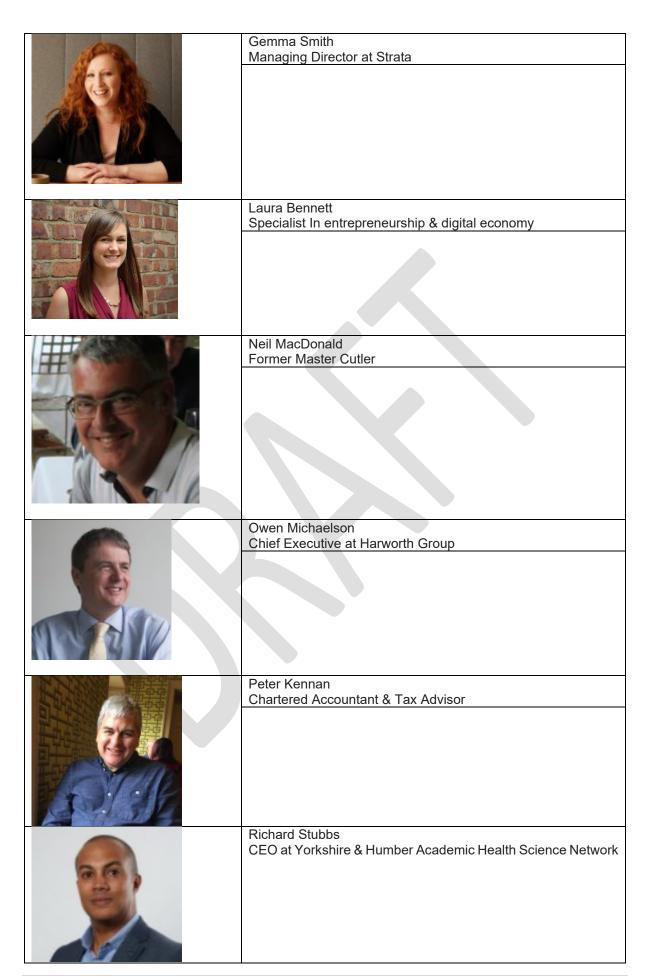
Strategic Priority	Thematic Area	Programme/Project	Project Start Date	SCR Investment 2020-21	Expected Outputs/Outcomes 2020-21	Total SCR Investment (All Years)	Total Expected Outputs/Outcomes (All Years)
Securing investment in infrastructure where it will do most to support growth.	Transport	Transport Scheme Testing Tools		£0.19m			
Sub-Total			Sub-Total	£2.422m			
Total Committed Expenditure 2020-21			re 2020-21	£41.409m			

The LEP Board

The LEP Board brings together 12 permanent private sector representatives, including two representatives from the Higher Education sector, the four Leaders of the Local Authorities and the SCR Mayor as well as a Trade Union representative and two co-opted private sector members.







	Tanwer Khan
	Alison Kinna Senior Vice President in Supply Chain Management at OutoKumpu Co-opted LEP Board Member
AM	Bill Adams Regional Secretary of TUC Yorkshire & Humber
	Trade Union Representative
	Professor Dave Petley Vice-President for Innovation at the University of Sheffield
	Co-opted LEP Board Member

	Councillor Chris Read
	Leader of Rotherham Metropolitan Borough Council Mayor Dan Jarvis MBE Mayor of Sheffield City Region
	Mayor of Stieffield City Region
ty seglo	
	Councillor Julie Dore Leader of Sheffield City Council
	Edddsf of offening diff deaths.
	Marine Brook App.
	Mayor Ros Jones CBE Leader of Doncaster Metropolitan Borough Council
	Councillor Sir Steve Houghton CBE
	Leader of Barnsley Metropolitan Borough Council

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