

3rd September 2020

SCR RENEWAL ACTION PLAN IMPLEMENTATION

Purpose of Report

This report presents the SCR Renewal Action Plan and sets out the actions being undertaken to implement the Plan in terms of the Place elements of the Plan.

Thematic Priority

This report relates to all of the existing and future Strategic Economic Plan priorities.

Freedom of Information

The paper will be available under the Combined Authority Publication Scheme.

Recommendations

The Board is asked to

1. Consider the SCR Renewal Action Plan, in order to shape and develop the actions being undertaken to implement Plan in terms of the housing 'Place' elements.

1. Introduction

- 1.1 The development of the Sheffield City Region (SCR) Renewal Action Plan (RAP), endorsed by the LEP Board on the 16th July and approved by the MCA on the 27th July, is an important move to mitigate the worst effects of the Covid-19 crisis and ensure a strong and timely recovery towards a more resilient economy and society.
- 1.2 The RAP focuses upon three main areas of action:
 - **People** - *we will invest to ensure local people have the opportunity to develop their skills, and to find, stay and progress in work*
 - **Employers** - *We will invest to ensure employers can survive, adapt and thrive*
 - **Places** - *We will invest to create jobs and thriving places, in a way that reduces inequality and enhances our environment*

The evidence shows that the areas above will face the greatest challenges and thus should be the focus of activity. These challenges laid bare by the evidence are briefly summarised below.

1.2.1 People

The global and national economic outlook is widely predicted to be bleak. The potential impact on the City Region could be devastating for our communities, particularly the predicted rise of unemployment. There is also expected to be a significant loss of training opportunities, at least in the immediate term. This includes those made unemployed, forced into unemployment by personal circumstances, those currently on the job retention scheme though at risk of unemployment, and those to be made unemployed in the next 6 – 12 months.

1.2.2 Employers

There are immediate concerns of the liquidity of many businesses in SCR. It is expected that as supportive measures reduce or are discontinued, the business base will face pressing cashflow, invoicing and investment challenges. There is a risk of widespread insolvencies, due to a lack of demand and/or inability to operate in the wake of COVID-19 impacts. This includes those businesses over leveraged through loans and Central Government support, who will no longer be viable once Government support ends.

1.2.3 Place

Our places are feeling the effects of social distancing measures and reductions in disposable income due to furlough measures or loss of income due to increased unemployment. This is most stark in our urban centres which are facing current challenges with their space configuration and mobility and could see longer term issues, particularly with property values. With the potential closure, or failure, of high street retailers our urban centres face an uncertain future. This includes the knock-on impacts on wider determinants of health and wellbeing, community, inclusion, transport, housing and employment / engagement opportunities

- 1.3 The RAP has been designed with three linked horizons in mind – Relief (immediate term) Recovery (medium term) and Resilience (long term). The RAP is attached at Appendix 1. The interventions in the draft RAP are designed to be delivered within the next 12 to 18 months to bring immediate **Relief** to local people, employers and businesses.

The Housing Board is tasked by the LEP and MCA in overseeing the related implementation activity for the housing elements of the Place strand of activity.

2. Proposal and Justification

2.1 Implementing the RAP

The Thematic Boards have been tasked by the LEP and MCA to oversee activities related to their thematic area to implement the strategy and achieve the ambitions and targets set out in the RAP. The intention is for implementation plans to be developed via the appropriate Thematic Boards to present to the LEP and MCA Boards at their October / November meetings, with delivery beginning as soon as funds are available and allocated.

2.2 The Places strand of activity is focused upon delivery of a core vision, detailed as Our Promise:

We will invest to create jobs and thriving places, in a way that reduces inequality and enhances our environment

2.3 The justification for the places strand of the RAP comes from the evidence summarised at a high level below:

2.3.1 Infrastructure weaknesses: Long-term weaknesses in our infrastructure include the housing stock which is amongst the least energy efficient in the Country as well as our transport infrastructure, which encourages expensive and inefficient modes of travel.

2.3.2 Impact on our sectors: Over 20% of SCR employment is in the most affected sectors of retail, hospitality, and arts, leisure and recreation. A disproportionate number of these businesses operate in urban centres and all have had to massively scale back or close entirely their operations under lockdown. Footfall in urban centres declined across the UK by around 80% during 'lockdown'. It is also increasingly clear that a longer-term restructuring is underway; as many businesses and business models will not survive. We have already seen high-profile retail closures and downsizing.

2.3.3 Impact on our urban centres: COVID-19 is driving change in our urban centres. Many urban centres faced several challenges pre-COVID-19 and were already presenting significant opportunities for redevelopment. COVID-19 is likely to speed up the market forces observed in urban centre operations, creating a greater urgency for investment and regeneration to support their changing role.

2.4 The Housing Board is tasked with overseeing activities relating to housing under the 'Place' theme and specifically in terms of the Investment Programme 3 – Shovel Ready Schemes. The activities already underway and proposed to address this investment programme are;

- **Housing Fund (Brownfield)**

A brownfield funding allocation of £40m has been recently devolved from Government to unlock between 2,500-3,500 new homes in South Yorkshire over the next 5 years; with a revenue allocation to accelerate schemes in the first two years of the programme. Work is ongoing with local authorities, Homes England and other partners to both identify the early deliverable schemes and the schemes to form the 5 year programme. Housing is recognised in the SEP as a key part of the infrastructure to support delivery of the SEP ambitions and priorities, and will form a key part of the SEP Growth Area plans particularly those focussed on key urban centres. Item 7 on the Board agenda provides more information on the Housing Fund (Brownfield).

- **Wider SCR Housing Fund**

The wider Housing Fund which has been operating for over two years now also allows for housing schemes which are not on brownfield land. In developing the housing pipeline of schemes for delivery over the next 5

years, consideration will also be given to other potential schemes that can contribute to housing growth across the SCR.

- **Housing Retrofit**

The Government announced in the Budget £2.5bn for improving the energy efficiency of existing homes to not only improve the quality and warmth of homes, but also to contribute to the net zero carbon ambitions. The majority of this programme will be run through a voucher scheme operated nationally. However, a significant proportion of the funding is likely to be directed through the Energy Hubs (we are part of the Yorkshire and North East Energy Hub) to MCAs and local authorities to more effectively target and improve the homes of low-income households. Discussions are ongoing with Local Authorities to explore the most effective way to deliver a domestic energy efficiency and decarbonisation investment programme to improve low income households across South Yorkshire.

The SCR Infrastructure Board will lead on the following programmes, but the Housing Board may lead on those projects and programmes that have a strong housing component;

- **Capital Project Delivery**

Development of Strategic Business Cases for each Growth Area setting out the capital projects to be delivered over the next 5 years, linked with the delivery of other programmes such as Town Deal, Future High Street Fund and One Public Estate.

- **Decarbonisation**

The SCR Energy Strategy was approved at the July MCA Board meeting and is now in delivery phase. More widely, the Net Zero Programme is under development which will set the short/medium/long-term areas of focus for South Yorkshire to become a net zero economy by 2040. Schemes will be brought forward for consideration in line with these and will likely include: renewable electricity generation, EV charging infrastructure, heat network development and expansion, energy efficiency of existing buildings.

The Board's comments and suggestions are invited to inform appropriate activity and inform the preparation of the RAP Implementation Plan as it relates to the 'Place' theme.

3. Consideration of alternative approaches

3.1 Do more

At this stage it is unclear what the resources will be that can support our RAP aspirations and whilst the focus could be to look at all three time horizons this has been discounted in order to focus on the immediate relief Phase and thus target available resource to the immediate needs.

3.2 Do Less

Failure to develop and focus activity to address the needs identified in the Relief phase has also been discounted. The RAP was sent to government with a

request for additional resources to be made available. In addition, other departments may call for ideas for investment and therefore there is an imperative to develop in detail the interventions we wish to see supported

4. Implications

4.1 Financial

The RAP will help to secure additional funding from Government for SCR. The actions and activities being developed / undertaken, as set out in this report, will have financial implications, but these will be the subject of a future Board paper once details are known

4.2 Legal

There are no legal issues arising directly from this paper.

4.3 Risk Management

Risks include:

- Failure to adequately prepare for and implement schemes that mitigate the adverse impacts of the economic downturn on young people, those in lower paid jobs in the most affected sectors or others in the labour market who are unable to work as a result of the downturn. The consequence being that there is a significant increase in unemployment and long term economic sustained labour market upheaval.
- Failure to adequately prepare schemes to a detailed level of development, that evidence their deliverability to support individuals in a timely manner. The consequence being the potential loss of government funding as the region is unprepared to secure new and additional resources that could be made available.
- Failure to demonstrate leadership of the agenda to the residents of the City Region. The consequence being adverse publicity or reputational damage to the Mayor, the MCA and the LEP.

4.4 Equality, Diversity and Social Inclusion

The RAP will help to address poverty and the health and wellbeing of the local populations and therefore will contribute to improving social inclusion. Covid-19 is disproportionately affecting vulnerable groups – from a health and economic perspective and the RAP seeks to target these groups.

5. Communication

- 5.1** Proactive communications will be delivered across a range of channels, including digital, social and traditional media as part of implementation of the RAP. The LEP and MCA will work with partners and stakeholders to deliver this communication. A RAP communication plan is available.

6. Appendices/Annexes

Appendix 1 – SCR Renewal Action Plan

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Background papers used in the preparation of this report are available for inspection at: 11
Broad Street West, Sheffield S1 2BQ. Other sources and references: N/A.