

# SOUTH YORKSHIRE RENEWAL FUND – TOWARDS A SINGLE POT INVESTMENT FUND

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JULY, 2021

**Sheffield**  
**City Region**

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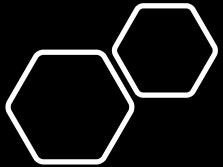
# STRUCTURE

The presentation covers the following points:

1. What is the South Yorkshire Renewal Fund (SYRF) and why do we need it
2. A new way of working - Principles and what will be different
3. The prize on offer and where we are now
4. The key political drivers guiding our approach – and what we already have in place
5. The timeline - what we need to achieve by April 2022 and the process to get there and some next steps.

# WHAT IS THE SYRF AND WHY DO WE NEED IT?

- The SYRF is the MCA and LEP's key investment response to rebuilding and renewing the South Yorkshire economy
- Post LGF, the SYRF brings together the plethora of new funds the MCA is responsible for. These include (TCF, Housing (Brownfield) Fund, Active Travel Fund, Gainshare).
- This single pot should allow more intervention programmes and projects to be proactively developed in anticipation of funding, not as a result of an announcement
- A Project Development Fund is also being set up to ensure proposals can progress with adequate resourcing and reduced risk, ahead of full funding approval



# SYRF - INVESTMENT PRINCIPLES

The SEP and the RAP are the starting point

**Economic impact** – we need to build a better, stronger and more resilient economy

**Place** – creating vibrant places people want to live and contributing to our net zero ambitions to deliver sustainable growth

**Equity** - every area will get an equitable share of programme funds, but not necessarily at the same time and not in the same way, reflecting their priorities

**Social impact** – investment to create jobs and grow the economy must also deliver greater inclusion for people and communities

**Sustained Investment** – wherever possible, the MCA will seek a financial return on investments to enable evergreening of funds

# THE KEY POLITICAL DRIVERS / CONTEXT

Work is currently underway to secure agreement on how some of the key principles will be operationalised:

1. **Social value.** Investment to create jobs and grow the economy must also deliver greater inclusion for people and communities
2. **Outcomes.** How the outcomes agreed in the SEP be delivered in a way that allows local priorities to be addressed?
3. **Subsidiarity.** Funds should be devolved to the most appropriate level, but accountability and responsibility cannot be easily separated.
4. **Equity.** Every area will get an equitable share of programme funds, but not necessarily at the same time and not in the same way, reflecting their priorities. What will this mean in practice?

# SECURING THE FUND

- The SYRF is underpinned by the £900m Devolution Deal Investment Fund (£30m over 30 years)
- The fund also includes other strategic investment funds the MCA will manage (e.g. Shared Prosperity Fund).
- Parliamentary approval is required to allow the MCA to borrow for non-transport capital investment
- Borrowing limit will depend (in part at least) on ability to repay i.e., how much revenue the MCA has to pay the interest and principal
- An annual borrowing cap must be agreed with HM Treasury
- Ambition, extent of pipeline and delivery track record will all help to determine the limits (size) of the borrowing cap

## FOR 2021/22, SYRF INCLUDES.....

The MCA's is investing £358m grow and economy that works for everyone. Of this,

- £214m on transport and the environment;
- £68m on housing, infrastructure and planning;
- £37m on education, skills and employment; and
- £21m on business growth and recovery.

The £358m includes £60m from the Devolution Deal Investment Fund (Gainshare)

# THE PRIZE.....

Injection of unconstrained public funds into our economy.



Enabling us to:

- **Deliver flexibly** – by focusing on *how* outcomes are delivered
- Think over a **longer-term investment** horizon.
- Bring forward a mix of **complementary MCA sponsored & place schemes** - that deliver more than the sum of their parts.
- Add **value and coherence** to a host of discrete funds such as: Towns Fund, Levelling Up Fund, Future High Streets, Transforming Cities Fund, Getting Building Fund, Brownfield Fund, Adult Education Budget and the anticipated Shared Prosperity Fund.

# WHAT WE NEED TO ACHIEVE BY APRIL 2022?

Use the four political drivers we must **co-design** the process and **co-produce** an investment strategy that by December delivers:

1. The principles and approach to allocating gainshare.
2. The outcomes that everyone is seeking to achieve.

By January

1. Draft investment strategies describing local and regional outcomes and the quantum of funding that each council expects to draw down (and over what timescales).

By end March

1. The process for applying for, and drawing down funding in 2022.
2. Governance arrangements that link investments to accountability for outcomes.

# ACTIVITY AND KEY DATES

## PROPOSED MILESTONES TO 1<sup>ST</sup> APRIL 2022

1. Identify and agree our shared policy priorities.
2. Identify progress made toward each shared outcome.
3. Identify investments that will close the gap.
4. Agree the processes for securing funding.

