

**Mayoral Combined Authority Board**

**Tuesday, 12 March 2024**

**Plan for Growth**

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<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Policy Decision
<b>Is this a Key Decision?</b>	Yes
<b>Has it been included on the Forward Plan of Key Decisions?</b>	No

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**Executive Summary**

This paper provides an update on our Plan for Growth. South Yorkshire is at an economic turning point with strong growth in the tech, advanced manufacturing and health sectors all demonstrating an economic renaissance underway. Analysis produced (annexed to this paper) for the Plan indicates that closing the gap between South Yorkshire levels of productivity and the national economy would add £5.6bn to SY’s economy each year. This is equivalent to each resident contributing £4,000 more to the region’s economy.

The SY Plan for Growth sets out a framework for regional economic development. The working document will be published in March, launching a process of engagement on its content and delivery plans.

**What does this mean for businesses, people and places in South Yorkshire?**

This plan sets us on the path to attracting more and better jobs that will raise living standards for those for live and work across South Yorkshire.

As part of this, the Plan provides clarity to businesses, for the long-term, on where we will invest and support growth.

## Recommendations

That Board members:

- a. Approve the draft content of the *Plan for Growth*;
- b. Delegate authority to the Corporate Director in consultation with the Mayor and Head of Paid Service to sign-off the final *Plan for Growth* detail and design; and,
- c. Agree to publish the working document in March.

## Consideration by any other Board, Committee, Assurance or Advisory Panel

None.

## 1. Background

### 1.1 Overview

South Yorkshire is at a turning point. Strong growth in the tech, advanced manufacturing and health sectors all demonstrate a renaissance underway. The technological and growth frontiers of tomorrow's economy in decarbonised power, propulsion and production, in preventative health and wellbeing, and in digital technology, robotics and artificial intelligence, are within reach. With the right public and private support, South Yorkshire can look to increase wages and the spread of secure, high-quality jobs, to close the gap between regional and national levels of productivity, and to become a net contributor to the national economy. The *Plan for Growth* sets out how. It has three dimensions.

- First, it recognises that growth will not happen everywhere, all at once. Growth requires focus. This *Plan* sets out four places, our 'Growth Areas', where the region will focus policy and resources to deliver a pipeline of projects that will deliver region-wide economic gains. The guiding policy on this dimension will be growing secure, high-paid jobs.
- Second, we will invest in our economic infrastructure to enable region-wide access to opportunity. The publication of this Plan begins a process of engagement about our priorities for housing, transport, energy, the environment, culture and digital infrastructure.
- Third, we will invest in our social infrastructure and in efforts to make sure growth is for good. We recognise the importance of creating vibrant communities that are proud of their past but confident in looking to the future. This publication begins a process of engagement on our priorities for skills, healthy life expectancy, early years, community safety, and different forms of ownership.

### 1.2 *A bigger and a better economy*

In the past few decades, South Yorkshire has seen household incomes decline relative to the national average. Other comparator regions have also seen decline,

but the gap between South Yorkshire and these places is widening.<sup>1</sup> To address this, South Yorkshire needs more secure, high-paying jobs. The region needs jobs which bring income and investment into the region.<sup>2</sup> These ‘traded’ jobs, such as researchers, software developers and TV producers, all create further jobs in the local economy and lift wages region-wide. **This *Plan for Growth* is a *Plan for Traded Jobs*.**

But it is not a plan for growth at any cost. This *Plan* sets out how we intend to build a bigger and a better economy while recognising the need for a more equitable distribution of growth and an approach that decouples prosperity from environmental harm.<sup>3</sup> We will engage on how we prioritise amongst competing economic and social infrastructure investments to deliver the South Yorkshire our communities want.

### 1.3 *South Yorkshire’s Strengths*

For too long, South Yorkshire has hidden its strengths under a bushel. This *Plan* confidently breaks that tradition. As a region, this *Plan* begins by recognising the region’s strengths. The region proudly boasts:

- Available land, local plans in place and a facilitatory environment
- A competitive cost of living and a high quality of life
- A high proportion of highly skilled young people, many eager to stay
- A supply of skills at all levels, with outstanding universities, FE colleges and independent providers
- Cutting-edge research and world class translational research facilities
- Strong sectoral strengths in tech, health and advanced manufacturing
- A unique geographical setting as a gateway North to South and South to North

#### *Spatial Development*

South Yorkshire is blessed by its natural geography, with its easy access to nature. But it is also blessed by its economic geography. The evidence base collected for this *Plan* has demonstrated a predictable pattern of economic development. Sheffield, bounded by the Peaks on one side, will grow towards Rotherham. Barnsley and Doncaster, with their ready access to the arteries of the road network, are growing alongside. This spatial development is reflected in recent tradeable jobs growth.

South Yorkshire’s four authorities, with unique histories and identities, form one region with complementary economic assets. Rotherham and Sheffield are now connected by a single Innovation District, the world’s first Advanced Manufacturing Innovation District. The skills, research assets and ecosystem have drawn Boeing, Rolls Royce, McLaren and many other fast growing companies in. Barnsley and Doncaster, with their large and allocated sites, are perfect for supply chains to develop and scale up;

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<sup>1</sup> M-D evidence base slide 10

<sup>2</sup> This Plan takes an expanded definition to ‘traded jobs’. It includes those jobs traditionally in the ‘tradeable sectors’, that is jobs which create exports in sectors such as manufacturing, information and communications and arts and entertainment, but it also includes those jobs creating goods and services which are purchased outside the region, not just internationally. These are the jobs that create a net gain for the regional economy.

<sup>3</sup> SEP pg 4

their central position on the road network is driving significant growth in logistics and adjacent sectors.

## 2. Content

### 2.1 *Growth Areas*

Growth requires focus. This is the experience of delivering industrial strategy and town regeneration successfully for two decades in the world's first Advanced Manufacturing Innovation District and in Barnsley town centre. In both cases, a clear, long-term plan, alongside the provision of the different ingredients of growth has delivered place-based transformation.

This is the principle of South Yorkshire's 'Growth Areas', four geographically defined places where we will partner with investors to deliver the right mix of investment, innovation support, infrastructure, ingenuity and skills, and incentives to drive jobs growth and investment.

Over the next decade, the MCA will coordinate and prioritise investment towards these Areas to create high-paid, secure jobs, which bring income and investment into the region. These jobs will lift wages and provide further opportunities in the local economy region-wide.

Each Growth Area is a sensible economic bet, chosen in line with robust economic criteria. These are:

- Each Area has unique assets and comparative economic advantages compared with other regions;
- Each Area has a geographic concentration of assets, with space for further development;
- Each Area has a justified expectation of growth, including employment growth; and,
- Each Area has sectoral strengths that are in line with societal challenges, such as decarbonisation or healthy life expectancy, and will drive employment that benefits the lives of residents.

This approach deviates from traditional plans and strategies: it will not entail a narrow focus on sector development. South Yorkshire has clear sectoral strengths and is demonstrating an increasing concentration in nationally growing industries, indicating positive signs of future growth.

However, it is increasingly true that South Yorkshire's strengths lie at the intersection between sectors or in growing sectors that are hard to measure, such as the data services offered to manufacturing businesses or in preventative health. These do not fall neatly into sectoral classifications. Nor are resilient and successful clusters generally agglomerations of single sectors. This *Plan* will focus therefore on rapid growth in jobs and investment in geographic areas, based around assets, comparative advantage and justified expectations of growth.

The four 'Growth Areas' identified are:

1. Sheffield City Centre and the Research Spine
2. SY Airport City (Doncaster)

3. Advanced Manufacturing Innovation District (Rotherham and Sheffield)
4. Barnsley Digital Centre

*The Plan* sets out an intention to develop a comprehensive package of support for businesses within each 'Growth Areas'. This includes a commitment to:

- Co-ordinate investment capital
- Develop innovation
- Delivery infrastructure and connectivity
- Provide ingenuity and skills
- Offer incentives for businesses

*The Plan* sets out the wish to co-ordinate the above through a single point of contact in the region. We will embed impact evaluation from the start to ensure our interventions are making a difference and to ensure South Yorkshire can become a global success story for economic growth.

## 2.2 *Delivering Broad Based Growth*

Growth Areas will sit alongside a wider offer for residents. The region will work to improve the key economic and social infrastructure of daily life. Action in these areas will help residents to lead happier, healthier and wealthier lives. Analysis suggests that closing the gap with the national average productivity level (outside of London) would add 17.8% or £5.6 billion to the South Yorkshire economy, equivalent to each resident being £4,000 more productive.

### *Strong economic infrastructure*

*The Plan* sets out the case for investment and begins (or continues) a process of engagement on:

- Housing
- Transport
- Energy
- Environment
- Culture and digital
- Investment and trade

### *Strong social infrastructure*

*The Plan* sets out the case for investment and begins (or continues) a process of engagement on:

- Skills
- Health and social care
- Community safety, through policing
- Early years
- Better business, through promoting good work and different forms of ownership

2.3 The Plan for Growth builds on a comprehensive evidence base (see Appendix A) that identified the region's strengths and barriers to growth. The report concluded with a need to grow the proportion of 'tradeable' jobs that are associated with greater investment from outside the region.

2.4 We will know this *Plan* is working when we see:

1. Increase in wages and disposable income across the distribution;
2. Growth in high-pay jobs and business investment;
3. Increase in social innovation, with an increase in the diffusion and adoption of knowledge and IP;
4. Progress towards the net zero carbon target by 2040, including biodiversity net gain, environmental and ecological recovery and greater use of nature-based solutions

SYMCA's monitoring and evaluation framework (2022) outlines the metrics we will use to monitor stronger, greener, and fairer growth. These metrics will be refreshed as part of the Regional Economies programme.

2.5 The Plan seeks to speak to current and future governments, investors, stakeholders inside and outside the region, and to residents about the region's priorities for growth. In this, it seeks to set out that the region:

- Can prioritise and is not seeking to pursue growth everywhere, all at once;
- Has a plan and is able to stick to it;
- Is committed to delivering all of the enablers to de-risk investment decisions – skills, planning, infrastructure; and,
- Has a clear understanding of the economic challenges it faces and is designing policy with evidence and evaluation at its heart.

2.6 Following publication in March we will need to:

- Work with partners to identify what is needed in the next 6-months and the next 5 years to develop our Growth Areas;
- Develop a consultation and engagement *Plan for Growth* document, including engagement with our communities on our priorities for our economic and social infrastructure; and,
- Produce development plans for our Growth Areas and priorities for wider economic and social infrastructure.

### 3. Options Considered and Recommended Proposal

### 3.1 **Option 1: Agree the Plan for Growth approach as set out in this report**

To approve the draft Plan for Growth and move to publish the working document in mid-March. This includes approval to delegate to the Corporate Director, in consultation with the Mayor and Head of Paid Service, sign-off the final *Plan for Growth* detail and design.

Publication will be followed by work with partners to develop a consultation and engagement plan on the Plan for Growth, arrange workshops and develop regional development plans for our Growth Areas.

### 3.2 **Option 1 Risks and Mitigations**

To publish the Plan for Growth working document in March to allow rapid delivery against actions outlined above comes with the following risks:

#### *Lack of support from businesses and residents*

Regional growth plans will need the positive support of those who live and work in South Yorkshire. We are mitigating this risk by being clear we are publishing a consultation document in March and will widely engage businesses and communities over summer 2024.

### 3.3 **Option 2: Delay the publication of the Plan for Growth**

To delay publication of the Plan for Growth working document.

### 3.4 **Option 2 Risks and Mitigations:**

Delaying publication comes with the following risks:

#### *Loss of momentum for regional growth plan/loss of ability to influence a wide scope of stakeholders.*

Delaying development of the document would hinder our ability to commence engagement on what this framework means in practice. We are in an election year and delays to these strategies hinder our ability to publicly set out what we need to achieve for growth in South Yorkshire

### 3.5 **Recommended Option**

Option 1 is recommended to allow engagement to begin and in turn develop our regional priorities as soon as possible.

## 4. **Consultation on Proposal**

4.1 We have worked closely with our Local Authorities, our Universities, Leaders, Chief Executives, and our Mayoral Economic Advisory Council to develop this framework.

4.2 Following publication of the document on SYMCA website, we will develop a consultation and engagement plan for business and residents to be delivered over summer 2024.

## 5. **Timetable and Accountability for Implementing this Decision**

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5.1 Should MCA Board approve option 1, we will publish the document on SYMCA website prior to the start of the pre-election period. This will be published alongside information on how we will take consultation and delivery forward.

## 6. Financial and Procurement Implications and Advice

6.1 All procurement will be undertaken in accordance with the requirements of the Public Contracts Regulations 2015 and the Procurement Act 2023.

## 7. Legal Implications and Advice

7.1 The legal implications of the project has been fully considered by a representative of the Monitoring Officer.

7.2 The proposals contained in the Plan for Growth contribute toward the MCA's economic development and regeneration functions and the MCA has power to carry out the proposals under its general power of competence.

## 8. Human Resources Implications and Advice

8.1 N/A

## 9. Equality and Diversity Implications and Advice

9.1 See EIA in Appendix C

## 10. Climate Change Implications and Advice

10.1 The future South Yorkshire economy and our plans for it are inextricably linked with both our need to respond to the decarbonisation targets we have set as a region and those that are imposed on us and the requirement to build an adapted and resilient South Yorkshire to minimise the certain implications of a warming world. Any growth plan that seeks to disassociate itself from these twin challenges will be unachievable.

10.2 **Climate Change Mitigation:** achieving Net Zero emissions will require significant cross-sectoral action to decarbonise our built environment, industries, homes, transport systems and energy networks. To date a significant amount of our emission reduction in the region has stemmed from national policies and specifically grid decarbonisation. Whilst this is a welcome part of the mix, to achieve the pathway to Net Zero we have set ourselves will require much more action at a local and regional level. With this challenge also comes the parallel opportunity for South Yorkshire to create the industrial and commercial ecosystem it needs for self-delivery. Whether through green hydrogen, advanced manufacturing, housing retrofit materials and trades, or nature-based solutions to carbon sequestration and flood avoidance.

10.3 **Climate Change Adaptation:** It must be recognised in setting and enacting policy within the region that, even if we were to meet our Net Zero ambition, we are already experiencing the impacts of climate change. At best we may see global average warming of 1.5 degrees and with it will come even more severe impacts and associated economic challenges for our residents and businesses. A climate resilient South Yorkshire needs a climate resilient economy. It's transport networks for the distribution of goods, services and people must be capable of withstanding more extreme weather events thus minimising disruption and negative economic impact, but in planning for uncertainty comes an opportunity. Examining supply chains for vulnerability can highlight potential for these to be shortened, bringing more SMEs into the region to support our anchor industries. In creating resilient energy networks based on renewables and waste heat, we can reduce exposure to volatile global markets, and create community wealth.

## 11. Information and Communication Technology Implications and Advice

11.1 N/A

## 12. Communications and Marketing Implications and Advice

12.1 Consideration must be given to Purdah when planning appropriate publicity.  
Head of Growth and Skills Policy to meet with Communications Team to develop communications and marketing plan, ahead of announcement.

### List of Appendices Included:

- A Evidence Base
- B Equality Impact Assessment