

**SHEFFIELD CITY REGION COMBINED AUTHORITY**

**AMP TECHNOLOGY CENTRE, WAVERLEY, ROTHERHAM, S60 5WG**

**MINUTES OF THE MEETING HELD ON 24 OCTOBER 2016**

PRESENT:

Councillor John Burrows, Chesterfield BC (Vice Chair, in the Chair)

Councillor Graham Baxter MBE, North East Derbyshire DC

Councillor Chris Read, Rotherham MBC

Councillor Julie Dore, Sheffield CC

Councillor Simon Greaves, Bassetlaw DC

Mayor Ros Jones, Doncaster MBC

Nigel Brewster, Managing Partner of Brewster Pratap Recruitment Consultants

Ruth Adams, SCR Exec Team

Fiona Boden, SCR Exec Team

Huw Bowen, Chesterfield BC

Peter Dale, Doncaster MBC

Philip Cooper, SCR Exec Team

Mel Dei Rossi, SCR Exec Team

Steve Edwards, SYPTE

Andrew Gates, SCR Exec Team

David Hewitt, SCR Exec Team

Martin McCarthy, South Yorkshire Joint Authorities

John Mothersole, Sheffield CC

Andrew Shirt, South Yorkshire Joint Authorities

Dave Smith, SCR Exec Team

Gareth Sutton, Sheffield CC / SCR

Neil Taylor, Bassetlaw DC

Diana Terris, Clerk / Barnsley MBC

Damien Wilson, Rotherham MBC

Apologies for absence were received from Councillor S Houghton CBE, Councillor A Syrett, Councillor A Rhodes, Councillor L Rose, N Knowles, A Frosdick, J Kenny, J Miller, D Swaine, C Tyler and E Walker

1 APOLOGIES

Members' apologies were noted as above.

2 ANNOUNCEMENTS

None.

3 URGENT ITEMS

None.

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

RESOLVED – That agenda item 21 'Early Commissioning Call Recommendations', be considered in the absence of the public and press.

5 VOTING RIGHTS FOR NON-CONSTITUENT MEMBERS

It was agreed that there were no items where non-Constituent Members should not having voting rights.

6 DECLARATIONS OF INTEREST BY INDIVIDUAL MEMBERS IN RELATION TO ANY ITEM OF BUSINESS ON THE AGENDA

Councillor Burrows declared an interest at agenda item 13 'LGF Capital Programme Approvals' in relation to a decision to consider and approve progression of the Chesterfield Northern Gateway project.

7 REPORTS FROM AND QUESTIONS BY MEMBERS

None.

8 RECEIPT OF PETITIONS

None received.

9 PUBLIC QUESTIONS

The Chair informed Members that two questions had been received from Mr Nigel Slack.

Mr Slack asked the Combined Authority:

1. Has the SCRCA or the LEP looked at new technology being research in Oak Ridge National Laboratory in the USA, which promises the potential to create large scale CO2 conversion into Ethanol fuels?

Have the regions Universities and the AMP been promoted to explore future development deals with the researchers?

Is not this combination of materials sciences, advanced manufacturing and environmental impact exactly the sort of thing that Boeing, Rolls Royce and the Region LEP should be chasing?

If none of the above, why not?

D Smith informed Mr Slack that, Officers were currently consulting with Partners' and the SCR's Universities regarding his question. It was noted that a written response would be provided to Mr Slack.

2. Which is likely to come first, the Court Case in respect of Derbyshire County Council and the SCR geography or the Secretary of State's order going before Parliament?

The Chair confirmed that a hearing would take place first in the High Court on the 9<sup>th</sup> and 10<sup>th</sup> November 2016, prior to the Secretary of State's order going before Parliament.

#### 10 MINUTES OF THE MEETING HELD ON 12 SEPTEMBER 2016

RESOLVED – That the minutes of the meeting held on 12 September 2016 be signed by the Chair as a true and accurate record.

#### 11 Q2 FINANCIAL MONITORING

A report was received updating Members on the position of the CA's revenue budgets and capital programme as at the end of Quarter 2, 2016/17.

The report highlighted that there was an unanticipated contingent cost for legal fees that had been recognised as a provision in the CA/LEP's revenue budget. It was noted that this provision reduced an underspend position arising from staffing vacancies.

Members noted that there was a need to defray £27.5m of LGF capital resource by the end of March 2017, or risked Government clawing back unspent funding. An early call for schemes had been undertaken with submissions reviewed. Members would be asked to approve a number of these schemes to enter into the Assurance processes.

A number of budget variations were also recommended within the report, which were noted by Members.

RESOLVED – That the Combined Authority:-

1. Noted the forecast revenue budget underspend of £130k on CA/LEP activity, despite contingency being taken for devolution legal challenges.
2. Noted the forecast revenue budget overspend of £150k on South Yorkshire transport activity.

3. Noted the forecast CA/LEP capital programme underspend of £8.5m against approved budget.
4. Noted the forecast CA/LEP capital programme requirement to defray a further £27.5m to avoid claw back.
5. Noted the forecast revenue budget underspend of £1.3m on SYPTE activity.
6. Noted the forecast profit after tax of £438k for SYITA Properties Limited.
7. Agreed the budget variation recommendations summarised within section 2 of the report.
8. Noted that, further approvals for project level capital expenditure were sought in the 'Financial Approvals' paper on today's agenda.

## 12 DEVOLUTION UPDATE

D Smith reported that Government had advised Officers that they were currently not in a position to bring forward a draft Devolution Order for consideration.

It was anticipated that a draft Devolution Order would be received from Government in late November.

RESOLVED – That the Combined Authority noted the update.

## 13 LGF CAPITAL PROGRAMME APPROVALS

A report was presented asking the Combined Authority to approve project requests for spend from LGF Grant Funds.

It was noted that in line with the Sheffield City Region's Single Assurance Framework, the projects had been considered and recommended for CA approval by SCR Executive Boards. The schemes had also been through a process of technical appraisal, utilising where necessary, external support, and consideration by a Panel of Officers representing the SCR Statutory Officers culminating in the recommendations presented for approval.

RESOLVED – That the Combined Authority:-

1. Considered and approved progression of the SCR Growth Hub to Full Approval and Award of Contract at a cost of up to £5.32m, subject to the conditions set out in the Project Approval Summary table at Appendix 1 within the report.
2. Considered and approved progression of the SCR Strategic Testing Tools to Full Approval and Award of Contract at a cost of up to £3m, subject to the conditions set out in the Project Approval Summary Table at Appendix 2 within the report.

3. Considered and approved progression of the EZ Accelerator to Full Approval and Award of Contract at a cost of up to £5m, subject to the conditions set out in the Project Approval Summary Table at Appendix 3 within the report.
4. Considered and approved progression of the Chesterfield Northern Gateway project to Full Approval and Award of Contract at a cost of up to £5.83m, subject to the conditions set out in the Project Approval Summary Table attached at Appendix 4 within the report.
5. Considered and approved delegated Authority to the Head of Paid of Service, in conjunction with the Chairman of the CA, to enter into the contractual arrangements required as a result of the above approvals.

14 SUMMARY REPORT - HOUSING EXECUTIVE BOARD

RESOLVED – That the summary report’s recommendations be endorsed.

15 SUMMARY REPORT - TRANSPORT EXECUTIVE BOARD

Councillor Dore reported that, in relation to Government’s most recent proposals regarding the HS2 route, station location and route alignment, the CA had agreed to write to David Higgins with the CA’s comments on these proposals.

If Government’s proposals were final, CA Members’ agreed to commission work to investigate an alternative route alignment to help mitigate the effects on local communities, avoiding demolition of housing and commercial industry. It was proposed that, on completion of the work, these findings would be presented to Government.

Members requested that the LEP Board also provided a statement on HS2.

RESOLVED – That the Combined Authority:-

1. Endorsed the recommendations set out within the summary report.
2. Agreed to commission work to investigate an alternative HS2 route alignment.

16 SUMMARY REPORT - BUSINESS GROWTH BOARD

RESOLVED – That the summary report’s recommendations be endorsed.

17 SUMMARY REPORT - INFRASTRUCTURE EXECUTIVE BOARD

RESOLVED – That the summary report’s recommendations be endorsed.

18 SYPTE ORGANISATIONAL STRUCTURE

A report was received requesting the Combined Authority to approve recruitment to vacant positions within SYPTE’s existing structure of Director of Public Transport and Director of Customer Services to the SYPTE’s Executive Board.

Members' requested that a review of SYPTE's organisational structure takes place, to ensure that the organisation is fit for 21<sup>st</sup> century transport and the Combined Authority moving forward.

RESOLVED – That the Combined Authority:-

1. Requests that a review of SYPTE's organisational structure takes place.
2. Notes the timeline for the recruitment process set out in section 3.4 of the report.
3. Delegate authority to recruit to the positions of Director of Public Transport and Director of Customer Services to SYPTE's Executive Board.

## 19 JEREMIE FUND TERMS AND STATE AID IMPLICATIONS

A report was received informing Members that, on 20 June 2016, the CA had approved up to £2.5m of investment capital being used to bridge the gap between the current JEREMIE fund and the Northern Powerhouse Investment Fund (NPIF). Heads of terms had been agreed which, on balance, outside the scope of this original decision.

Following the CA's decision, financial models had been developed and heads of terms had been agreed with Finance Yorkshire. These terms were, in fact, outside the scope of the Market Economy Operator principle and relied on Article 21 (Risk Finance Aid) of the General Block Exemption Regulation (GBER). In addition, the heads of terms proposed:

- (a) Investing alongside Leeds City Region on an equivalent basis.
- (b) Giving the CA the ability to extend or vary this agreement, should there be an unexpected delay to NPIF.
- (c) Did not provide a defined rate of return to the SCR (unlike a loan under MEO) but, was forecast to deliver a small positive return. Unlike the MEO method however, this rate of return could not be guaranteed.
- (d) Made it clear that fund manager fees would not be paid in the event of non-performance (i.e. if investments were not made within the investment period, no fund manager fees would be paid).
- (e) Provided the circumstances in which any unspent grant and legacy funds would be repaid to the CA.

RESOLVED – That the Combined Authority delegate authority to the CA's Head of Paid Service to enter into an agreement on the CA's behalf in accordance with the terms set out above.

20 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest not to disclose information outweighs the public interest in disclosing it.

21 EARLY COMMISSIONING CALL RECOMMENDATIONS

A report was presented setting out the Appraisal Panel's recommendations from the assessment of the early commissioning call run in September 2016.

Members were reminded that at the CA meeting held on 1<sup>st</sup> August 2016, a decision was approved to launch a Commissioning Call seeking schemes with a high level of certainty for delivery in 2016/17. An Expressions of Interest process was developed in consultation with Local Authority partners and Chief Executive Officers and was launched on 1<sup>st</sup> September 2016. 35 expressions of interests had been received and reviewed and scored by the SCR Appraisal Panel.

RESOLVED – That the Combined Authority:-

1. Noted the process undertaken to receive and assess expressions of interest and the submission of 35 expressions of interests.
2. Considered the Categorisation of projects recommended by the Appraisal Panel following assessment of the submissions.
3. Approved progression of the Category 1 projects to the next stage of the Assurance Framework or fund application process as appropriate.

CHAIR