

01 December 2017

To: **Members of the Sheffield City Region Combined Authority
Appropriate Officers**

NOTICE OF MEETING

You are hereby summoned to a meeting of the Sheffield City Region Combined Authority to be held at THE AMP TECHNOLOGY CENTRE, WAVERLEY, ROTHERHAM, S60 5WG at 2.00 pm on Monday 11 December 2017 for the purpose of transacting the business set out in the agenda.



Diana Terris
Clerk to the Combined Authority

This matter is being dealt with by:

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Member Distribution

Councillors: S Houghton CBE (Chair), T Gilby (Vice-Chair), A Syrett, G Baxter, C Read, J Dore, S Greaves and Mayor R Jones CBE

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2.00 PM, 11 DECEMBER 2017

The Technology Centre
Advanced Manufacturing Park
Waverley
Rotherham
S60 5WG

**Sheffield
City Region**

COMBINED
AUTHORITY

AGENDA

	Item	Page
1	Apologies	
2	Announcements	
3	Urgent Items To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	
4	Items to be Considered in the Absence of the Public and Press To identify where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting.)	
5	Voting Rights for Non-Constituent Members To identify whether there are any items of business that apply only to the South Yorkshire Members of the Combined Authority i.e. where it would not be appropriate for non-SY Members to have voting rights.	
6	Declarations of Interest by individual Members in relation to any item of business on the agenda	
7	Reports from and Questions by Members	
8	Receipt of Petitions	
9	Public Questions	
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SHEFFIELD CITY REGION COMBINED AUTHORITY

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

MINUTES OF THE MEETING HELD ON 30 OCTOBER 2017

PRESENT:

Councillor Tricia Gilby, Chesterfield BC (Chair)

Councillor Jim Andrews BEM, Barnsley MBC
Councillor Graham Baxter MBE, North East Derbyshire DC
Councillor Julie Dore, Sheffield CC
Councillor Simon Greaves, Bassetlaw DC
Mayor Ros Jones CBE, Doncaster MBC
Councillor Chris Read, Rotherham MBC
Councillor Lewis Rose OBE, Derbyshire Dales DC
Councillor Ann Syrett, Bolsover DC

Councillor Chris Furness, Derbyshire Dales
Councillor Simon Spencer, Derbyshire CC
Sir Nigel Knowles, SCR LEP Chair
Fiona Boden, SCR Exec Team
Huw Bowen, Chesterfield BC
Steve Davenport, SYPTE
Mel Dei Rossi, SCR Exec Team
Andrew Frosdick, Monitoring Officer
Andrew Gates, SCR Exec Team
Lee Hickin, Bolsover DC
Sharon Kemp, Rotherham MBC
Mark Lynam, SCR Exec Team
John Mothersole, Sheffield CC
Jo Miller, Doncaster MBC
Andrew Shirt, Joint Authorities Governance Unit
Dave Smith, SCR Exec Team
Neil Taylor, Bassetlaw DC
Diana Terris, Clerk / Barnsley MBC
Mike Thomas, SCC / SCR Exec Team
Eugene Walker, S.151 Officer
Lyndsey Whitaker, SCR Exec Team

Apologies for absence were received from Councillor S Houghton CBE, R Adams and C Tyler

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

None.

5 VOTING RIGHTS FOR NON-CONSTITUENT MEMBERS

It was confirmed that voting rights could not be conferred on non-Constituent Members in respect of agenda item 11 – 'Devolution/Mayoral Election' as this matter regards the constituent Local Authorities only.

It was agreed that there were no additional agenda items for which the non-Constituent Members should not have full voting rights.

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

None received.

7 REPORTS FROM AND QUESTIONS BY MEMBERS

None received.

8 RECEIPT OF PETITIONS

None received.

9 PUBLIC QUESTIONS

The Monitoring Officer reported that one question had been received from Mr Nigel Slack. Mr Slack had asked the Combined Authority (CA):

"With the clear conflict of interest between his position as Chair of the Combined Authority and his advocacy for the 'One Yorkshire' devolution proposals, will the CA insist that Councillor Houghton resign his role as Chair and elect a new Chair for the period up to the Mayoral Election?"

The Monitoring Officer replied that Councillor Houghton had informed him of his intention to resign from the role as CA Chair at the CA meeting arranged for 11th

December 2017. The appointment of a new CA Chair would then be agreed at the CA meeting scheduled for 29th January 2018.

It was noted that a written reply would be sent to Mr Slack after today's meeting.

10 MINUTES OF THE CA MEETINGS HELD ON 11TH AND 18TH SEPTEMBER

RESOLVED – That the minutes of the CA meetings held on 11th and 18th September 2017 were agreed to be an accurate record of the meetings.

11 DEVOLUTION/MAYORAL ELECTION

A report was received informing the CA that an election date was presently set in legislation for the 3rd May 2018. The Combined Authority (CA) now had a legal duty to appoint a Combined Authority Returning Officer (CARO).

It was noted that, in law the CARO is personally and independently responsible for the conduct of the election and must plan and prepare on the basis of the current legal position. The appointment was required at this time to provide sufficient time for the CARO to safely plan and to make all the necessary arrangements for the election with the minimum of risk.

The CA were made aware that, in seeking this decision it was not intended to imply a settled policy position within the CA over the issue of the Mayoral Election. It continued to be the case that the Constituent Members of the CA are divided between those who wish the election to go ahead and those who do not. The CARO is nevertheless required to plan and prepare for an election so long as this remains the legal position. Should the election be deferred then the CARO would act accordingly.

In assisting to manage the overall costs of the election and consistent with local practice in local elections, it was recommended that the CARO does not attract a fee for the conduct of the election.

Councillor Andrews requested a recorded vote be taken on the recommendations set out within the report. Mayor Jones seconded Councillor Andrews' request for a recorded vote.

The Monitoring Officer advised Members that, for the request to be moved, and in accordance with the requirements of procedural Standing Order 15.1 (d), three Members were required to support Councillor Andrews' request for a recorded vote.

Following discussion, the recommendations were put to a vote by show of hands. Two Constituent Members voted in favour of the recommendations; no Constituent Members voted against the recommendations and two Constituent Members abstained from voting.

The recommendations were therefore approved.

RESOLVED – That the Combined Authority:-

1. Appoint the Combined Authority's Head of Paid Service, as the Combined Authority Returning Officer (CARO) in respect of the Sheffield City Region Combined Authority Mayoral Election.
2. Agreed that no fee is payable to the CARO in fulfilling their role.

12 Q2 FINANCE REPORT

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, 2017/18.

The report highlighted that there was a need for the Authority to identify any funding available to support the costs of the Mayoral Election from its reserves, without affecting the Authority's ability to meet ongoing expenditure and to cover its financial risks.

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

RESOLVED – That the Combined Authority:-

1. Noted the contents of the paper, including:
 - Forecast drawdown on unallocated reserves of £655k to support CA/LEP activity;
 - Forecast revenue budget underspend of £1.2m on SYPTE activity;
 - Forecast CA/LEP Capital Programme underspend of £23.6m against approved budget; and
 - Forecast underspend of £541k on the Local Transport Capital Programme.
2. Agreed the budget variation recommendations summarised in section 2 of the report.
3. Noted that further approvals for project level capital expenditure were sought within the 'Programme Approvals' report on today's agenda.

13 17/18 LGF PROGRAMME PERFORMANCE POSITION AT Q2

A report was received to provide the CA with an overview of the Local Growth Fund performance position as at Quarter 2 and sought Members approval to a range of actions to mitigate the risk of in-year slippage of the programme.

The report highlighted actions which would be recommended to the LEP Board to help address two significant problems:

- The over-commitment of the programme over its life, which peaks at £34.29m by 2020; and
- The 2017/18 in-year forecast underspend and the potential associated loss of grant.

RESOLVED – That the Combined Authority:-

1. Considered and approved delegated Authority to the Head of Paid Service, in conjunction with the Section 73 Officer to approve the requested changes and enter into the contractual arrangements required as a result of the approvals. Noting that this would be considered on a case by case basis when actions to reduce the over commitment and over programming are confirmed by each Authority.
2. Noted that the LEP Board would be asked to consider and approve publishing an open call for a reserve pipeline of projects which could deliver in the short to medium term.

14 FINANCIAL APPROVALS

A report was presented confirming and seeking endorsement of the CA Financial Approvals which had progressed through the Appraisal Framework.

RESOLVED – That the Combined Authority:-

1. Change Requests

- 1.1 Considered and approved the category 1 to category 4 changes as detailed in Appendix A to the report.
- 1.2 Considered the category 5 changes and approved delegated authority for the Head of Paid Service and Chief Financial Officer to approve individual change requests on a case by case basis, subject to satisfactory resolution to the over programming and over commitment of the programme.

2. Business Case Approvals

- 2.1 Considered and approved progression of Worksop Site Delivery – Phase 2a Mantonwood to Full Approval and Award of Contract at a cost of £1.246m to the SCR CA, subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix B to the report.
- 2.2 Considered and approved progression of Knowledge Gateway to Full Approval and Award of Contract at a cost of £4.115m to the SCR CA, subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix C to the report.

3. Housing – SCR Pilot Housing Fund

- 3.1 Considered and approved the Housing Fund mirroring the arrangements in operation for the Business Investment Fund with a delegated approval to Statutory Officers (or delegates) of up to £2m per individual investment.
- 3.2 Noted that the membership of the Housing Advisory Board would be reported to a future meeting of the Combined Authority.

4. Access Fund for Sustainable Travel

4.1 Considered and approve entering into the contractual arrangements required to deliver the Access Funds for the Sustainable Travel Programme.

5. Delegated Authority

5.1 Considered and approved delegated Authority to the Head of Paid Service, in conjunction with the Section 73 Officer, to enter into the contractual and financial arrangements required as a result of the above approvals.

15 HEALTH LED EMPLOYMENT TRIAL GRANT ACCEPTANCE

A report was presented requesting approval from the CA to accept £7.558m from the Work and Health (DWP / Dept. of Health) Innovation Fund. The report also recommended that the CA approve the entering into of a Partnership Agreement with NHS Sheffield Clinical Commissioning Group (CCG) in order for them to procure and contract the appropriate provider(s) to deliver the SCR Health Led Employment Trial on behalf of the CA.

Members noted that the Sheffield City Region was one of only two city regions that had been awarded such funding and as such, the trial would be part of national evaluation.

RESOLVED – That the Combined Authority:-

1. Delegate authority to the Chief Financial Officer to accept the Innovation Funding from the Work and Health Unit, subject to due diligence on any conditions of award.
2. Delegate responsibility to the Head of Paid Service to mobilise the SCR Health Led Employment Trial and to agree the appropriate terms with suppliers and to enter into the necessary contractual arrangements required to deliver the trial within the available funding.
3. Approve the establishment of and entering into of a Partnership Agreement with Sheffield Clinical Commissioning Group (CCG) in order for the SCR Health Led Employment Trial to be procured as an NHS contract, as stipulated by the Work and Health Unit on terms to be agreed by the Head of Paid Services.

16 TRANSPORT STRATEGY REFRESH

A report was presented seeking approval from the CA on the draft SCR Transport Strategy in preparation for statutory consultation.

Members were reminded that the Transport Act and Local Transport Act 2008 placed a statutory obligation on the CA to produce a Local Transport Plan. The refreshed Transport Strategy would form part of the Local Transport Plan for the SCR.

Following public consultation the Transport Strategy would be further refined. The refreshed Transport Strategy was currently scheduled for publication in April 2018, with adoption by the SCR CA thereafter.

Members' requested a minor number of changes within the draft Transport Strategy; these were acknowledged by Officers.

RESOLVED – That the Combined Authority:-

1. Approves the draft SCR Transport Strategy for consultation, subject to minor amendments requested by Members' at today's meeting.
2. Commits to undertake a 12-week public consultation on the Draft Transport Strategy.

17 ONE PUBLIC ESTATE & LAND RELEASE FUND: FUNDING BID PROPOSAL

A report was submitted requesting the Combined Authority to approve the submission of a bid from the Sheffield City Region (SCR) to the national One Public Estate (OPE) programme for a minimum of £681,000 and to the DCLG Land Release Fund for a minimum of £950,000.

Members were informed that the final details of the bid content and partners in the bid were still being finalised up to the submission date.

A summary of the SCR projects currently receiving OPE funding along with a full list of the potential bid schemes were noted by Members.

RESOLVED – That the Combined Authority:-

1. Considered and endorsed the outline bids from Sheffield City Region partners in response to the latest round of national funding for One Public Estate and the Land Release Fund.
2. Delegate approval for sign off of any final bid document to the Head of Paid Service and Chief Finance Officer of the Combined Authority.
3. Approve delegations to the Head of Paid Service, such that if approved the bid can be operationalised including to contract with third parties for the delivery of all approved One Public Estate and Land Release Fund activity included in the SCR bid.

18 DELEGATED AUTHORITY REPORT

A report was presented updating the CA on delegations made in CA approved recommendations that have been acted upon in the last period.

RESOLVED – That the Combined Authority note the contents of the report providing confirmation of decisions made under CA delegation that have been acted upon in the last period.

19 EGM OF SYITA PROPERTIES LTD SHAREHOLDER - TO APPROVE COMPANY WIND UP

A report was presented outlining the need for the CA in its capacity as Shareholder of SYITA Properties Ltd to convene an extraordinary general meeting to resolve to wind up the company.

RESOLVED – That the Combined Authority adjourned its meeting in order to convene a Shareholders extraordinary meeting and at that meeting resolved to put the company SYITA Properties Ltd into voluntary liquidation.

CHAIR

11th December 2017

Appointment of Chair of the SCR Combined Authority

Purpose of Report

To inform Members of the requirement to invite nominations for, and appoint to, the position of Chair (and potentially Vice Chair) of the SCR Combined Authority.

Thematic Priority

NA

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme.

Recommendations

That the SCR Combined Authority Members appoint a Chair of the Authority, and (in the event of the incumbent Vice Chair assuming the position of Chair), that the Combined Authority Members appoint a Vice Chair.

1. Introduction

- 1.1 The Authority is required to appoint a Chair and Vice Chair from among its Members.
- 1.2 The Chair and Vice Chair may be Members of Constituent or Non-constituent Councils.
- 1.3 The Sheffield City Region Mayor is due to assume the Chair of the Combined Authority at the first meeting after the mayoral election i.e. the 11th June AGM.

2. Proposal and justification

- 2.1 Matters regarding the appointment of Chair are determined by Article 4 (Chairing of the Combined Authority) and Part 5A (Combined Authority Procedure Rules) of the Sheffield City Region Combined Authority Constitution

2.2 The vacancy has arisen due to the Chair giving notice to stand down and needs to be filled in accordance with the Constitution.

3. Consideration of alternative approaches

3.1 Not applicable

4. Implications

4.1 Financial

None. No remuneration shall be payable by the Authority to its Members other than allowances for travel and subsistence in accordance with the Members' Allowances Scheme set out in Part 6D of this Constitution

4.2 Legal

The CA must appoint a chair to comply with Art 4.1 of its Constitution and Sch.1 Art.1 of the BDRS Combined Authority Order 2014.

4.3 Risk Management

None.

4.4 Equality, Diversity and Social Inclusion

None.

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11th December 2017

Skills Bank

Purpose of Report

The paper seeks to outline the current position in relation to Phase Two of the current Skills Bank programme and options moving forward.

Thematic Priority

Develop the SCR skills base, labour mobility and education performance.

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper is not exempt from FOI, and will be published under the Combined Authority Publication Scheme.

Recommendations

That Leaders:

1. Delegate responsibility to the Head of Paid Service in consultation with the Skills, Employment and Education Executive Board Chair to take future decisions in relation to the procurement of Phase two of the Skills Bank programme.

1. Introduction

- 1.1 In 2015 Sheffield City Region (SCR) Local Enterprise Partnership (LEP), secured a six-year Growth Deal with Government to fund the flagship Skills Bank programme. Skills Bank provides co-investment for businesses for training of existing employees with levels of investment determined by tangible propositions around growth.
- 1.2 The Growth Fund was combined with European Social Fund (ESF) through a co-financing agreement with the Education, Skills Funding Agency (ESFA) to provide a joint funding pot for businesses of £21m.
- 1.3 Delivery of the Skills Bank programme was contracted through the ESFA to Price Waterhouse Cooper (PwC) who to date have conducted 434 deals with businesses and supported 6,939 learners.
- 1.4 The current Skills Bank programme will end on the 31st March 2018.

2. Proposal and justification

2.1 The SCR Executive are currently in dialogue with Government in relation to the remaining three years of Growth Fund money (£10.5m) now the co-financing arrangement with the ESFA is due to come to an end. Decisions in relation to this are currently with ministers.

2.3 In preparation for the end of the current Skills Bank programme the SCR Executive is working with the Managing Authority for ESF, the Department of Work and Pensions (DWP) to release an ESF Call for Phase Two of the Skills Bank programme at the end of January 2018. We understand January may be the last date for Calls to be issued prior to the UK exit from the European Union in March 2019 as Calls are currently taking between 9-12 months from initial release to contracting.

2.4 ESF Calls managed by DWP require match funds from bidders of between 40-50%.

2.5 The nature of the ESF Call gives us a number of options to fund a Phase Two of the Skills Bank programme which are outlined below:

1) If the position in relation to Growth Fund is clarified prior to the launch of the ESF Call (beginning of Jan at the latest) it would give the SCR Executive sufficient time to launch a concurrent procurement exercise to secure a third party to deliver and manage Phase Two of the Skills Bank programme using Growth Fund. It would then allow the successful bidder to bid for the ESF Call using the Growth Fund as match and creating a funding pot for businesses of c£20m.

Key risks:

- a) Slippage in the SCR procurement as a consequence of challenge in relation to the award decision
- b) Failure by the successful Growth Fund bidder to secure ESF through the competitive Call managed by DWP (two competing funds)

2) If the position in relation to Growth Fund is clarified after the launch of the ESF (after the end of Jan). The Combined Authority could choose to bid for ESF using some or all of the Growth Fund as match.

Key Risks:

- a) The Combined Authority becomes the accountable body for ESF and the associated risks with this
- b) The Combined Authority fails to secure ESF
- c) There are two competing funding pots in operation in the SCR

3) If clarification in relation to Growth Fund isn't received during the Call window for ESF other providers in the market could bid for ESF using Apprenticeship Levy and/or employer contributions as match.

Key Risks:

- a) Growth Fund is secured at a later date creating the potential for two competing funds
- b) No other providers in the market bid

3. Recommendations

3.1 Due to the current uncertainty in relation to Growth Fund and complexities around ESF, it is recommended that Delegated Authority is passed to the Head of Paid Service for the

Combined Authority. This would allow the SCR Executive to take decisive action (in consultation with the Chair of the Skills, Employment and Education Executive Board) in response to the scenarios outlined above and maximise the use of Growth Fund and ESF to support skills development and growth within SCRs businesses.

4. Consideration of Alternative Approaches

4.1 Alternative options are outlined above.

5. Implications

5.1 Financial

The options outlined above would require further financial input to ensure all associated costs to the CA are covered and key risks are understood in more detail, this includes implications around delays in ESF procurement and uncertainty around the UKs exit from the European Union.

5.2 Legal

The option to become an accountable body under ESF would require further work to understand the associated risks and implications. Any successful bid for ESF would also require CA approval.

5.3 Risk Management

All key risks are outlined above in relation to each option

5.4 Equality, Diversity and Social Inclusion

ESF is designed to support those who find it hard to access mainstream funds and as such is designed in a way to promote equality, diversity and social inclusion.

6. Communications

6.1 Communication in relation to Skills Bank Phase Two is part of a wider Skills and Employment stakeholder mobilisation plan with key messages communicated to both employers and training providers.

7. Appendices/Annexes

7.1 n/a

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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

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11th December 2017

Work and Health Programme (Live Running)

Memorandum of Understanding

Purpose of Report

The paper seeks approval from the Combined Authority to sign the Memorandum of Understanding for the Work and Health Programme to cover the delivery (*live running*) phase of the programme.

Thematic Priority

Develop the SCR skills base, labour mobility and education performance.

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper is not exempt from FOI, requests will be included in the Combined Authority Publication Scheme. However, appendix 2 is exempt from publication under Paragraph 3 of Schedule 12A Part 1 Paragraph 3 of the 1972 Local Government Act.

Recommendations

That Leaders consider whether they wish to approve the signing of the Memorandum of Understanding for the Work and Health Programme.

1. Introduction

- 1.1 The SCR was awarded the ability to co-design elements of the national Work and Health Programme (WHP) (formerly the Work Programme) as a Devolution Deal Area (DDA). The co-designed programme will cover the constituent members of the Sheffield City Region (SCR) Combined Authority only with the remaining areas receiving the national offer.
- 1.2 The WHP is the Department for Work and Pensions (DWP) new contracted provision to replace the Work Programme to help people with disabilities, early access groups (appendix 1) and the long term unemployed into sustainable employment. The Programme will go live across the SCR in January 2018 and run for 5 years.

2. Proposal and justification

2.1 In September 2016 Leaders approved the signed the first Memorandum of Understanding (MOU) which covered the involvement of the SCR in the design and commercial process

for the WHP. DWP have now issued a MOU to cover our active involvement in the delivery (live running) phase of the programme. The MOU sets out the principles and a statement of joint working between DWP and the SCR across this part of the process.

2.3 In signing this MOU, as a DDA area the SCR Executive will:

- Identify, in partnership with Jobcentre Plus, 5 designated signposting organisations who will be able to refer eligible (to include organisations supporting those residents with a disability or meet early entry criteria and may not encounter JCP services) into the programme via JCP.
- Be involved in the performance management regime and hold suppliers to account in our area.
- Attend monthly Local Engagement Meetings considering strategic issues alongside the performance and service provided involving the supplier and JCP
- Attend the quarterly strategic meetings with DWP to discuss strategic matters not including suppliers.
- Receive Management Information relating to our DDA area about programme performance.

3. Recommendation

3.1 Leaders consider whether they wish to approve the signing of the Memorandum of Understanding for the Work and Health Programme. And if approved delegate to the Head of Paid Service to sign the MOU on behalf of the CA to cover the delivery (live running) phase of the WHP.

4. Consideration of alternative approaches

4.1 **Do nothing approach** – If we do not sign this MOU we will signal our withdrawal from active involvement in the performance management and develop of the national programme. Along with non-DDA areas we will have a single representative (still being determined) who will sit in on the Local Engagement Meetings. We will receive an aggregated report for the whole Contract Pack Area (covering 43 Local Authorities).

5. Implications

5.1 **Financial** - There are no direct financial impacts.

5.2 Legal

The DDA role suggested for SCRCA is predominantly to facilitate the project and accordingly there appear to be no legal obligations within the MoU attracting a financial penalty.

There are clear information and data management obligations arising from the MoU which require managing and overseeing (for example a Data Sharing Agreement). Also, the

MoU requires confidentiality undertakings to be signed by those SCR officers receiving sensitive information.

Regarding these legal implications, any confidentiality obligations imposed upon SCRCA (or its employees) by central government must not be breached because to do so may lead to government legal action and, possibly more importantly, would lead to a loss in confidence in central government in dealing confidentiality with SCRCA – to say nothing of the reputational risk.

The SCRCA has power under Schedule 2 of the BDRSCA Order 2014 regarding both the general power of competence and educational functions as well as a more general power to do "anything it considers appropriate" for the purposes of carrying out its functions, or anything which is incidental or connection to, its functions (section 113A of the Local Democracy, Economic Development and Construction Act 2009).

5.3 Risk Management

There is a risk that the programme does not make an impact on the target groups identified. Active engagement in the performance management and strategic development will reduce this.

5.4 Equality, Diversity and Social Inclusion

Equality Impact Assessments were undertaken at a national level by DWP in the design of the programme. This is a commercial procured OJEU compliant service requiring equality, diversity and social inclusion implications to be considered and addressed in its delivery.

6. Communications

- 6.1 This is will be assured through a communications and engagement plan currently in development which will cover all the Employment Support activity in the SCR, oversight of which will be considered by the Skills, Employment and Education Executive Board.

7. Appendices/Annexes

- 7.1
- Appendix 1 – Early Access Groups
 - Appendix 2 – MOU

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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

Appendix 1 – Early Access Groups

- an ex-offender (someone who has completed a custodial sentence or a community sentence) or offender (someone who is serving a community sentence)
- a carer
- an ex-carer
- a homeless person
- an ex-HM Armed Forces personnel participant
- an HM Armed Forces reservist participant
- a partner of current or former Armed Forces personnel
- a person for whom a drug/alcohol dependency (including a history of) presents a significant barrier to employment
- a care leaver
- a refugee
- a young person in a gang
- a victim of domestic violence

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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11th December 2017

Appointment of Transport for the North Member

Purpose of Report

To recommend the appointment of Members to be a Member of TfN and be a member of the TfN Members Board.

Thematic Priority

Cross cutting.

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

Recommendations

It is proposed that Cllr Dore, Leader of SCC, is appointed to this position and Mayor Jones appointed as substitute member, pending the proposed Mayoral elections in May 2018, and the appointment is reviewed at that time. Cllr Dore is the present Shadow Board Member and Mayor Jones is the present substitute.

1. Introduction

- 1.1 TfN will be formally constituted as a sub national transport body in April 2018. To date it has been operating with a shadow board. As part of the constitutional arrangements the constituent authorities each need to appoint a Member to be a Member of TfN and to be a member of the TfN Members Board.

At present Cllr Dore represents the SCR CA on the shadow Board, having been appointed in 2014 following the approval of the CA, and Mayor Jones is the substitute.

- 1.2 TfN have requested that the appointment be made on or before 11th December 2017.

2. Proposal and justification

2.1 The constitution requires the appointed representative to be either the Metro Mayor; Chair or Leader of the CA; or the Member to whom responsibility for transport has been delegated to. Cllr Dore presently is the lead Member on the Transport Executive Board.

2.2 Should there be Mayoral elections in May 2018 then the appointments will be reviewed again.

2.3 The role of the appointed Members acting as the Members Board is specified in the TfN constitution as:

- Collectively be the ultimate policy makers of TfN;
- Bring the views of their communities into TfN's decision making process;
- Maintain the highest standards of conduct and ethics;
- In carrying out the business of TfN, will observe the Code of Conduct for members adopted by their appointing Authority.

2.4 It is proposed that the Authority appoint Cllr Dore as the SCR CA Member and Mayor Jones as the substitute Member of Transport for the North respectively.

3. Consideration of alternative approaches

3.1 The constitution of TfN requires the SCR CA to formally appoint one of its Member to the role of Member of TfN. The CA's constitution requires appointments to outside bodies to be made by the CA.

4. Implications

4.1 Financial

There are no financial implications.

4.2 Legal

The appointment is a TfN constitutional requirement.

It is a CA constitutional requirement that appointments to outside bodies be made by the Authority.

4.3 Risk Management

There are no risk management issues.

4.4 Equality, Diversity and Social Inclusion

There are no equality, diversity or social inclusion issues.

5. Communications

5.1 No external communications are required. Internal communications will be issued appropriately.

6. Appendices/Annexes

6.1 None

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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

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11th December 2017

Contracting on behalf of Transport for the North (TfN)

Purpose of Report

This paper outlines a proposal for SCR to continue its existing support to Transport for the North by acting as the contracting body in the procurement of its back-office systems, in advance of the organisation becoming a statutory transport body. It is proposed that undertaking this role will be at nil cost and risk to SCR, and be for a time-limited period.

Thematic Priority

Transport

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper is not exempt from FOI, and will be published under the Combined Authority Publication Scheme.

Recommendations

This paper recommends that the CA consider authorising SCR to act as the contracting body in the procurement of TfN's back-office systems, in advance of that organisation receiving statutory status. It is proposed that a formal decision be sought at the CA's meeting of the 11th December.

1. Introduction

- 1.1** On the 17th July the CA consented to the Secretary of State for Transport laying an order before Parliament to authorise the creation of Transport for the North (TfN) as a statutory sub-national transport body. The approval of this order will bring TfN into being as an independent body, capable of operating autonomously from April 2018.
- 1.2** As with any other public body, in readiness for statutory status TfN will require the business infrastructure to facilitate its effective operating and efficient use of public funds. This includes the financial, HR, programme management, and learning modules familiar to most organisations, which when integrated can collectively be termed an enterprise resource planning (ERP) system.
- 1.3** SCR is currently represented on TfN governance decision making boards through its member seat on the Partnership Board, and its officer seats on the Executive Board and

Commissioning Board, whilst from 2015 to April 2017 SCR served as the financial accountable body for TfN funding.

- 1.4 Under its financial accountable body responsibilities, SCR supported TfN through the initial stages of the procurement process for acquiring an ERP, and for continuity purposes continued to do so after those responsibilities were transferred to Greater Manchester Combined Authority (GMCA).
- 1.4 That procurement process has now concluded, and a preferred supplier has been identified. TfN requests that, on its behalf, SCR contracts with this supplier for the provision of the ERP systems.
- 1.5 SCR would be fully recompensed for the cost of this contracting through a funding agreement, whilst risk would be fixed upon TfN resource. Upon receiving statutory body status, TfN would accept the novation of the contract releasing SCR from any on-going obligations.

2. Proposal and justification

Background

- 2.1 Transport for the North has existed as an unincorporated partnership since 2015. This means that unlike a statutory public body (like a local or combined authority) or a limited company, it does not currently have legal standing.
- 2.2 Without this legal standing, TfN cannot undertake basic organisational activity such as receiving grant from government or transacting with suppliers to spend that money in pursuit of its objectives.
- 2.3 This situation will continue until TfN receives sub-national transport body status following the passing of parliamentary legislation. It is anticipated that this legislation will be laid before parliament in November, with approval being granted to allow for TfN to 'go-live' from April 2018. Until that time, TfN will be obliged to continue to conduct its business through its partners.
- 2.4 A division of labour exists amongst northern partners to support TfN in this respect. Greater Manchester Combined Authority (GMCA) act as the financial accountable body holding TfN's resource, whilst Transport for Greater Manchester (TfGM) act as the employing body and transact much of the day-to-day expenditure. Merseytravel employ the TfN Chief Executive, whilst West Yorkshire Combined Authority (WYCA) host Rail North and act as the contracting body for the Integrated and Smart Ticketing programme.
- 2.5 SCR's principal contribution to this effort was, until April 2017, to act as the financial accountable body and contract on behalf of TfN with the other partners to allow for reimbursement of spend incurred.

SCR's role to-date

- 2.6 In April 2017, SCR passed the TfN financial accountable body role to GMCA which had greater capacity to deal with the demands that role entailed.
- 2.7 However, in handing over the role, SCR agreed to complete a body of work that it had already commenced relating to the procurement of an ERP system for TfN. An ERP is the collective name for the various back-office support modules any public-body requires to operate. This includes, but isn't limited to, the financial system, and HR, programme

management, and learning modules. Such systems are a pre-requisite of TfN acting as an autonomous body.

- 2.8** SCR supported TfN through the provision of direct procurement officer support from the SCR Finance team, whilst it also entered into a contract with an ERP implementation specialist – AP Benson – under general officer delegations. The costs of this activity are recoverable from GMCA as the accountable body of TfN's resource, and a funding agreement exists to facilitate reimbursement.

Procurement process to-date

- 2.9** TfN had initially hoped to be able to adopt an existing partner's systems on contract terms, in a similar way to that in which SCR makes use of SCC's financial systems and BMBC HR systems. It was anticipated that in doing this there would be cost efficiencies and implementation and support risk would be minimised.
- 2.10** On the 22nd June, at the TfN Commissioning Board, it was agreed that TfN officers supported by SCR should source an ERP system in readiness for statutory status at an annualised cost of not more than £250k over five years. Concurrently, northern partners were invited to express an interest in supplying those systems and ancillary services on a contract basis to TfN.
- 2.11** Following this, both West Yorkshire Combined Authority and Transport for Greater Manchester indicated an interest. SCR opted not to express an interest in providing systems.
- 2.12** SCR procurement officers developed a competitive tendering process to allow for a legally compliant competition between the interested bodies, whilst a TfN ERP Steering Group, comprising internal and external resource, was commissioned by the Executive Board to pull in skills and provide oversight and direction.
- 2.12** This Steering Group was chaired by the TfN Director of Finance, with external membership from the Department for Transport and SCR. SCR was represented on the Steering Group by the SCR Finance Manager.
- 2.13** Despite best intentions, it soon became apparent that the complexities of providing shared systems across disparate geography and operating systems were much greater than originally envisaged by all partners.
- 2.14** By mid-summer WYCA indicated that they could not provide the integrated services as requested noting that they were due to upgrade a number of key systems in the near future, and so the process continued with an analysis of the offer from TfGM.
- 2.15** However, following detailed collaboration between TfGM, TfN, and Steering Group officers, it became clear that technical difficulties precluded an adoption of TfGM's systems in a cost-efficient manner. In August, TfGM and TfN accepted that they could not progress the bid further.

Engaging the market

- 2.16** Following the withdrawal of TfGM and WYCA from the process, in September TfN Executive Board approved a proposal from the Steering Group to revert to approaching the market for an ERP solution under the original Commissioning Board approval.

- 2.17** Having led the previous procurement process, and fully understanding the requirements of the system, SCR procurement officers again supported TfN in developing proposals and taking them to the market.
- 2.18** Following an OJEU compliant competitive process, a preferred provider has been identified to supply TfN with a Microsoft Dynamics package on a five year contract at an annualised cost of £229k. This cost is within the Commissioning Board remit, with the bid being highly marked.
- 2.19** Bids were scored by a multi-disciplinary group of TfN officers and the SCR procurement lead, supported by AP Benson – the systems implementation expert.

The ask of SCR

- 2.20** TfN request that SCR:
1. Continue its current support to TfN by entering into a contract with the ERP provider for a total £1.1m spread over five years;
 2. Agree to novate that contract to TfN upon statutory body status being received; and,
 3. Enter into a funding agreement with GMCA to allow for TfN to fully reimburse SCR for costs incurred.
- 2.21** Entering into this contract would allow TfN to develop its internal infrastructure in advance of April 2018, allowing it to meet readiness conditions to allow it to proceed as the country's first sub-national transport body.

3. Consideration of alternative approaches

- 3.1** TfN cannot enter into contracts due to its lack of legal status.
- 3.2** Should SCR not wish to contract on behalf of TfN, TfN would be required to either cancel the procurement process and await statutory body status, or request that another northern partner conduct the procurement on its behalf.
- 3.3** The former choice would be unfeasible, as it would leave TfN without the necessary business systems expected of a public body handling material volumes of public money.
- 3.4** The latter option may be possible, but would likely result in significant delays to the implementation process given the break in continuity from SCR procurement processes to another body. That SCR officers have led the procurement process to-date should, hopefully, give the SCR statutory officers comfort that proper process has been followed.
- 3.5** Identifying another body to take on the procurement at this stage of its design would also likely be difficult, particularly reflecting the current division of labour between northern partners.

4. Implications

4.1 Financial

This paper proposes that SCR enter into a contract with an ERP provider at a cumulative cost of £1.1m.

The paper proposes that these costs, and associated risk, be backed off against TfN resource via a funding agreement with GMCA – the financial accountable body for TfN.

Accordingly, this represents a nil-cost transaction to SCR.

4.2 Legal

The proposals within this paper would result in SCR entering into a binding contract with the ERP provider for up to a five-year period, on behalf of TfN.

It is further proposed that this contract would be legally novated to TfN upon that body receiving statutory status. Such a novation would release SCR from the contract.

Finally, it is proposed that SCR enter into a funding agreement with GMCA that would see the costs of the contract reimbursed. These costs are underwritten by the Department for Transport.

There are risks associated with this arrangement in that during the pre-novation stage the contractual obligations rest with SCRCA despite costs being 'backed off' with GMCA - unless they are also going to indemnify SCRCA against these costs. Any associated litigation or procurement challenges in the event that ERP breach the contract or the procurement process is challenged (even if this is a remote possibility) will need to be processed by SCRCA. SCR are in discussion with TfN regarding removing this risk.

The SCRCA can engage in this arrangement on behalf of TfN as it has power under Schedule 2 of the BDRSCA Order 2014 regarding the general power of competence as well as a more general power to do "anything it considers appropriate" for the purposes of carrying out its functions, or anything which is incidental or connection to, its functions (section 113A of the Local Democracy, Economic Development and Construction Act 2009).

4.3 Risk Management

The procurement process conducted to-date has been OJEU compliant and directed by the SCR procurement lead.

All project risk would be fixed onto TfN resource via a funding agreement between SCR and GMCA – the financial accountable body.

SCR's involvement in this process would also fall away upon TfN achieving statutory status, at which point contracts could be novated.

TfN's internal risk is centred on effective implementation. This is being mitigated through the use of external specialists – AP Benson – who are assisting TfN in shaping their requirements and providing design challenge and control.

Internally TfN have implemented an ERP Implementation Group to act as a design authority, supported by internal programme management.

4.4 Equality, Diversity and Social Inclusion

There are no equality, diversity or social inclusion issue related to this decision.

5. Communications

5.1 Information will be communicated appropriately. No external communication is required.

6. Appendices/Annexes

6.1 None.

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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

11th December 2017

LGF Capital Programme Approvals

Purpose of Report

This paper presents to the CA Financial Approvals which have progressed through the Appraisal Framework.

Thematic Priority

Secure investment in infrastructure where it will do most to support growth.

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

Recommendations

1. **Change Request** - SCR CA are asked to consider and approve the changes to the Northern Gateway project as detailed in Appendix A.
2. **Call Update** - SCR CA are asked to note progress on the Skills Capital, SCR Housing Fund and Open Call for Reserve Capital Projects.
3. **Skills Capital Projects** - SCR CA are asked to consider and approve the 8 Skills Capital applications to be accepted onto the Programme and progress to Full Business Case.
4. Consider and approve delegated Authority to the Head of Paid of Service, in conjunction with the Section 73 Officer, to enter into the contractual arrangements required as a result of the above approvals.

1. Introduction

- 1.1 The SCR Assurance Framework requires that all schemes seeking investment undergo a thorough and proportionate scheme appraisal following the Treasury Green Book approach. Prior to consideration by CA, the schemes have been through a process of technical appraisal, utilising external support, and consideration by a Panel of Officers representing the SCR Statutory Officers culminating in the recommendations presented for approval. These findings will inform the s73 Officers view regarding the Value for Money Statement and the Monitoring Officers view regarding the relative risks of the scheme presented.

1.2 Change Requests

There has been 1 change requests received since the last meeting of the CA on 30th October 2017.

Further information is presented in section 2.1 and the change is presented at **Appendix A**.

1.3 Skills Capital Fund update

The Skills Capital Fund commissioning call closed on 16th November 2017. Eight applications were received with a total request for £1,537,000 SCR funding from a total budget available of £1,200,000. Including proposed match funding total project costs are £2,985,000 with the average intervention rate of 51%.

Further information is presented in section 2.3 and a list of schemes submitted is attached at **Appendix B**.

1.4 SCR Housing Fund update

The CA agreed to the establishment of a Housing Fund on 22nd March 15.

The fund has commissioned calls in September 2017 with 20 applications totalling £25.6m SCRIF from an available budget of £8.1m received by the deadline of 15 November 2017.

Work is underway on the SCR Housing Fund to assess Outline Business Cases. At this stage it is recommended that the Combined Authority notes progress.

1.5 Open Call

There is an open call for reserve capital projects which is due to close on Friday 8th of December and a brief verbal update on the number and value of submissions will be provided in the meeting.

2. Proposal and justification

2.1 Project Changes

The Northern Gateway scheme is a mixed use development in the Northern quarter of Chesterfield town centre involving the construction of a new business centre, the provision of high quality public realm and the refurbishment of the Saltergate Multi Story Car Park. The public sector investment will facilitate delivery by the private sector of a comprehensive redevelopment of The project has £5,830,000 SCRIF funding, commenced in October 2016 and is due to complete in May 2019.

The project is proposing three changes to their existing agreement. They propose to draw down the remaining £5.517m grant as an upfront, outcome linked payment in 2017/18, which will revert back to grant on delivery of outputs by the longstop date – or be subject to repayment, either in part or in full. They propose to demolish and rebuild the car park, rather than refurbish as the refurbish option is no longer viable. They also request an extension to the end date of the funding agreement to March 2020.

The extra costs of the new build car park are being covered by Chesterfield Borough Council through additional borrowing. By making an upfront payment of the remaining grant this will assist Chesterfield Borough Council to secure the funding for the project, whilst strong additional contract clauses which measure the projects progress towards delivering outputs will ensure that overall delivery is managed effectively.

The changes are presented at **Appendix A**.

2.2 SCR CA are asked to consider and approve the changes as detailed in **Appendix A**.

2.3 Skills Capital Call Update

The £1.2m Skills Capital Fund aims to help projects that contribute to our economic development by providing state of the art facilities and equipment people need to gain skills and qualifications.

Eight applications were received by the deadline with a total request for £1,537,000 SCR funding from a total budget available of £1,200,000. These are detailed in Appendix C. All eight projects are recommended for acceptance onto the Programme and Full Business Cases to be prepared.

The request for funding may result in a small acceleration of Skills Funding from 18/19 to 17/18 but this will be considered further in early 2018.

A list of schemes submitted is attached at **Appendix B**

2.4 SCR CA are asked to consider and approve the 8 Skills Capital applications to be accepted onto the Programme and progress to Full Business Case.

3. Consideration of alternative approaches

3.1 For the Northern Gateway change request the alternative approach of more formal loan agreements has been discussed and discounted with DCLG. An outcome based contract with clawback conditions is the preferred route.

4. Implications

4.1 Financial

Financial implications of the Northern Gateway project have been fully considered by a representative of the s73 officer and included in the recommendations agreed by the Appraisal Panel as presented in the supporting information.

The principle of making upfront, outcome linked payments with repayment of funding on non-delivery (either in part or in full) has been discussed and agreed during the annual conversation with the DCLG.

For both the Skills Capital Fund and the SCR Housing Fund there is currently the potential for an over-commitment of funding. However, progression through the normal assurance process will limit the number of projects and/or the amount of money available so that overall budget limits will be respected in contract.

4.2 Legal

The legal implications of the Northern Gateway project change has been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed by the Appraisal Panel as presented in the supporting information.

The legal implications of the Skills Capital Fund projects will be fully considered by a representative of the Monitoring Officer following appraisal of the Full Business Case and prior to recommendation to progress to delivery.

4.3 Risk Management

Risk management is a key requirement for each of the submissions and is incorporated into the business case submissions and assessed as part of the change control process. Where weaknesses have been identified in the Business Case in terms of risk management, further

work to capture and mitigate these risks is included as suggested conditions in the appraisal panel summary sheets.

Outcome linked payments with repayment of funding on non-delivery strengthens the risk sharing arrangement.

4.4 Equality, Diversity and Social Inclusion

The principles of equality, diversity and social inclusion are built into the application process and continue to be considered and addressed by all applications.

5. Communications

- 5.1** The approval of the business cases presents an opportunity for positive communications; officers from the SCR Executive Team will work with the relevant local authority officers on joint communications activity

6. Appendices/Annexes



Change Request Summary table – **Appendix A**

Skills Capital Fund Applications – **Appendix B**

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Background papers used in the preparation of this report are available for inspection at:
Other sources and references:

Project/SCRIF/Proposed Changes

Programme	Project	Grant Recipient	Summary of Change Requested
LGF Infrastructure	Northern Gateway	Chesterfield Borough Council	<p>Change 1 - Project Longstop Date extended from 31.05.19 – 30.03.20</p> <p>Change 2 – Revise Funding Agreement to allow the remaining grant of £5.517m to be an advance payment of grant with clawback conditions.</p> <p>Change 3 – Refurbished car park revised to demolition and new build</p>
Review Date	Officer Presenting	Officer Approving	Appraisal Panel Comments
Appraisal Panel 28/11/2017	Charli Taylor	Mike Thomas	<p>Although total cost has increased the SCR contribution remains unchanged, no reduction in outputs or outcomes and economic case remains good value for money. Long stop date change remains within the same financial year and within the LGF funding window.</p> <p>Revised funding agreement is beneficial to the LGF spend profile in 17/18 and delivery risk remains firmly with scheme promoter.</p> <p>This change will require an updated Funding Agreement hence CA approval is required.</p>
			


Sponsor	Project Title	Project Description	Total Project Cost	SCR request	Intervention Rate
Barnsley College	Skills and Innovation	To refurbish SciTech Centre to “industry standard specifications”.	275,000	215,000	0.78
Chesterfield College		To develop and grow Engineering and Digital skills delivery.	369,000	243,000	0.66
Doncaster College	STEM Pedagogy Investment	To improve equipment and training to meet industry standards.	250,000	125,000	0.50
RNN Group	Motor Vehicle Curriculum Area Growth Plan	To support the purchase of 3 hybrid and 3 electric vehicles for motor vehicle qualifications.	120,000	80,000	0.67
RNN Group	National Fluid Power Centre	To support the provision moving towards “Industry 4.0”.	265,000	132,500	0.50
RNN Group	IT Curriculum Development	To enable the College to offer Cisco qualifications.	211,000	105,000	0.50
Sheffield College	Increasing Advance and Higher Level Skills Provision for the Construction and Engineering sectors	To invest in facilities and equipment to increase Construction & Engineering provision.	195,000	136,500	0.70
Sheffield Hallam University	Capacity Building for Degree Apprenticeships and CPD Growth in STEM subjects	To increase annual intake, create a specialist IT space, and to renovate Aspect Court.	1,300,000	500,000	0.38
Total			2,985,000	1,537,000	0.51

Record of Recommendation to Proceed to Full Business Case

Skills Capital Fund Expressions of Interest

SCR Officer: Felix Kumi-Ampofo (AD – Programme Assurance)

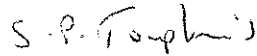
Signature



Date: 01/12/2017

Approving Officer: Mike Thomas (Senior Finance Manager)

Signature



Date: 01/12/2017

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11th December 2017

Delegated Authority Report

Purpose of Report

This paper updates the Combined Authority on delegations made in CA approved recommendations that have been acted upon in the last period.

Feedback on the content and format of the report given at the CA meeting has been considered and acted upon.

Thematic Priority

All.

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

Recommendations

Members are asked to review the delegations made and identify any issues.

Appendix A provides details of delegations made to officers and others in addition to the Scheme of Delegation.

Appendix B provides details of decisions taken under the delegation made to BIF Programme Board in 2015 to approve grants of up to £2m to support investment in indigenous companies where there was a demonstrable case for grant in order to ensure businesses receive the support they need to flourish.

All decisions taken under delegated powers, are made in accordance with the following principles:

- (a) Proportionality (meaning the action must be proportionate to the results to be achieved);
- (b) Due consultation (including the taking of relevant professional advice);
- (c) Respect for human rights;
- (d) Presumption in favour of openness;
- (e) Clarity of aims and desired outcomes;
- (f) Due consideration to be given to alternative options.

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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

Date of delegation	Delegation made	Delegated to	Financial value	Update	Status
30th January 2017	To enter into the contractual arrangements required to formalise arrangements with Sheffield City Council via a revised Agency Agreement for the management of the BIF fund which is done on behalf of SCR by Sheffield City Council	Head of Paid Service in conjunction with the Chair of the CA		SLA in review and schedules being completed	Active
22nd March 2017	To agree appropriate terms and conditions of a grant award of £5.75m to support the establishment of a production facility in the SCR by Boeing United Kingdom Limited <i>Note: this approves a Business Investment Fund (BIF) recommendation of the BIF Panel as CA-level approval is required for any grant of over £2m.</i>	Head of Paid Service in consultation with the CA's Statutory Officers	£5.75m	Contract agreed in principle. Project now in Due Diligence phase. CA likely to be in a position to contract in June 2017.	Active
12th June 2017	To delegate responsibility to progress the appointments process for Independent Members of the SCR Audit Committee	Monitoring Officer, in consultation with the CA's other Statutory Officers	N/A	Interviews scheduled for 07/12/17	Active
17th July 2017	Devolution - Early Intervention Pilot Acceptance of Grant - to accept this grant offer on behalf of the Authority, after considering acceptable all the terms and conditions imposed by the grant awarding body.	Finance Director	Not stated	CA agenda 30th October 2017	Active
17th July 2017	Supertram Re-railing - to approve the entering into contractual arrangements for securing the development of a strategic outline business case for an integrated City Region multi-modal mass transit network at an estimated cost in excess of £100,000, funded from the HS2 Growth Strategy funding	The SCR Managing Director, in consultation with the Chair and Vice Chair of the Combined Authority	£100k	Consultant appointed. Work commenced. Contract currently being finalised.	Active
30th October 2017	LGF Programme Performance - To approve LGF programme change requests (on a scheme by scheme basis) and enter into contractual arrangements where required to mitigate overprogramming and underspend	Head of Paid Service, in conjunction with the Section 73 Officer	N/A	Awaiting requests for change from Promoters	Active
30th October 2017	Health Led Employment Trial - to accept the Innovation Funding from the Work and Health Unit, subject to due diligence on any conditions of award (S73 officer) and agree the appropriate terms with suppliers and to enter into the necessary contractual arrangements required to deliver the trial within the available funding (Head of Paid Service)	Head of Paid Service and S73 Officer	£7.558m	MOU received and in review. Contract with CCG in development.	Active
30th October 2017	One Public Estate and Land Release Fund - To approve the sign off of any final bid document (Head of Paid Service and S73 officer) and approve the operationalising of the bid subject to it being success, including contracting with third parties (Head of Paid Service).	Head of Paid Service and S73 Officer	£681k minimum (OPE) and £950k (LRF) minimum		Active

SCR CA Business Investment Fund

Summary of investments made to date

About

The Business Investment Fund (or 'BIF') is a £52m programme secured through Growth Deals 1 and 2 (as part of a ~£350m Local Growth Fund or "LGF" allocation). On 22 June 2015 and on 15 July 2015, the Combined Authority ("CA") and Local Enterprise Partnership ("LEP") approved the BIF Investment Strategy:

RESOLVED, that the Combined Authority Members: 1. Approve the outline investment strategy (set out in Sections 4 of the report). 2. Delegate operational responsibility for investment decisions to the RGF Panel, subject to the parameters and outline investment strategy set out in this paper and subject to alignment with the broader SCR-level Governance arrangement deal with elsewhere on this agenda. 3. Agree that the CA's S151 officer 'capitalises' all eligible programme management costs incurred in the delivery of this activity, and funds those costs from the RGF capital resource.

See: <http://meetings.southyorks.gov.uk/documents/g2885/Printed%20minutes%2022nd-Jun-2015%2016.00%20Sheffield%20City%20Region%20Combined%20Authority.pdf?T=1&zTS=B>.

The BIF programme Board has delegated authority to approve grants of up to £2m and has made 30¹ grant or loan awards to date (in addition to 129 as part of the "RGF" Programme). For grants of over £2m, the BIF Programme Board is asked to make a recommendation to the CA, who ultimately make any investment decision. This BIF Programme Board and / or other statutory officers may be given delegated authority by the CA to agree the terms and conditions of any grant award, within the parameters agreed by the CA.

Grants

The following summary table provides an overview of all BIF grants that have been

- approved since the submission of the last report
- changed status from 'approved' to 'contract issued'

Loans

No new loans have been approved since the last report. One loan offer has been withdrawn further to no activity since the approval offer, and one loan has been contracted and drawn down since the last report.

Projects are largely delivering to plan and the programme is still expected to EXCEED the £9.9m allocation for FY2017/18. Discussions are underway with the CA monitoring team with regards to increasing this years' allocation. This will be included in the Q3 financial report and if necessary will seek Leaders approval to increase the in-year allocation from within the overall BIF budget.

¹ This does not include any awards that are exempt from publication under Schedule 12A of the Local Government Act 1972.

Summary of BIF grants

Company Name	Local Authority	Grant / Loan	Total Investment	Employment impact	CBA / VFM	Status	Project description
Meadowbank Shotblasting	Rotherham	£69,000	£340,000	13	4.03	Contract Issued	Support for investment in equipment and facilities for large item shot-blasting and coating
R Wilson & Co	Chesterfield	£120,000	£400,500	10	5.46	Contract Issued	Capital investment in new chrome plating line
*Altek Europe Ltd	Chesterfield	£110,000	£1,401,253	11	9.26	Approved	Construction of a workshop and alterations to existing building to consolidate operations
*Biovation Orthopaedic Solutions Ltd	Sheffield	£50,000	£207,470	5.5	5.89	Approved	Investment in tooling and validations for disposable osteoarthritis instrument
*Gen Fab	Rotherham	£116,000	£590,000	10	4.71	Approved	Purchase and installation of a 10kw laser cutting machine
*Watflo Systems Limited	Rotherham	£46,000	£200,000	0	2.84	Approved	Cap ex investment in tooling to create an assembly line for an innovative rainwater capture device

*New since last report

Notes:

- *These awards may be subject to contract, and therefore may not be legally binding on either the CA or the grant recipient i.e. any delegation may not have actually been exercised.*
- *CBA score reflects the net economic benefit of the project per £1 of BIF investment.*

Latest position - Grants	Number	Total BIF	Total Private Sector Leverage	Jobs Created	Jobs S'guarded	Other Outputs	Location				
							BARN	CHD	DON	ROTH	SHF
Total Projects Approved	40	£25,972,905	£113,630,949	1,342	728	£242m GVA, 30k Cargo	1	4	5	12	18
Contracts signed	27	£22,579,992	£72,519,445	651	719	£100m GVA	0	3	3	8	13
Projects that have commenced claims	26	£3,531,953	£14,091,636	187.0	725.5		0	3	3	8	12
Projects complete	2	£51,526	£129,751	2	4		0	0	0	0	2

Latest position - Loan	Number	Total BIF	Location	
			SCR Wide	SHF
Total Projects Approved	3	£2,500,000	2	1
Contracts signed	3	£2,500,000	2	1

For more information, please contact:

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