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**Sheffield
City Region**

**LOCAL ENTERPRISE
PARTNERSHIP**

SHEFFIELD CITY REGION LOCAL ENTERPRISE PARTNERSHIP BOARD

MONDAY 17TH JULY, 2017, 3.00 PM

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

AGENDA

No.	Item	Method	Speaker	Page
1	Welcome and Apologies	Verbal		
2	Declarations of Interest	Verbal	All	
3	Notes of the Last Meeting	Paper	Sir Nigel Knowles	1 - 6
Discussion Items				
4	Devolution	Paper	Dave Smith	7 - 10
5	Any Other Business	Verbal	All	

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**SHEFFIELD CITY REGION LOCAL ENTERPRISE PARTNERSHIP BOARD
NOTES OF MEETING HELD ON 12 JUNE 2017**

Attendees: Sir Nigel Knowles (Chair), Nigel Brewster (Vice Chair), Simon Carr, Councillor Julie Dore, Deborah Egan OBE, Paul Houghton, Councillor Sir Steve Houghton CBE, Mayor Ros Jones CBE, Martin McKervey and Chris Scholey

In attendance: Ruth Adams, Peter Dale, Andrew Gates, Mark Lynam, John Mothersole, Luke Owen, Dave Smith, Diana Terris, Craig Tyler, Sarah Want and Damien Wilson

Apologies: Gavin Baldwin, Councillor Graham Baxter MBE, Professor Sir Keith Burnett, Councillor Tricia Gilby, Councillor Simon Greaves, Julie Kenny CBE, Councillor Chris Read, Councillor Lewis Rose OBE and Councillor Ann Syrett

Item	Subject	Action
1	<p>Welcome and Apologies</p> <p>The Chaire welcomed everyone to the meeting.</p>	
2	<p>Declarations of Interest</p> <p>None noted.</p>	
3	<p>Notes of the Last Meeting</p> <p>The notes of the previous meeting held on 24th April were agreed to be an accurate record.</p>	
4	<p>SCR Vision</p> <p>The Chair welcomed Tony Pedder and Professor Heather Campbell (TUoS) who delivered a presentation on the work undertaken by the 3 Anchor Institutions (AIs – TUoS, SHU and Sheffield Teaching Hospitals) to review how they could work together to better support the Sheffield City Region’s (SCR) determination of its 25 year vision.</p>	

The presentation covered a number of the SCR's perceived strengths and weaknesses and suggested how the AIs might be positioned going forward to help the SCR achieve its ambition through the development of a series of regional partner 'alliances'.

The Board members considered the need to ensure all vision-related activity is aligned with the wider 'ambitions' of the CA and LEP and ultimately supportive of the delivery of the Strategic Economic Plan.

It was noted the SCR vision work has been well received by the private sector.

Consideration was given to how the LEP's governance model might evolve to incorporate more formal representation of the 3 AIs. It was suggested it would be useful to undertake a gap analysis exercise in the interests of identifying what 'added value' the AI and potentially other partner organisations might be positioned to contribute to the LEP and SEP. However, the Board also recognised the importance of maintaining focus on delivering the SEP and not becoming too heavily laden with complicated governance structures.

It was suggested the SCR vision will, in reality, be delivered by a significant number of public and private sector agencies, each with lead responsibilities for themes wider than pure economic regeneration. It was therefore suggested the LEP's role in delivering that vision should be one of co-ordination, potentially acting as a virtual knowledge hub for all partners and exemplified by the organisation of periodic 'state of the SCR' gatherings for all players to reflect, plan and mutually consider matters of importance.

It was suggested the LEP and its partners could be expected to mutually agree the vision but will have a variance of opinions on how it should be achieved.

In summary, it was suggested the LEP Board supports the vision developed by the AIs and is now keen to establish a collective LEP-led understanding with partners on which agencies and organisations are charged with delivering its various elements in the interest of avoiding delivery gaps and duplications.

5

Heathrow Expansion

A presentation was delivered on the Government's commitments to locate four logistics hubs in different parts of the UK to support Heathrow expansion works, one of which has been promised to Scotland.

The Board's endorsement to put an expression of interest forward followed by a full proposal to locate one of the hubs within the Sheffield City Region was sought. It was noted the deadline for submitting

	<p>expressions is 31st July.</p> <p>Information in support of the SCR's submission, including confirmation of the backing of a number of businesses, was provided.</p> <p>It was suggested that as Heathrow expansion is going to happen anyway, it would be sensible for the SCR to try and benefit from that development if it meant the creation of jobs locally. However, it was also questioned why the Government are taking this approach when alternate logistic support structures centred nearer Heathrow could be developed. It was also acknowledged there are political factors to consider in respect of the districts' policies on Heathrow expansion at the potential expense of DSA.</p> <p>Members agreed it would have been beneficial to have more time to consider this matter ahead of the meeting.</p> <p>Action: ALL to provide individual comments on whether to support the submission of an expression of interest to Rachel.</p>	<p>ALL</p>
<p>6</p>	<p>Horasis China</p> <p>The Board was provided with a presentation covering the background to the event (4th – 7th November), confirmation of the delivery partners, programme schedule and themes, and confirmation of how the SCR will seek to benefit from the undertaking through an additional programme of fringe events.</p> <p>It was noted the SCR programme will include various opportunities to pitch investment opportunities, publicity for the Business Accelerator Programme, a business award ceremony for Chinese "involved" companies in Sheffield City Region, partnership work with the China Federation of Industrial Economics to promote SCR and Chinese merger and acquisition and/or JV opportunities, tourism work with Visit England to showcase the SCR's tourism assets and opportunities for delegates to visit key assets including National College for High Speed Rail, AMID etc.</p> <p>Action: Andy to circulate the names of the confirmed delegates attending.</p> <p>It was noted a number of MIPIM-lessons will be used to define the SCR's activities.</p>	<p>AG</p>
<p>7</p>	<p>Skills Bank</p> <p>A report was received to provide the Board with an update on developments affecting the implementation of the Skills Bank.</p> <p>It was noted that since the Skills Bank went live in January 2016, there</p>	

have been 231 deals agreed with businesses involving approximately 3450 learners. The foundations have been developed for a genuinely collaborative co-investment mechanism between the public and private sectors. The Board was also reminded our agreement with Government necessitated new methods of provider management and payment and it was therefore agreed the Skills Funding Agency (SFA) should procure and manage the programme on the SCR's behalf, bringing together Growth Deal funding and European Social Funding.

However, the Board was informed of recent policy shifts by the SFA and imposition of stricter rules on funding which threaten to unbalance the programme and introduce a number of risks to current delivery activity due to the insistence that Growth Deal funding be used ahead of European funding.

It was noted efforts to try and discuss this matter with Government and avoid potential issues are continuing.

The Board noted concern at this development and dismay the Government is potentially risking the continuation of the initiative. It was suggested 'sound bites' from private sector partners might be sought to add weight to the SCR's lobbying activities.

RESOLVED, that the Board:

1. Endorses the escalation of this matter within Government by the Chair, Deputy Chair and Head of Paid Service to find a satisfactory resolution.
2. Delegates programme management decisions regarding the Skills Bank to the Head of Paid Service and the Chair

8

MIPIM Review

The Board was provided with the findings of the recent review of the SCR's MIPIM 2017 activities and advised how lessons learnt will be used to inform next year's undertaking.

It was noted feedback on the SCR's undertakings had been generally positive. Organisation has been described as slick and most events were well attended by the private sector.

However, it was also suggested that there wasn't enough showcasing of the SCR's investment opportunities, there was too much 'SCR talking to the SCR', budgets are too small compared to the other City Regions and MIPIM don't directly address the 361 days of relative silence following 4 days of MIPIM noise.

It was agreed MIPIM 2017 was an improvement of previous years but more can be done, particularly in respect of joint promotion opportunities

	<p>with partner agencies and introducing mechanisms to help ‘galvanise’ the interest and support of the private sector. Future MIPIMs may therefore set out clearer objectives to showcase the SCR, be more private sector led (and public sector facilitated) and be subject to a wholesale review of how delegates are engaged.</p>	
9	<p>Managing Director Update</p> <p>The Managing Director’s update was provided for information.</p> <p>Particular attention was drawn to Board membership refresh matters which will see the undertaking of a recruitment process for new LEP Board members.</p>	
10	<p>Any Other Business</p> <p>No further matters noted.</p>	

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17th July 2017

Devolution Update

Purpose of Report

This paper provides an update on the Sheffield City Region (SCR) Devolution Deal. Since the last meeting of the Local Enterprise Partnership (LEP) and Combined Authority (CA) Chesterfield Borough Council (CBC) and Bassetlaw District Council (BDC) have both taken decisions to no longer pursue becoming constituent members of the SCR Combined Authority. The paper seeks for LEP Board to consider and discuss how they wish to proceed with the Deal following these decisions.

Thematic Priority

Cross cutting impacting on all priorities.

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

Papers are **not** made available under the Combined Authority Publication Scheme.

Recommendations

- That the LEP notes the decisions made by BDC and CBC to no longer pursue becoming constituent members of the SCR CA. (para 1.8)
- That the LEP considers how it would wish the Deal to proceed following the decisions taken by BDC and CBC. (section 2)

1. Introduction

1.1 The Sheffield City Region CA and LEP are a well-established and strong public and private partnership. This partnership that has been working together since the initial formation of the LEP in 2010 has supported the City Region economy to grow by 37,000 jobs, with its programmes alone having unlocked 16,000 jobs. It has also helped to shape a post-industrial heritage into a distinctive, globalised region that leads advanced manufacturing and engineering across the UK.

1.2 It is also a partnership that has firm and solid foundations. When formed in 2014 the Combined Authority took on the powers of the Integrated Transport Authority with those of economic development and regeneration. Since this point it has agreed the fifth largest Growth Deal in the country, including two trailblazer initiatives through its Growth Hub and Skills Bank. This programme of investment is focused on delivering the vision of our Strategic Economic Plan (SEP). This important programme of work remains. Our strong Assurance and Accountability Framework and governance processes leave us well placed to continue to transform the economy.

- 1.3 In October 2015, the Sheffield City Region agreed a Devolution Deal with Government. Focused on accelerating the delivery of our SEP, the Deal included a range of additional powers, funding and flexibilities to drive growth¹.
- 1.4 Since this point in time the City Region has been working to implement this Deal. This has included making progress across all thematic areas. For example, in progressing against our readiness to receive the devolved 19+ skills (adult education) budget, closer working with UKTI and being a part of the co-design process with the Work and Health programme.
- 1.5 As part of this wider process in spring 2016 two non-constituent authorities, BDC and CBC, set out their intention to pursue becoming constituent members of the SCR CA. Thus, in summer 2016 the SCR consulted upon a governance review and scheme to provide the CA with powers it needed to deliver the Deal, as well as expanding its constituent membership.
- 1.6 However, following a successful legal challenge regarding this consultation the implementation of the SCR Deal was delayed. Furthermore, this delay was increased by the purdah periods surrounding the local and national elections held in recent months.
- 1.7 Following these events and the progress of time in mid-June BDC and CBC respectively decided to withdraw their applications to become full constituent members of the Sheffield City Region Combined Authority. This represents disappointing, but entirely understandable news, for the CA and Local Enterprise Partnership (LEP).
- 1.8 However, whilst both authorities are no longer seeking to be constituent members they remain non-constituent members of the SCR CA and members of the SCR LEP. These successful partnerships have yielded significant benefits to date, including unlocking key developments such as Chesterfield Waterside, Peak Resort and Worksop Vesuvius. This is only the beginning of this investment and there remains much more to come which is forecast to facilitate the creation of almost 11,000 jobs and lever in more than £270m of other investment. Such investment is of vital importance in helping to grow the City Region's economy, realising the vision of our Strategic Economic Plan and delivering tangible benefits for residents and businesses.
- 1.9 In addition to these changes at the local level the country elected a new government at the beginning of June. Whilst the full implications of the results of this process are not yet known, it does pose issues for consideration in the progression of the devolution agenda in the SCR. In particular, it should be noted that:
 - Having lost the Conservative majority, the new government is likely to be more reluctant to progress legislative change and will want to ensure that anything being progressed is fully supported by a range of stakeholders locally.
 - As per its manifesto the new government is committed to progressing the devolution agenda and Mayoral Combined Authorities, with the greatest potential powers, freedoms and flexibilities on offer to those areas with these arrangements in place.

2. Proposal and justification

- 2.1 Considering the decisions taken by BDC and CBC as well as the uncertainty arising from the outcome of the General Election means that the SCR LEP now needs to consider the next steps to take forward the Deal. The LEP is requested to consider and discuss this issue and what the next step should be.

- 2.2 Should further information become available which could inform the LEP's considerations then this will be circulated.

3. Consideration of alternative approaches

- 3.1 Instead of considering its options the SCR CA could have continued to progress with the planned consultation on its Scheme. However, this Scheme and associated consultation was based on the two elements: firstly, securing the powers to deliver the Devolution Deal and secondly to expand the geography of the CA. Therefore, this Scheme would no longer represent the intentions of BDC and CBC. In light of these changes it was therefore considered important for the CA and LEP to consider its next steps in relation to the Devolution Deal.

4. Implications

4.1 Financial

Upon considering the next steps for the Devolution Deal it will be possible to set out the financial implications.

4.2 Legal

Upon considering the next steps for the Devolution Deal it will be possible to set out the legal implications.

4.3 Risk Management

The SCR CA and LEP are fully considering the potential next steps for the Devolution Deal following the decisions by BDC and CBC. This should include consideration of the risks associated with different options.

4.4 Equality, Diversity and Social Inclusion

None as a result of this report.

5. Communications

- 5.1 Both the Combined Authority and the LEP have expressed their disappointment at the decisions of Chesterfield and Bassetlaw – whilst entirely respecting the decision of these two authorities and their reasons for doing so. The SCR has successfully worked as a partnership to date – and there is nothing to stop the area continuing to do so in the future. In particular, this includes the delivery of SEP and associated programme of Growth Deal investment.

The SCR LEP now needs to consider how it would wish this to proceed. Following the discussion and agreement of what these next steps should be it will be important to ensure that these are effectively communicated across the City Region.

6. Appendices/Annexes

- 6.1 Not applicable

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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: