The Sheffield City Region Sustainable Urban Development (SUD) Strategy aims to deliver an integrated approach to green growth as part of our wider plan to transform our regional economy.

Core to our SUD is sound understanding of how to provide an integrated, ‘whole place’ approach to attract and secure investors seeking locations with credible sustainability performance and attractive settings that mitigate against risk. We benefit from our previous success in turning around degraded, post-industrial areas using a holistic approach to offer connected places benefitting from good motorised and non-motorised transport links, low energy use, high-quality landscape and habitat, renewables generation, brownfield land re-use/regeneration, access to a skilled labour force and improved liveability/quality of life on offer.

However as outlined in our Strategic Economic Plan (SEP) and wider SCR ESIF Strategy, the city region still faces a wide range of economic, social and physical challenges that need to be addressed to create a fully sustainable place to live and work. Our place-based SUD provides an excellent opportunity to target efforts to tackle those challenges in key growth locations, making the most of available resources by employing synergistic approaches to investments.

Our SUD activity will look to deliver a step change in integrated development, building on locally-driven proven best practices from transnational cooperation and a track record of world-class R&D. Examples include advanced resource efficiency centres and developments integrating low carbon retrofit, smart metering, district heating and cooling, anaerobic digestion, water sensitive design and multi-mode transport nodes fitted with ultra-low carbon vehicle infrastructure. We will adapt and deploy private-sector led models for investment and supply chains using the best examples (e.g. AMP, Business Improvement Districts). Where possible, our approach is to mainstream the best results from relevant cutting-edge networks in which we have played a leading role (e.g. Urban Nexus, Interreg), embedding proven concepts into core ERDF work, and dovetailed with innovation programmes such as Horizon 2020 and other future research programmes. Lessons learned will be embedded via learning and action alliances to support replication in other parts of the city region and beyond.

The added value resulting from the actions is to deliver truly outstanding quality new developments, raising aspirations as well as delivering high quality private sector jobs in keeping with our SEP. This opportunity will drive us yet further forward from the initial devastation of industrial contraction - through strategies for servicing vacant and derelict land - through place-shaping and environmental regeneration - and into the future by delivering a new generation of ambitious and exciting infrastructure and investment projects demonstrating durable growth via attractive investment locations providing whole-place low carbon solutions.

This SUD Strategy represents the response to a request from DCLG to develop a SUD Strategy for Sheffield City Region. It is within the context of this request that the Strategy has been developed and provides £8.4m ERDF to support our ambition for Green Growth.
Section 1: Descriptor of the urban area / functional economic geography targeted by the strategy

The Sheffield City LEP Area falls in two regions – South Yorkshire and the northern districts of the East Midlands.

The Sheffield City Region has a diverse economy comprising a dynamic core city, important towns and market towns, fabulous countryside and a significant rural economy. The City Region encompasses more than 1.8 million people and approximately 700,000 jobs.

The City Region is located at the strategic heart of the country. It is comprised of the nine local authority areas of Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield.

Barnsley is also part of the Leeds City Region LEP area (although not treated as such for the purpose of ESIFs), while Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North-East Derbyshire are also part of the D2N2 LEP area.

The Local Authorities comprising of South Yorkshire (Barnsley, Doncaster, Rotherham and Sheffield) represent a Transition Region. The remaining Districts fall in the East Midlands and have been categorised as More Developed Regions.

Whilst the SCR area covers the whole of the functional economic area, South Yorkshire has a specific history, character and needs relating to its industrial heritage. The impact of heavy industry has created a fragmented urban environment across the county, with fragmented and at times isolated urban communities with a legacy of social disadvantage, economic market failure and environmental degradation.

The SUD Strategy will cover the South Yorkshire Authorities only with a combined population of 1,343,601.
The ESIF Allocations are as follows:

### South Yorkshire - Transition Region

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>84,401,966</td>
<td>108,207,649</td>
</tr>
<tr>
<td>ESF</td>
<td>56,749,973</td>
<td>72,756,375</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>141,151,939</strong></td>
<td><strong>180,964,024</strong></td>
</tr>
</tbody>
</table>

### East Midlands - More Developed Region

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>13,905,002</td>
<td>17,826,926</td>
</tr>
<tr>
<td>ESF</td>
<td>9,531,481</td>
<td>12,219,848</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,436,484</strong></td>
<td><strong>30,046,774</strong></td>
</tr>
</tbody>
</table>

### EAFRD - Sheffield City Region Total

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>3,018,769</td>
<td>3,525,777</td>
</tr>
</tbody>
</table>

### SCR ESIF Programme

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>98,306,969</td>
<td>126,034,575</td>
</tr>
<tr>
<td>ESF</td>
<td>66,281,454</td>
<td>84,976,223</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>167,607,192</strong></td>
<td><strong>214,536,575</strong></td>
</tr>
</tbody>
</table>

Exchange Rate €1=£0.78

### Demographic Profile

There are approximately 1.8 million people living in the City Region and this population is growing. The two largest authorities in the City Region, in terms of population, are Sheffield and Doncaster.

South Yorkshire has the largest number of people living in the city region with the highest population density being in Sheffield (15 people per hectare). The results from the 2014 Mid-Year Population Estimate indicate that the population of the Sheffield City Region grew by more than 97,000 people or 5.6% between 2001 and 2014. In South Yorkshire, the greatest increases were in Sheffield and Barnsley.

<table>
<thead>
<tr>
<th>Authority</th>
<th>Population, 2014</th>
<th>% SCR population</th>
<th>Population Density (persons per ha)</th>
<th>% change population 2001 - 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>237,800</td>
<td>13.0</td>
<td>7</td>
<td>7.5</td>
</tr>
<tr>
<td>Doncaster</td>
<td>304,200</td>
<td>16.6</td>
<td>5.3</td>
<td>4.6</td>
</tr>
<tr>
<td>Rotherham</td>
<td>260,100</td>
<td>14.2</td>
<td>9</td>
<td>3.3</td>
</tr>
<tr>
<td>Sheffield</td>
<td>563,700</td>
<td>30.8</td>
<td>15</td>
<td>8.5</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>114,100</td>
<td>6.2</td>
<td>1.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Bolsover</td>
<td>77,200</td>
<td>4.2</td>
<td>4.7</td>
<td>4.9</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>104,300</td>
<td>5.7</td>
<td>15.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>71,300</td>
<td>3.9</td>
<td>0.9</td>
<td>2.6</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>99,400</td>
<td>5.4</td>
<td>3.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Sheffield City Region</td>
<td>1,832,100</td>
<td>100.0</td>
<td>5.2</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Source: Mid Year Population Estimates 2014
To support the SCR SUD in South Yorkshire, the full 10% ERDF allocation has been set aside to be implemented through this vehicle. As a result, £8,440,197 (€10.820m) is being made available for SUD development within Thematic Objectives TO4 – Low Carbon and TO5 – Climate Change Adaptation.

The Urban Authority to be established as the Intermediate Body for the SCR SUD will be - The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (SCRCA)

The SUD area will cover South Yorkshire only, which is a Transition Region.

The SUD plan will be look to deliver a number of elements identified within the SCR Strategic Economic Plan/Growth Plan and ESIF Strategy wherein our vision is: ‘A City Region with a stronger and bigger private sector that can compete in national and global markets’. 

It is within this context that the SUD aims to deliver an integrated approach to encourage low carbon green growth in areas where potential flooding can limit such growth. With such a focus, it is expected that project proposals may draw on other relevant strategies including the Sheffield City Region Low Carbon Sector Strategy (2013), the South Yorkshire Green Infrastructure Strategy - Creating and improving our green network (2011), Local Development Plans and the SCR Integrated Infrastructure Investment Plan.
Section 2: Summary of the socio-economic context and identification of the main problems, policy challenges and opportunities faced by the urban area

2.1 Demographic Profile

In common with the Sheffield City Region, Barnsley, Doncaster and Rotherham have an ageing population, with a higher proportion of the population aged 45 and over than the average for England as a whole. This reflects both those aged between 45 – 64 (27.5, 26.6 and 26.9 respectively) compared to 25.3% in England) and those aged 65 and over (18.5, 18.2 and 18.8 respectively compared to 17.6% in England).

South Yorkshire has a higher proportion of people aged between 16 and 24. This is driven by the number of people within this age category in Sheffield and as such appears to reflect the influence of the two Universities that are located here on demographic trends.

All authorities in South Yorkshire have a lower proportion of the population aged between 25 and 44, when compared with the national average.

<table>
<thead>
<tr>
<th>Authority</th>
<th>Population, 2014</th>
<th>Percent Age 0 - 15</th>
<th>Percent Age 18 - 24</th>
<th>Percent Age 25 - 44</th>
<th>Percent Age 45 - 64</th>
<th>Percent Age 65 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>237,800</td>
<td>18.4</td>
<td>8.2</td>
<td>25.0</td>
<td>27.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Doncaster</td>
<td>304,200</td>
<td>19.0</td>
<td>8.3</td>
<td>25.4</td>
<td>26.6</td>
<td>18.2</td>
</tr>
<tr>
<td>Rotherham</td>
<td>260,100</td>
<td>19.2</td>
<td>8.2</td>
<td>24.4</td>
<td>26.9</td>
<td>18.8</td>
</tr>
<tr>
<td>Sheffield</td>
<td>563,700</td>
<td>18.2</td>
<td>14.4</td>
<td>26.3</td>
<td>22.6</td>
<td>16.2</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>114,100</td>
<td>17.5</td>
<td>7.8</td>
<td>22.8</td>
<td>28.7</td>
<td>20.5</td>
</tr>
<tr>
<td>Bolsover</td>
<td>77,200</td>
<td>17.9</td>
<td>8.1</td>
<td>24.6</td>
<td>27.8</td>
<td>19.4</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>104,300</td>
<td>17.1</td>
<td>8.1</td>
<td>24.6</td>
<td>27.7</td>
<td>20.0</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>71,300</td>
<td>15.7</td>
<td>6.5</td>
<td>19.1</td>
<td>31.4</td>
<td>24.9</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>99,400</td>
<td>16.1</td>
<td>7.4</td>
<td>21.6</td>
<td>29.1</td>
<td>23.4</td>
</tr>
<tr>
<td>Sheffield City Region</td>
<td>1,832,100</td>
<td>18.2</td>
<td>10.0</td>
<td>24.8</td>
<td>26.1</td>
<td>18.5</td>
</tr>
<tr>
<td>England</td>
<td>54,316,600</td>
<td>19.0</td>
<td>9.1</td>
<td>26.7</td>
<td>25.3</td>
<td>17.6</td>
</tr>
</tbody>
</table>


The gender breakdown in the Sheffield City Region is shown in the table below. This illustrates that 49.4% of the area’s population is male and 50.6% is female.

<table>
<thead>
<tr>
<th>Authority</th>
<th>Population</th>
<th>Males number</th>
<th>Males %</th>
<th>Females number</th>
<th>Females %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>237,800</td>
<td>117,300</td>
<td>49.3</td>
<td>120,600</td>
<td>50.7</td>
</tr>
<tr>
<td>Doncaster</td>
<td>304,200</td>
<td>150,600</td>
<td>49.5</td>
<td>153,600</td>
<td>50.5</td>
</tr>
<tr>
<td>Rotherham</td>
<td>260,100</td>
<td>127,800</td>
<td>49.1</td>
<td>132,300</td>
<td>50.9</td>
</tr>
<tr>
<td>Sheffield</td>
<td>563,700</td>
<td>279,500</td>
<td>49.6</td>
<td>284,200</td>
<td>50.4</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>114,100</td>
<td>56,600</td>
<td>49.6</td>
<td>57,600</td>
<td>50.5</td>
</tr>
<tr>
<td>Bolsover</td>
<td>77,200</td>
<td>38,000</td>
<td>49.2</td>
<td>39,100</td>
<td>50.6</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>104,300</td>
<td>51,200</td>
<td>49.1</td>
<td>53,100</td>
<td>50.9</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>71,300</td>
<td>35,100</td>
<td>49.2</td>
<td>36,200</td>
<td>50.8</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>99,400</td>
<td>48,700</td>
<td>49.0</td>
<td>50,700</td>
<td>51.0</td>
</tr>
<tr>
<td>Sheffield City Region</td>
<td>1,832,100</td>
<td>904,800</td>
<td>49.4</td>
<td>927,400</td>
<td>50.6</td>
</tr>
</tbody>
</table>

In 2011 92.4% or 1.67m residents of the Sheffield City Region classified themselves as White. This was above the national average of 85.4%. Barnsley, Doncaster and Rotherham have the highest number of population who consider themselves white, ranging from 93.6 – 97.9% whilst Sheffield is the most ethnic diverse area in SCR (16.3%), which is also higher than the national average.

Asian / Asian British is the next largest ethnic group within the City Region. This is followed by Black/ African/ Caribbean/ Black British, Mixed/ multiple ethnic groups, and finally other ethnic groups.

<table>
<thead>
<tr>
<th>Authority</th>
<th>Population, 2011</th>
<th>White</th>
<th>Mixed/ multiple ethnic groups</th>
<th>Asian/ Asian British</th>
<th>Black/ African/ Caribbean/ Black British</th>
<th>Other ethnic group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>231,221</td>
<td>97.9</td>
<td>0.7</td>
<td>0.7</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Doncaster</td>
<td>302,402</td>
<td>95.3</td>
<td>1.1</td>
<td>2.5</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Rotherham</td>
<td>257,280</td>
<td>93.6</td>
<td>1.0</td>
<td>4.1</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Sheffield</td>
<td>552,698</td>
<td>83.7</td>
<td>2.4</td>
<td>8.0</td>
<td>3.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>112,863</td>
<td>97.4</td>
<td>0.9</td>
<td>1.1</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Bolsover</td>
<td>75,866</td>
<td>98.1</td>
<td>0.7</td>
<td>0.8</td>
<td>0.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>103,788</td>
<td>96.5</td>
<td>1.1</td>
<td>1.5</td>
<td>0.8</td>
<td>0.1</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>71,116</td>
<td>98.6</td>
<td>0.7</td>
<td>0.6</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>99,023</td>
<td>98.0</td>
<td>0.8</td>
<td>0.8</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Sheffield City Region</td>
<td>1,806,257</td>
<td>92.4</td>
<td>1.4</td>
<td>3.8</td>
<td>1.5</td>
<td>0.9</td>
</tr>
<tr>
<td>England</td>
<td>53,012,456</td>
<td>85.4</td>
<td>2.3</td>
<td>7.8</td>
<td>3.5</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Source: Office for National Statistics, Census 2011

2.2 Economic Geography

The Sheffield City Region represents a functional economic geography with all parts contributing. The key facts about the SCR economy are provided in detail in the Independent Economic Review at Annexe 2 of the SCR ESIF but the contribution of each area can be summarised in the table and figure below:

<table>
<thead>
<tr>
<th>Economic Geography</th>
<th>Employees</th>
<th>High Skilled Occupations</th>
<th>GVA ('000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheffield</td>
<td>250,500</td>
<td>45%</td>
<td>11,199</td>
</tr>
<tr>
<td>Doncaster</td>
<td>112,600</td>
<td>33%</td>
<td>11,360</td>
</tr>
<tr>
<td>Rotherham</td>
<td>98,000</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Barnsley</td>
<td>76,600</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Chesterfield</td>
<td>48,100</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Bolsover</td>
<td>48,100</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>26,000</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>27,700</td>
<td>36%</td>
<td>4,528</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>46,000</td>
<td>29%</td>
<td>3,516</td>
</tr>
</tbody>
</table>

Source: Business register and Employment Survey, Annual Population Survey and Regional Account
2.3 South Yorkshire Assets

South Yorkshire has a number of significant assets and strengths to build upon. Continuing to develop and promote these assets will represent an integral component of our offer to inward investors.

- Home to two Universities with world class research capabilities, with the country's largest engineering department by 2015, and a significant Further Education presence, covering a range of different specialisms.
- Has a central location at the heart of the UK, with 360°, multi-modal connectivity to other key markets, including international markets from the Airport.
- Home to the world renowned Advanced Manufacturing Park, as a centre of collaboration between business and Universities, that will be home to the most advanced manufacturing factory in the world as part of our Advanced Manufacturing Innovation District.
- Not a traditional mono-centric city region, including Sheffield the 4th largest city in the country.
- Potential workforce of 1.1m and more than 120,000 jobs in the knowledge and data driven economy.
- Has a flexible and adaptable base of SME companies, focused on business to business supply chain.
- Significant capacity for the additional development of employment land (new and existing).
• The City Region will have a HS2 station and Iport; we are working to ensure that we maximise the major regeneration opportunity this represents.
• The City Region will also be home to the new national College for High Speed Rail based in Doncaster that further builds on the areas strength in rail engineering.
• Home to the UK’s number 1 Enterprise Zone for advanced manufacturing.
• Has a significant visitor economy including the Peak District National Park, which attracts more than 10 million visitors a year.

The historical legacy of manufacturing can be seen to continue to impact upon the area. South Yorkshire is transforming to high value manu-services economy\(^1\). The ability to produce innovative, high value and data-led product solutions be it in relation to creative and digital industries or the aerospace and low carbon sectors, can be seen to characterise the knowledge based economy that is continuing to emerge.

South Yorkshire does not have a single dominant sector; instead it has a much more diverse economic base. What differentiates the area in terms of its sector performance are the business to business linkages that comprise our supply chain. These data driven, supply chain linkages and opportunities are important to all sectors within our economy, e.g. advanced manufacturing, engineering, healthcare technologies, and CDI. As the world changes to take a more integrated view of the value chain rather than the concept of the supply chain, manufacturing will increasingly take a wider definition and will be about much more than producing a component and selling it. The value chain recognises the importance of the pre and post-production processes. Examples are the increased use of “servitisation” and “Power by the Hour” developed by Rolls-Royce. In the future, the benefits of mass customisation will encourage the customer to become involved in the design process. There will be greater opportunities for “servitisation”, maintenance, remanufacturing and recycling. Our diverse industry base, including its healthcare, creative and digital sectors, as well as the more traditional manufacturers, will be in strong position to benefit from these changes. To achieve these benefits will require cooperation and a sustained effort to assimilate new innovations and new skills.

### 2.4 The Economic Challenge

The Sheffield City Region and South Yorkshire face a number of fundamental challenges. However, addressing these challenges will generate significant ‘wins’ for UK plc by transforming the export, trade and GVA contribution that the City Region makes to the national economy. Social support costs within South Yorkshire, for example the numbers of people claiming Job Seeker’s Allowance or economically inactive, place a burden on the national economy. Where possible this Sustainable Urban Development Plan will aim to promote positive social impact alongside those of low carbon growth and environmental sustainability e.g through direct intervention under a low carbon project or encouragement to take advantage or relevant ESF funded programmes. To support the SCR Growth Plan the LEP commissioned Independent Economic Review (IER)\(^2\) in summer 2013. It used some of the best economic advisors in the country and highlighted the stark nature of these challenges. The report said we need to transform the inherent structural and fundamental weaknesses in our economy. These weaknesses directly to our industrial legacy and the area’s on-going transition from an economic base dominated by coal and steel to a competitive 21st century, high value manufacturing, knowledge and service led, economy. The SUD offers an

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\(^1\) The Work Foundation (2011) More than making things, a new future for manufacturing in a service economy

opportunity to develop an integrated approach to address these issues through the transformation to a low carbon economy, in those urban areas most blighted by our industrial legacy.

A central component of the IER was its focus on the need to close and narrow the gap between the SCR and the national average. Realising these ambitions will transform the performance and thus the contribution of the area to UK plc.

The completion of the IER provides a baseline position on which the Growth Plan and thus our ESIF has been developed. Key statistics contained within the IER have been updated with more recent data on performance through a series of economic bulletins produced throughout 2015. The IER evidenced the following issues to be addressed to realise South Yorkshire’s potential.

- **Small private sector**

During the last growth cycle (1998 – 2008) both the SCR and South Yorkshire experienced a net decrease in employment in the private sector.

This was primarily as a result of the more than 45,000 jobs that were lost in manufacturing, which occurred as a result of the adoption of new technologies and cheaper labour costs abroad.

The 9% increase in total employment in the SCR was largely attributable to growth in the public sector between 1998 and 2008. But, some private sectors grew as well including CDI, Business, Professional and Financial Services (BPFS), logistics and sport, leisure and tourism.

In contrast to the 1998-2008 growth period, private sector employment in SCR has been growing during the recession and recovery of 2009-2013. Whilst this is a significant turnaround from past trends, growth in private sector employment in the city region remains at much lower rate than the national average (+4,300 jobs or +1%, compared to +5% nationally).

Recent evidence indicates that the City Region has experienced significant public sector job losses as a result of the government’s austerity drive (-10,900 jobs, a fall of 6%). This rate of decline is in line with the decline nationally.

The IER noted that the City Region had a very small private sector base, and it is clear that private sector employment growth in SCR, unlike in many other parts of the country, has not been sufficient to offset the decline in public sector employment.
SCR continues to have a higher than average share of employment in public services, reflecting the small size of the private sector locally.

This reinforces the message that there is a continued need to encourage private sector employment growth in SCR. The performance of our private sector can be seen to be reflected in the other challenges set out below, which all relate to the need to create a bigger and stronger private sector.

- **Enterprise Deficit**

The IER concluded that the SCR and South Yorkshire have too few businesses relative to the size of its economy and working age population. This illustrated that the SCR has low levels of businesses in some of the most important high value added service sectors, with business density levels equivalent to 70% or less of the national average. The IER found that the number of new starts is two thirds of the equivalent national figure; with 4.4 births per 1,000 working age residents in the SCR and South Yorkshire compared to 6.8 in England. Halving this gap over ten years could create an additional 6,000 enterprises and circa 9,000 jobs, equating to an additional 600 net new businesses per year; and the number of businesses in the SCR means that it will be vital to attract more existing businesses from outside the area to locate here, as the existing business base will not generate the scale of growth required. Attracting these businesses will require an appropriate supply of land and premises.

Since the IER was produced published data has indicated that the City Region’s business base was significantly impacted on by the recession. For example, between 2008 and 2011 the number of active businesses decreased by 1,800, whilst nationally business numbers continued to rise. In recent years SCR has begun to recover from this, with increases in the business base in 2012 and 2013, although the City Region is yet to recover to its pre-recession business base. Cumulatively, the fall in the number of businesses established in SCR during the recession and prolonged recovery period (together with the continued growth
in business starts observed nationally) has widened the gap in business density. If the SCR was to have a business density equivalent to the national average there would be an additional 20,300 businesses in the City Region. The SCR would need an additional 5,800 businesses to close the gap with the LEP average.

- **The Productivity Challenge**

The IER demonstrated that GVA growth between 1998 and 2008 lagged behind the national average (57% compared to 63%). GVA per FTE was only 83% of the national average in 2011. To meet the national average (excluding London) the SCR would need to increase GVA by £3 billion or 11%.

This productivity challenge is affecting all sectors in South Yorkshire and reflects the low proportion of people employed in higher skills occupations in the wider City Region.

Since the publication of the IER GVA gap has widened from £3 billion to £5.4 billion. This reflects that the upturn since the recession has been slow to become established in SCR. The SCR and its peers all have GVA per FTE and GVA per head below the national average. SCR has the lowest productivity of all comparator LEPs and there is nearly £5,000 GVA per FTE and £1,500 GVA per head difference between the City Region and its nearest comparator (North East).

- **More jobs and highly skilled occupations**

This productivity challenge is caused by two fundamental issues:

- The need for more jobs; and
- A shortfall in the number of higher skilled occupations.

The SCR currently has a shortfall of around 65,000 private service sector jobs, when compared with the employment density in other LEP areas. This position has worsened since 2009, with private sector services employment falling by 6.6% between 2009 and 2012. From 2009 to 2012, the SCR private sector services employment density fell consistently, from 72% to 65% of the England average. Additionally, 70,000 jobs are required to reach the pre-recession peak employment level in the City Region.

To demonstrate the scale of the challenge in meeting this shortfall, trend based forecasts produced as part of the Growth plan evidence base show that the SCR will generate c.25,000 jobs over the next 10 years. Addressing this shortfall of c45,000 jobs will necessitate the SCR
almost trebling this expected level of employment growth. South Yorkshire is expected to provide the significant majority of this growth. However, it is important to view this challenge in the context that other comparator areas will also grow. Based on the forecast growth in other parts of the country the SCR would need to create 120,000 jobs to have closed the gap with the national average in 2023. This would require GDP growth of almost 5% and nowhere in the UK grows at this rate for such a sustained period of time.

Of the shortfall of 65,000 jobs, over 60% need to be in activities not dependent upon local expenditure – business, professional and financial services (and support) and ICT.

Furthermore, the SCR has a shortfall of 30,000 jobs in the number of higher skilled occupations relative to the size of the employment base and the shortfall in these occupations plays a critical role in impacting on our productivity levels. In tandem with this the low wage economy in many of parts of the City Region, particularly the rural areas, impacts upon our productivity levels.

- **Sectors**

The SCR and South Yorkshire has as diverse economy that does not have a single dominant sector that is forecast to drive our future growth.

Different sectors in our economy fulfil fundamentally different economic roles. Some sectors generate GVA, others jobs and some do both. Achieving sustainable growth requires a mix of these types of sectors to generate both wealth and employment.

*Baseline ‘policy off’ forecast employment growth, GVA per job and total employment by sector in the SCR*
South Yorkshire has a lower proportion of jobs in the more knowledge intensive sectors such as financial and business services.

In percentage terms the highest levels of forecast employment growth is expected to occur in transport and logistics; sport, leisure and tourism; and business, professional and financial services.

Other sectors such as Creative and Digital Industries (CDI), low carbon, healthcare technologies and advanced manufacturing are forecast to experience lower levels of employment growth, but generate high levels of GVA per job.

The medium and low tech manufacturing is expected to continue to lose jobs. It will be important to future growth to stabilise these losses, so that the experience of the last growth cycle is not repeated.

The IER concluded that South Yorkshire and the City Region needs to strengthen those key sectors which operate in national and international markets, and where the City Region has a combination of expertise, facilities and assets, a strong business base, and access to growth markets. It stated that these sectors were:

- Financial, professional and business services;
- Creative and digital industries;
- Advanced manufacturing and engineering and healthcare technologies;
- Low carbon; and
- Logistics.

It should also be noted that:

- The sectoral mix shown in the figure above reflects that of many other economies in the north of England, although we have a greater basis in manufacturing.

Source: Experian data. Creative Sheffield

Yorkshire has a lower proportion of jobs in the more knowledge intensive sectors such as financial and business services.
The factor that differentiates South Yorkshire from other areas is the business-to-
business interactions within our supply chains that transcend traditional sector 
boundaries.

- The importance of these supply chains linkages is of particular importance to 
  sectors such as advanced manufacturing, creative and digital industries (CDI) and 
  healthcare technologies.
- Sectors dependent on market demand such as business and professional services, 
  advanced manufacturing, healthcare technologies, CDI, and low carbon are 
  particularly important to the future of the wider SCR economy.
- Increasing the levels of trade from these companies outside of the SCR, both 
  domestically and internationally, will be integral to the area’s future economic 
  success. The market in the SCR is not sufficient alone to deliver the scale of growth 
  required.

- The Performance Gap

The IER identified that the SCR currently has 65,000 too few private sector jobs\(^3\). Returning to 
pre-recession peak employment requires **70,000 net jobs** in the City Region\(^4\) to which South 
Yorkshire will be the most significant contributor. This requires a gross target of 96,000 due to 
the forecast decrease in manufacturing and public administration.

Trend based forecasts included in the IER indicate that employment will grow by approximately 
25,000 jobs in the next ten years. This means that the City Region needs to essentially treble 
this forecast to achieve a step change in its economic performance. In addition productivity has 
been declining since 2000, and is circa 84% of the national average. As a result the IER 
indicated that the SCR needs to increase its GVA by in excess of **£3 billion** to reduce the 
productivity gap.

A key determinant of this low productivity is the perpetuation of a 
low skills economy where a high 
proportion of the workforce is employed in low skilled occupation, 
where employer investment in 
workforce training remains insufficient and where the legacy of educational 
derformance by age 19 impacts 
on skills levels in adult life. The result is an estimated shortfall of 39,000 
jobs in higher skilled occupations 
which is the consequence of a low skills equilibrium in the city region in 
which the demand for higher level 
skills is suppressed by the products, 
services and markets in which SCR companies are currently operating and where the supply of 
highly skilled labour is restricted by the attainment levels of the available workforce. The SCR 
has a much less substantive business base than our LEP peer group and it has an enterprise 
deficit with **6,000** fewer companies than the LEP economy should be able to support.

Ultimately this evidence demonstrates that there needs to be a transformation to the economy 
and not just growth. A structural change to a twenty-first century, knowledge economy that is

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\(^3\) Ekosgen (2013) SCR IER

outward looking, contains a greater number of businesses and which generates more and better employment opportunities.

2.5 The Social Challenge

- Widespread deprivation

SCR deprivation is widespread with 16.5% of the city region’s Lower Level Super Output Areas (LSOA’s) ranked amongst the 10% most deprived in the country. The highest concentrations of LSOA’s ranked amongst the most deprived 10% are in South Yorkshire.

Deprivation is compounded by the disproportionate number of low skilled residents in low paid, fragile and often part-time work, levels of economic inactivity well above the national average (over a quarter of a million SCR residents of working age are economically inactive), a growing problem of long-term unemployment and a cycle of intergenerational unemployment and poverty that is reinforced by a learning deficit where over 40% of school leavers still do not achieve five good GCSEs including English and maths.

Map of Deprivation

- Unemployment and Economic Inactivity
There are 73,700 residents in SCR who are unemployed based on the UK official measure of unemployment (ILO). This equates to an unemployment rate of 8% which is higher than the national average (7%). Looking at trends over time, unemployment in the city region rose considerably in during the downturn compared to the national average. In SCR, unemployment started to rise from 2008 and peaked in 2012 at 90,000 (10%). It has since started to fall in line with the national trend but is still one-third higher than the pre-recession level, equating to 19,400 more people unemployed.

Whilst unemployment has risen sharply since the most recent recession, it is economic inactivity that is and has been a persistent and pernicious challenge for the city region since de-industrialisation in the 1980s.

With over 268,900 (23.4%) economically inactive residents of working age between April 2014 and March 2015, the legacy is that the number of inactive adults is almost 10 times the number claiming JSAs.

Without focused action the city region’s ambitions for the local economy can only be impeded by a failure to make the best use of the city-region’s human capital and the cost to the public purse incurred by the proportion of citizens reliant on benefits and access to support services. Moreover, the social benefits that should accompany economic growth will not be distributed equitably as that high proportion of jobseekers with few qualifications and the weakest work histories are denied access to emerging job opportunities that require a higher level of skills than they possess.
Whilst economic inactivity continues to be a long-term challenge, the most immediate concern for the city region is the emergence of youth unemployment.

The impact of youth unemployment and the risk of a generation lost to unemployment, as occurred in this city-region, in the 1980s is well documented. Not only is the cost to the local economy significant if it does not harness the potential of those entering the labour market for the first time, but the cost to the individual young person can be considerable with long periods of unemployment in the early years of adulthood correlating to a pattern of ‘wage scarring’ (reduced lifetime earnings), further periods of wordlessness and reduced life chances as represented by almost all key social and health indicators.

In part, the origins of youth unemployment can be found in the high level of 16-18 year olds in the SCR who are Not in Education, Employment or Training (NEET). The NEETs level for the SCR continues to exceed the national average and the proportion of young people who are NEET increases incrementally with age. This, in turn, converts into unacceptably high levels of unemployment for 18-24 year olds. Since 2008, youth unemployment has more than doubled and 18-24 year olds are more than twice as likely to be unemployed than their older counterparts. With almost 6,450 JSA claimants in this age group 3.5% of economically active 18-24 year olds are claiming the benefit and 31,200 16-24 year olds (21.2% of the economically active) are unemployed. However, since its peak in September 2012 the number of long term JSA claimants aged between 18-24 year olds decreased from 3,630 to 995 in August 2015.

- **Lagging Skills**

Skill levels vary widely between the LEP area’s districts, but with the exception of apprenticeships, the city region as a whole lags behind national averages at all qualification levels. Those with low or no skills levels can often be at a greater risk of economic inactivity, unemployment or be in fragile, low paid employment. The City Region also has 101.6% of people without qualifications, and to reduce the number of working age people without qualifications to the national average would require a further 28,060 people to acquire at least a level 1 qualification or equivalent.

<table>
<thead>
<tr>
<th>Area</th>
<th>% Without Qualifications</th>
<th>% With NVQ 1+</th>
<th>% With NVQ 2+</th>
<th>% With NVQ 3+</th>
<th>% With NVQ 4+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>8.3</td>
<td>83.8</td>
<td>67.2</td>
<td>45.5</td>
<td>22.6</td>
</tr>
<tr>
<td>Doncaster</td>
<td>11.5</td>
<td>81.7</td>
<td>68.9</td>
<td>46.5</td>
<td>24.0</td>
</tr>
<tr>
<td>Rotherham</td>
<td>9.9</td>
<td>83.9</td>
<td>69.1</td>
<td>48.1</td>
<td>23.1</td>
</tr>
<tr>
<td>Sheffield</td>
<td>10.8</td>
<td>84.1</td>
<td>72.4</td>
<td>56.8</td>
<td>35.2</td>
</tr>
<tr>
<td>Basetlaw</td>
<td>11.2</td>
<td>81.4</td>
<td>64.6</td>
<td>33.5</td>
<td>20.4</td>
</tr>
<tr>
<td>Bolsover</td>
<td>12.6</td>
<td>75.6</td>
<td>56.7</td>
<td>38.3</td>
<td>17.8</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>4.7</td>
<td>90.7</td>
<td>74.3</td>
<td>49.9</td>
<td>25.6</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>5.2</td>
<td>90.5</td>
<td>76.7</td>
<td>61.5</td>
<td>39.7</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>9.5</td>
<td>88.1</td>
<td>76.0</td>
<td>61.2</td>
<td>31.8</td>
</tr>
<tr>
<td><strong>Sheffield City Region</strong></td>
<td><strong>10.0</strong></td>
<td><strong>83.9</strong></td>
<td><strong>70.0</strong></td>
<td><strong>50.3</strong></td>
<td><strong>27.9</strong></td>
</tr>
<tr>
<td>England</td>
<td>8.6</td>
<td>85.1</td>
<td>73.2</td>
<td>56.5</td>
<td>35.7</td>
</tr>
</tbody>
</table>

Annual Population Survey

- **Poor health**

In SCR, there are 716,400 people who are inactive due to long-term sickness or disablement. This varies across the City Region as shown in the table below.

In the 2011 Census And 182,133 reported that their day to day activities are “limited a lot”. This means that over 10% of the population has a health or disability issue that restricts them
“a lot” resulting with fewer than 4% being unable to work. Without effective interventions, this problem is set to intensify as the population ages. Unemployment itself often exacerbates health conditions and compounds the problem. Added to this there are over 83,730 individuals providing over 20 hours of unpaid care a week, 65% of whom are providing 50 or more hours a week. In South Yorkshire the problem is most acute in Barnsley and Rotherham.

### Areas of highest health deprivation, 2014/2015

<table>
<thead>
<tr>
<th>Area</th>
<th>Economically Inactive</th>
<th>% economically inactive temporary sick</th>
<th>% economically inactive long term sick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>31,000</td>
<td>1.7</td>
<td>37.1</td>
</tr>
<tr>
<td>Doncaster</td>
<td>45,300</td>
<td>1.7</td>
<td>28.5</td>
</tr>
<tr>
<td>Rotherham</td>
<td>40,600</td>
<td>1.4</td>
<td>28.9</td>
</tr>
<tr>
<td>Sheffield</td>
<td>84,600</td>
<td>1</td>
<td>23.5</td>
</tr>
<tr>
<td>Bassettlaw</td>
<td>15,400</td>
<td>1</td>
<td>28.1</td>
</tr>
<tr>
<td>Bolsover</td>
<td>16,900</td>
<td>1</td>
<td>27.6</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>13,600</td>
<td>1</td>
<td>17.0</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>9,100</td>
<td>1</td>
<td>17.9</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>12,400</td>
<td>1</td>
<td>21.6</td>
</tr>
<tr>
<td><strong>Sheffield City Region</strong></td>
<td><strong>268,900</strong></td>
<td><strong>1.5</strong></td>
<td><strong>26.6</strong></td>
</tr>
<tr>
<td>England</td>
<td>7,663,100</td>
<td>2.1</td>
<td>20.9</td>
</tr>
</tbody>
</table>

- **Gender based disadvantage**
  Data trends show that there is a greater likelihood of women being employed part time women are nearly three times more likely to be employed part time than men. Women are far less likely to be self-employed than men; only 4.1% of economically active females are self-employed as against 11.54% of the male economically active. This is despite self-employment offering a way of combining the work and caring responsibilities which fall most often to the female partner, as illustrated by the far higher proportion of lone parents being female. In addition the gender pay gap in 4 out of the 9 areas is higher than the national average.

<table>
<thead>
<tr>
<th>Area</th>
<th>Male full time weekly gross pay (£)</th>
<th>Female full time weekly gross pay (£)</th>
<th>Gender pay gap (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>524.7</td>
<td>418.4</td>
<td>-106.3</td>
</tr>
<tr>
<td>Doncaster</td>
<td>525.0</td>
<td>404.5</td>
<td>-120.5</td>
</tr>
<tr>
<td>Rotherham</td>
<td>538.0</td>
<td>357.5</td>
<td>-180.5</td>
</tr>
<tr>
<td>Sheffield</td>
<td>502.1</td>
<td>424.1</td>
<td>-78.0</td>
</tr>
<tr>
<td>Bassettlaw</td>
<td>530.4</td>
<td>408.8</td>
<td>-121.6</td>
</tr>
<tr>
<td>Bolsover</td>
<td>437.1</td>
<td>376.6</td>
<td>-60.5</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>517.2</td>
<td>415.8</td>
<td>-101.4</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>530.4</td>
<td>401.0</td>
<td>-129.4</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>550.7</td>
<td>383.9</td>
<td>-166.8</td>
</tr>
<tr>
<td><strong>Sheffield City Region</strong></td>
<td><strong>517.3</strong></td>
<td><strong>399.0</strong></td>
<td><strong>-118.3</strong></td>
</tr>
<tr>
<td>England</td>
<td>565.3</td>
<td>466.0</td>
<td>-99.3</td>
</tr>
</tbody>
</table>

- **Older Workers**
  Adults aged 50 – 64 form 27.6% of SCR’s economically active working age population and the unemployed aged 50 – 64 make up 12.5% of the unemployed population, a far lower proportion than young people.

Furthermore, with current and proposed changes to state pension age, coupled with lower levels of return on pension investments, more and more people will either want or have to work
over age 65. In turn society needs to engage older people in work in order to support the affordability of pensions and to promote active ageing and the economic inclusion of older people. Contrary to some myths, research cited by CIPD (Chartered Institute of Personnel and Development) notes that keeping older people economically active and employed does not have a negative impact on the employment of young.

At the opposite end of the spectrum older workers have the experience young people lack, but are more likely to have more health problems and lower levels of qualifications than young people and in common with women and people from ethnic minority populations experience discrimination based on their characteristic.

- Ethnic diversity
Although the population of the City Region is predominately White British at over 93% of the population, this misses considerable diversity in parts of the city region. Much of this is accounted for by Sheffield which has a greater diversity of population and where 14.4% of the population has an ethnic minority or migrant background. This also reflects Sheffield’s role as a university town and home to over 2,300 international in 2013-14.

The largest ethnic minority population is that of people of Pakistani / Bangladeshi origin.

Despite a comparatively low proportion of ethnic minority communities in most of the city region, the region is home to people from over 82 countries, creating difficulty with a lack of critical mass to provide specific support tailored to particular community needs.

Furthermore, community demographics are volatile and subject to a range of personal choices, European and global influences, some of which are unpredictable. It is estimated that in 2014 between 10,200 -10,600 new long term immigrants arrived in South Yorkshire5. Since the last census in 2011 its estimated 11,000 long-term migrants settled in the region. The top country of origin overall in South Yorkshire was Romania in 2014 with circa 2,600 arrivals. The Roma community is an example of a distinct community which is difficult to identify through standard data which has no way of recording their separate culture. Currently Migration Yorkshire reports that Roma in South Yorkshire are mainly concentrated in Sheffield and Rotherham, followed by Barnsley and Doncaster. They expect the number of Roma to increase and spread further within SCR.

2.6 Greener Growth

The Centre for Low Carbon Futures calculated that the 2011 SCR energy bill was £3.41 billion per year, and that this would grow to £4.59 billion by 2022 – a £1.18 billion increase. With the

annual GVA output of SCR standing at approximately £28bn, energy costs constitute over 10% of economic output; a significant proportion.

Moving toward lower carbon energy generation would bring the following benefits to SCR:

1. Greater control over energy costs. This would provide both business and residents with greater stability, giving them confidence to invest, boosting the economy and supporting job and business growth.

2. Low carbon is a key growth sector for SCR with the SEP setting a target for approximately 12,000 jobs in this sector by 2025.

3. Moving SCR to a position where it has stronger skills in the delivery of low carbon projects would allow for export of these skills both nationally, and internationally. In particular, there is an opportunity to grow this sector as developing economies elsewhere in the world seek to tackle their own decarbonisation challenges.

4. Creation of a low carbon energy ecosystem, that not only generates low carbon electricity, but other products and services such as heat, hydrogen fuel, food and waste processing.

5. Through investment in low carbon energy generation, SCR can make its own contribution to addressing national challenges, namely supporting the UK in meeting the requirements of the Climate Change Act (80% less CO₂ emissions by 2050, compared to 1990 levels), keeping the lights on by addressing the energy generation gap, and achieving greater security over our energy supply.

2.7 SWOT Analysis

We acknowledge the weaknesses and the threats identified in our evidence base, but we are equally conscious of the strengths and opportunities that offer the potential for growth. Our Growth Plan – hence our EU Investment Strategy too – will build upon our existing assets to capitalise on all of our opportunities. The wider SWOT analysis for the SCR is provided below:
2.8 SUD SWOT

Given the focus on green growth within the SUD (as detailed in the next section), the challenges and opportunities that apply at a national level (N) are largely applicable at a local level – these being:

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>- NLCE-C1: Still a significant way to go to meet renewable energy production and energy efficiency targets.</td>
<td>- NLCE-O1: National policies are already in place to support the achievement of Europe 2020 targets in relation to GHG emissions reduction and renewable energy production.</td>
</tr>
<tr>
<td>- NLCE-C2: Significant variation in carbon emissions, particularly from industrial and commercial sources.</td>
<td>- NLCE-O2: Urban areas offer economies of scale and particular opportunities for sustainable transport and residential energy efficiency.</td>
</tr>
<tr>
<td>- NLCE-C3: Persistent challenges in the transport and residential sectors for efficiencies and reduction of emissions, in particular given continued growth in demand in both rural and urban areas.</td>
<td>- NLCE-O3: Significant economic opportunities in the Low Carbon Environmental Goods and Services sector.</td>
</tr>
<tr>
<td>- NLCE-C4: Land Use, Land use Change and Forestry (ULUCF) sector whilst currently a net GHG sink is predicted to become a net emitter.</td>
<td>- NLCE-O4: The geography of the UK is well suited to the development and exploitation of renewable energy.</td>
</tr>
<tr>
<td>- NCCA-C1: Impacts of climate change are likely to result in disruption and revenue loss and are a threat to sustained economic growth including for rural economies and the agricultural sector.</td>
<td>- NCCA-O1: The protection of ‘vulnerable’ areas can make them economically viable.</td>
</tr>
</tbody>
</table>
A more specific SWOT analysis to the SUD is provided below:

<table>
<thead>
<tr>
<th>Issue</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>Existing Low Carbon industries with high GVA.</td>
<td>Represents a small proportion of the wider business base.</td>
<td>Take advantage of manufacturing ‘on-shoring’ and to develop a green technology base.</td>
<td>Economic downturn.</td>
</tr>
<tr>
<td></td>
<td>World leading research at Universities.</td>
<td>Limited specialised business support products for low carbon businesses.</td>
<td>Build on existing base.</td>
<td>Competition nationally and internationally</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Supporting power hungry uses such as manufacturing and IT, as well as SMEs, lowering the cost of doing business and supporting their growth.</td>
<td>Uncertain national policy commitment to a low carbon economy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Develop innovation programmes to support SMEs.</td>
<td></td>
</tr>
<tr>
<td>Energy Generation</td>
<td>Existing renewables power generation within the SUD – eg eon Biofuel at J.33 of the M1</td>
<td>Limited renewable energy production in SY.</td>
<td>Development of small and large scale low carbon energy projects.</td>
<td>Uncertainty of Government incentives.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A high energy use industrial base that makes it difficult to move to a low carbon economy.</td>
<td>Proposals for low carbon capture being developed.</td>
<td>Competition from national and international energy providers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Opportunities to help secure energy supply, improve business efficiency and build resilience to fluctuating prices and supply insecurity, using ‘whole place low carbon solutions’.</td>
<td>Reduction in price of fossil fuels.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>Legacy of post-industrial areas of brownfield land available for development. Large stock of energy inefficient buildings.</td>
<td>Significant amount of brownfield land and a legacy of inefficient buildings and infrastructure that represent costs to development, may prove difficult to insure, and are a deterrent to investment.</td>
<td>Brownfield land that has potential to be redeveloped in existing urban areas in a sustainable manner linked to low carbon benefits. Retrofit programmes.</td>
<td>Planning process. Property values not sufficient to overcome cost of brownfield land development. Upfront costs.</td>
</tr>
<tr>
<td>Transport</td>
<td>Integrated transport system operated across South Yorkshire</td>
<td>Integration does not reflect new growth areas. New technology to be applied. Integration focuses on travel times rather than low carbon benefits. Areas suffering significant air pollution in particular NO2 and its impact on health and quality of life.</td>
<td>Existing multi-modal transport network that can be further enhanced to improve sustainable transport choices and introduce more efficient and greener technologies. Switch to low carbon propulsion such as hydrogen and electricity</td>
<td>Cost of introducing new infrastructure. Network capacity.</td>
</tr>
<tr>
<td>Blue Infrastructure</td>
<td>Location of a number of waterways providing quality settings for investment and ecological benefits.</td>
<td>Rivers prone to flooding limits development opportunities.</td>
<td>Improved flood risk management including measures to control runoff at source such as tree planting, sustainable drainage and storage with links to low carbon benefits.</td>
<td>As a result of climate change large areas subject to potential flooding where mitigation is only achievable at a high cost.</td>
</tr>
</tbody>
</table>
Green Infrastructure

| High quality environment across large parts of South Yorkshire in urban and rural areas. | New and existing growth areas do not always align with existing high quality environments. | Need for high quality investment locations in growth areas offering sustainability credentials and modern infrastructure with potential to build in low carbon measures. |

Communities

| Strong history of community participation and social enterprise. | Communities isolated or disconnected from key economic/employment centres, coupled with need to reduce over-reliance on motorised transport due to infrastructure constraints, wider inclusion and environmental protection needs | Design local solutions and support local delivery vehicles and partnerships that address both local and national challenges. Commercial property through energy reduction and efficiency measures including retrofit |

Skills

| Talented, skilled people and local knowledge, expertise and experience already exists in SY | Skilled people tend to leave the region. No focus on low carbon skill sets | Retention of skills in key areas to support the development of a low carbon economy. |

2.8 Policy and Key Players in the SCR

The introduction of LEPs with the region have introduced a new dynamic between the public and private sector and focussed attention on functional economic areas rather than political boundaries. The result has been a change in both policy direction and the key stakeholders involved in setting the policy, with the private sector now playing a greater role.

In this context the key strategic documents influencing the design of the SUD Strategy and proposals are, and will be:

- SCR Strategic Economic Plan, SCR Executive, March 2014
- SCR ESIF, SCR Executive, January 2014
- The South Yorkshire Green Infrastructure Strategy – South Yorkshire Forest Partnership 2011
The Key Players at the SUD level include: SCR Low Carbon Group, SCR Infrastructure Executive Board and the SCR ESIF sub-committee and Local Authorities.

The combination of the above groups brings public and private expertise for the content of the SUD Strategy but also ensures political support and leadership. These groups have all been consulted in the development of the SUD Strategy together with others such as the Local Nature Partnership and Social Inclusion and Equalities Advisory Board who have all had some input during the development of the SUD Strategy.

2.9 The SUD and the ESIF

This SUD strategy represents a focussed sub-set of the wider ESIF Strategy for the SCR. The funding and outputs delivered by the SUD contribute to the delivery of the ESIF and are not independent from it.

The benefit of the SUD is to provide a clear emphasis on specific issues faced by South Yorkshire particularly the legacy left by its industrial past. The SWOT analysis above demonstrates that the urban aspects of South Yorkshire, and its economic base, provide a real opportunity to implement green growth. With growth being targeted in key locations within South Yorkshire the SUD enables the potential to direct investment to a limited number of areas with a broad range of interventions that are specific to that locality and utilise the whole place low carbon solutions that are the preferred (but not only) option of the SUD.
Section 3 Strategy for Sustainable Urban Development

3.1 Overview

Sheffield City Region (SCR) vision is to use the opportunity of ESIF to help create a stronger and bigger private sector that can compete in global and national markets. The City-Region LEP has consulted widely and engaged partners and stakeholders from all sectors in the development and implementation of this strategic aim and approach. SCR’s priorities for the South Yorkshire based SUD flow from this goal and all activities must deliver associated outcomes. Achieving sustainable development in the city-region, which has an important industrial base, requires urgent action to provide attractive investment locations to ensure greater resource efficiency and to enhance the resilience of its energy supply and systems.

Businesses including SMEs and larger firms in the city-region share the challenge to increase their uptake of resource efficiency measures and low carbon technology, processes and systems. This challenge is partly due to a real or perceived ‘choice’ as to whether to invest in these sustainability measures or, alternatively to target investment into other innovations that may also offer to make them more competitive or effective. Many of these businesses also the threat of climate change through a real risk of flooding affecting their activity either directly or indirectly. A holistic approach is therefore needed at targeted locations to deliver integrated infrastructure investment. Thus, SCR intends to use the opportunity of ERDF and associated/complementary investment opportunities to help resolve these opportunities and tensions to deliver resource-saving options efficiently alongside other essential infrastructures and innovations that will help boost growth. This is why the SUD includes ‘Complementary Actions’ integrating climate change mitigation and adaptation measures along with resource efficiency investment priorities.

Green growth is as much about job creation and commercial advantage as about decarbonisation. From the Employment Forecast in section 2.4, potential for growth in low carbon Industries is high, and the jobs that would be created present a high potential GVA for the SCR. Both universities in Sheffield have world renowned research and business development programmes focusing on sustainability, providing a ready supply of potential employees and business opportunities. With the UN forecasting over 60 million more jobs worldwide to be developed in the low carbon economy over the next 20 years, South Yorkshire, and indeed the wider SCR, is well placed to be at the forefront of these developments.

Economic development and sustainability are therefore viewed as complementary to one another, due to the opportunities of developing reliable (and more locally derived) sources of renewables, reduced energy prices (and less severe price fluctuations) and, of utmost importance, greater energy/resource efficiency.

3.2 Whole Place Low Carbon Solutions

South Yorkshire is heavily reliant on readily available, cheap energy supplies, particularly in the heavy manufacturing sector (for instance arc furnaces used in steel production). Economic activity in these areas can be supported through actions to reduce/meet energy needs elsewhere in the local grid, by supporting greater use of energy efficiency measures, by developing local renewable energy sources / supply-chains, and by maximising the benefits of compact, low carbon urban development. The city-region’s ambitions for growth in private sector employment are complementary to this goal. The SUD requires targeted investment to achieve a demonstrable impact via transformative projects with a real potential to improve the delivery of energy efficiency and climate change mitigation outcomes, preferably alongside wider resource efficiency measures.

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6 SCR Low Carbon Sector Strategy (2013)
It is in this context an integrated package is considered most likely to generate to greatest impact on Green House Gas emissions. Interventions that tackle sustainable multimodal urban mobility together with design, energy and smart grids within a coordinated approach are critical.

The SUD is particularly keen to support flagship schemes that will demonstrate the benefits of investing in integrated low carbon solutions. This could include high-profile, innovative developments to deliver attractive investment locations and enabling infrastructure within, including (but not exclusively):

- Investments in local/regional smart grid demonstration projects, including validation and solving system integration issues.
- Sustainable energy action plans for urban areas, including public lighting systems, smart metering and distribution through smart grids.
- Investments in combined heat and power from renewable sources.
- Investments to encourage the adoption of renewable technologies.
- Investments in actions aimed at improving the capacity at local level to develop and implement integrated and sustainable transport strategies and plans.
- Investments in actions aimed at introducing innovative environmentally-friendly and low-carbon technologies (for example, alternative fuel stations or charging points);
- Investments in actions aimed at developing innovative and multi-modal transport services (for example, intelligent transport systems for travel information and planning, traffic and demand management, smart ticketing, multimodal integrated datasets or cooperative systems);
- Innovative transport pricing and user charging systems;
- Cycle paths, walkways and waterways (green and blue infrastructure) where part of an integrated approach to GHG reductions.

Whilst such interventions are likely to be delivered under Investment Priority 4e, Low Carbon interventions that sit outside of the integrated ‘whole place solution’ may still be considered but will need to demonstrate an innovative approach wider benefits for the SCR economy. Such interventions would also be considered under Investment Priorities 4a, 4b, 4e and 4f.

The SUD also acknowledges that many of our potential locations for whole place solutions are affected by the potential of severe food risk. As a result, the SUD will look to support investments through PA5 that can mitigate the impact of flooding and encourage long term investment into the regional economy.

Our approach leads to the option of proposals delivering low carbon growth in areas that benefit from investment in the infrastructure to support the long-term sustainability of that place.

3.3 Issues that could be addressed through the SCR Green Growth SUD

a) Investment and economic development opportunities at brownfield site locations

The industrial legacy of South Yorkshire has provided the region with large areas of brownfield sites both within the urban centres but also in outer lying areas on the sites of former steel works and coalfields with their associated industries. These sites represent an opportunity for sustainable redevelopment rather than the use of greenfield sites. To this effect our SUD strategy will not support development on greenfield site unless outweighed by wider environmental benefits. However many of these sites retain elements of legacy in the former of the need for reclamation and servicing to modern standards, improved connectivity to a more integrated transport networks and enhancements to the wider environmental setting.
Investments by previous ERDF Programmes in these areas are now being continued by the SCR Investment Fund (SCRIF) and the ERDF support SCR JESSICA. Investment by these programmes has largely focussed on economic development and job creation and less on the principles of sustainable development. The SUD represents an opportunity to enhance the development of our brownfield sites. Appendix 1 demonstrates the extent of brownfield land across South Yorkshire.

Brownfield land development in isolation will not be supported through the SUD but will be encouraged where it can linked to activity supported under the relevant SUD Investment Priority and associated outputs.

**b) Opportunities for economic development through improved flood risk management**

According to the Environment Agency report 'The costs of the summer 2007 floods in England' the economic impact of the 2007 floods were estimated at £3.2billion. The economic impact of the floods was felt greatest by households and residents but there were significant implications for the providers of infrastructure – roads, rail, utilities etc, public services and health.

South Yorkshire was one of the areas that suffered widespread and significant damage from flooding from the industrial heartland of the Lower Don Valley through areas of Rotherham, Doncaster and Barnsley.

Following the 2007 the Environment Agency, together with partners, commissioned a report - Economic Impacts of Flood Risk on Yorkshire and Humber: Potential Future Floods (Nov 2008) with the objective to provide as assessment of the potential impacts of a future flood through the consideration of a ‘worst case scenario’. A worst case suggests that 24% of the South Yorkshire GVA could be affected by a flooding including of 6,000 businesses and 89km of road infrastructure as well as significant environmental and social implications.

The Environment Agency together with the South Yorkshire Local Authorities have responded to this threat and action is being taken. For example, in Sheffield the Local Authority has developed the UK’s first ‘flood based’ Business Improvement District and raised funding through the local Business Rate system to contribute to £19m flood alleviation scheme along the Lower Don Valley supported by the EA and DEFRA. However, this just represents just one intervention on one watercourse in Sheffield where, for example, a further £34m has been identified to be included in the Governments Flood Risk Management Grant in Aid Medium Term Investment Plan. Other interventions to manage flood risk are or have been identified in other areas of South Yorkshire will serve to protect property and infrastructure and/or enhance development opportunities.

Through the SUD South Yorkshire has the opportunity to stimulate economic development through targeted investment in flood risk management either through PA5 or PA4 where this also brings GHG benefits. This includes at source upstream storage and attenuation to slow the flow of runoff from the steep sided catchments of the Don, Rother and Dearne catchments, and improved flood defences in urban areas. Examples of relevant Growth Plan Project locations include the Upper Don area in Sheffield, the Rotherham-Sheffield corridor in the Lower Don Valley, DN7 in Doncaster, and the Dearne in Barnsley. Several South Yorkshire economic centres and urban areas tend to be liable to flood risks and are vulnerable to climate change impacts, especially increased heavy rainfall events. Tragically, flooding events in June 2007 led to the loss of lives and caused multi-million damages throughout South Yorkshire. The plan below shows key urban areas at risk of flooding from rivers (NB this does not include flood defences or areas protected, nor does it show important surface water flooding issues). Flood risk has proven to be an important constraint to economic development, not just through direct losses and damages but also through indirect impacts such as inability to obtain valid insurance, reduced investor confidence and decreased productivity due to disruption to people’s homes, businesses and lives.
In order to contribute to wider catchment flood risk management outcomes SUD schemes should demonstrate water sensitive development principles, such as the use of sustainable drainage systems and river restoration techniques. Potential schemes in areas of known flood risk that seek to provide new flood defences should also integrate wider benefits including sustainable mobility routes (greenways), and high quality landscapes offering habitat enhancement and recreation/leisure opportunities.

Flood risk management supported under PA5 will be encouraged to link to other investment activity supported in the SUD. However, where this is not possible such interventions will be required to demonstrate both tangible benefits to the economic growth prospects of the SUD area and how the immediate area is improved as a sustainable investment location.

**Potential Areas (not exhaustive) of Investment with ERDF**

- **Sheffield**
  - Sheffield Lower Don Valley
  - Sheaf Catchment
  - Sheffield Upper Don
  - Upper Blackburn Brook
  - Sheffield Watercourses
  - Three Brooks

- **Doncaster**
  - 6 principal main rivers, the Don, Went, Thorne, Idle, Dearne and Ea Beck.
  - Development Sites:
    - Hatfield (Junction 5)
    - Hatfield (South) – Bradholme
    - Carcroft Common
    - Waterfront (Future Phases)

- **Rotherham**
- Whiston & Thrybergh
- Sheffield Road area.
- Centenary Way to Kilnhurst, with particular emphasis on the Forge Island redevelopment site.
- Whiston Meadows Flood Cell
- Kinhurst Flood Cell
- ‘Rother Link’ between the Chesterfield Canal & South Yorkshire Canal

- Barnsley
  - J36 Site could discharge to Harley Dike which runs through Elsecar Reservoir into Knoll Beck and eventually into the River Dearne at Old Moor Wetlands;
  - J37 site could potentially discharge ultimately into the River Dearne near Barnsley Road/Deanne Hall Road, Low Barugh via an un-named culverted watercourse.

c) Creating attractive settings for investment through targeted green infrastructure investments

Alongside broader economic opportunities and threats, the city-region has the added issue of a surfeit of brownfield industrial locations and previously developed land associated with manufacturing, mineral and aggregates sites and in some cases, redundant infrastructure associated with earlier uses. Through strategic, landscape scale approaches, place-making and targeted green infrastructure investments\(^7\), fewer of these locations are now seen as a detractor to future investment. However, several unsightly sites still exist at high profile locations, particularly alongside key transport corridors such as railways and highways. The city-region does need to make better, and more efficient use of this land as a resource, and particularly to find more economic uses and outcomes. Within the SUD Low carbon development which leads to GHG benefits and creative flood mitigation measures provide a key chance to achieve these dual goals.

Investment in green infrastructure in isolation will not be supported through the SUD but will be encouraged where it can linked to activity supported under the relevant SUD Investment Priority and associated outputs.

d) Innovative developments integrating business efficient, modern infrastructure & high quality design

SCR has the priority to boost place-based innovation in low carbon and resource efficiency. In conjunction with work in other Investment Priority areas, our SUD will encourage support for eco-innovation and resource efficient development, along with associated work to establish productive joint ventures/partnerships between academia, SMEs and industry. Physical re/developments should be complemented by soft measures to facilitate local research and innovation (R&I) collaborations and establishment of spin-offs, drawing on excellent local research capacity. This could entail support for innovative product development, proof of concept, manufacture, testing, demonstration and marketing for specific low carbon technologies/ materials and resource efficiency measures.

The main aim of this activity would be to deliver well-designed, high quality investment locations offering modern, integrated infrastructure and advanced sustainability credentials. Our place-based approach will stimulate, nurture and support local collaborative R&D partnerships that demonstrate SME-led innovation, towards the development and delivery of new low carbon and clean-technology products, processes and services. Successful SUD schemes will be expected to work in tandem with local higher education / further education institutions (based within the city-region), to deliver new patents, start-up firms and wider knowledge transfer outcomes.

e) Community Based Low Carbon Interventions

Our SUD targets those areas of which have been adversely impacted by de-industrialisation which has left a legacy of brownfield sites, energy inefficiency, isolated and deprived communities. The place-based approach will enable the city region to address these challenges holistically and extend the benefits of low carbon growth into local communities, providing opportunities for jobs and energy efficient growth through local supply chain support. This approach enables the benefits of capital investment to support the generation of local businesses and growing SME capacity in the low carbon sector including the development of community based businesses and social enterprises.

Green growth is providing the catalyst for enterprises embedded in communities and delivering innovative solutions to energy generation and energy efficiency which also support the ongoing sustainability of these communities. The SUD will incentivise this type of intervention, which is able to contribute to lower carbon emissions through such interventions as:

- Micro generation schemes and community renewable energy companies.
- Local food schemes to reduce food miles and associated carbon emissions.
- Social enterprises to reduce energy waste through collective retrofit or recycling schemes
- Joint ventures between businesses and community or social enterprises to create low carbon opportunities for local people.
- Community transport ventures to both link people to work and reduce use of private transport.

These are not exclusive and the SUD will support innovative proposals coming from community and social enterprises.

Evidence from The Green Incubator Market Research (Groundworks, 2013) further demonstrates that community and social enterprises having a social and green focus can contribute to social inclusion by promoting economic opportunity to disadvantaged groups.
Its research identified higher numbers of entrepreneurs in this sector from disadvantaged groups. Breakdown of 120 social and green entrepreneurs (from 2013 “Green Incubator” Market Research)

<table>
<thead>
<tr>
<th>Type of Entrepreneur</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 26</td>
<td>17%</td>
</tr>
<tr>
<td>Female</td>
<td>68%</td>
</tr>
<tr>
<td>BME (Not White British)</td>
<td>20%</td>
</tr>
<tr>
<td>Region – S Yorkshire</td>
<td>91%</td>
</tr>
<tr>
<td>Region – Rest of Region (Yorkshire &amp; Humber)</td>
<td>9%</td>
</tr>
<tr>
<td>Social Enterprises</td>
<td>43%</td>
</tr>
<tr>
<td>Green Enterprises</td>
<td>48%</td>
</tr>
<tr>
<td>Previous experience (Entrepreneur has been in business before)</td>
<td>36%</td>
</tr>
</tbody>
</table>

High representation from South Yorkshire indicates higher latent demand in the sub-region for this type of support. It also suggests that this type of support successfully engages first time entrepreneurs.

The findings from this project also indicated that entrepreneurs had good or average business concepts, but required focused and specialist business advice, support and mentoring with Networking opportunities also being particularly valued.

3.4 Focus of the SCR SUD

The SUD represents an opportunity to bring together all or most of the interventions highlighted above into an integrated package which can utilise funding from the two Priority Axis falling within the SUD.

The opportunities are expected to align closely with the locations of employment growth identified in the SCR Strategic Economic Plan (SEP):
As well as the Urban Centres the priority areas covered in the SEP that fall within the SUD boundary are outlined below.

1 - Dearne Valley and Junction 36 - A major, mixed-use employment growth cluster, linking a number of development sites (including a number of EZ sites). The area has a number of low carbon businesses and an overall Eco-Vision vision – all of which align to support a low carbon vision for this area.

2 - Robin Hood Airport Doncaster Sheffield Corridor – This and surrounding areas to be recognised as a catalyst for business development, inward investment and job creation with regard to logistics, engineering and associated aviation activities.

5 - Sheffield City Centre - acting as the largest hub for Knowledge, Creative and Digital industries, Leisure, Higher Education, Culture and Financial and Professional Services sectors to be a key engine for growth in the City Region.

6 - The Sheffield Rotherham Don Valley Corridor (Sheffield City Centre to Rotherham Town Centre) represents largest cluster of modern manufacturing in the SCR and also includes a major retail centre, first class sporting facilities and popular cultural attractions.

7 - DN7 Initiative - This mixed-use growth corridor will include a cluster of green businesses (including research and development opportunities) and hi-tech companies with new direct
access to ports and the motorway network using low carbon technologies which will contribute to UK power needs and become one of the most advanced energy parks in the SCR with impact across the wider northern economy.

The comparison of flood risk, environmental degradation, brownfield sites and economic growth show very strong alignment and clearly demonstrate the need and opportunity of an integrated package to enable sustainable development within the Sheffield City Region.

Given the limited resources available with the SUD it is expected that a limited number of large projects will be brought forward that clearly demonstrate the principles of sustainable development with an integration of 2 Priority Axis within the Programme.

### 3.5 Thematic Objectives

TO4 – Low Carbon Economy
TO5 – Promoting Climate Change Adaptation, Risk Prevention and Management

The interventions will be expected to have a direct and impact positive impact upon three of the five Article 7 (Regulation (EU) No 1301/2013) Challenges – economic, environmental and climate.

### 3.6 Priority Axis

**PRIORITY AXIS 4: Supporting the Shift Towards A Low Carbon Economy In All Sectors.**

The SUD incorporates the following PA4 investment priorities (alongside those in other priority axes) in order to address specific local and national challenges and opportunities that include:

National Challenges: NLCE-C1; NLCE-C2; NLCE-C3
National Opportunities: NLCE-O2; NLCE-O3; NLCE-O4

The relevant Investment Priorities and Strategic Objectives selected for inclusion are as follows, noting that the preference for Low Carbon intervention is through IP4e – whole place solutions.

**Investment priority 4a:** Promoting the production and distribution of energy derived from renewable sources.

**Investment priority 4b:** Promoting energy efficiency and renewable energy use in enterprises.

**Investment priority 4e:** Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures.

**Investment priority 4f:** Promoting research and innovation in, and adoption of, low-carbon technologies.

**PRIORITY AXIS5: Promoting Climate Change Adaptation, Risk Prevention and Management**
The SCR SUD incorporates the PA5 investment priority (alongside those in other Priority Axis) in order to address specific local and national challenges and opportunities that include:

National Opportunities: NCCA-O1

The relevant Investment Priorities and Strategic Objectives selected for inclusion, and to be delivered only in conjunction with those listed under the other Priority Axis in the SUD Strategy, are as follows.

**Investment Priority 5b:**
Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems.

### 3.5 Financial Allocations

Allocations for the two Priority Axes (€1=£0.78) are as follows:

<table>
<thead>
<tr>
<th>Themative Objective</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Low Carbon</td>
<td>6,819,559</td>
</tr>
<tr>
<td>5. Climate Change Adaptation</td>
<td>1,620,638</td>
</tr>
<tr>
<td><strong>SUD TOTAL</strong></td>
<td><strong>8,440,197</strong></td>
</tr>
</tbody>
</table>

The indicative expenditure profile is:

<table>
<thead>
<tr>
<th>PA £’m</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>300,000</td>
<td>4,000,000</td>
<td>2,519,559</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,819,559</td>
</tr>
<tr>
<td>5</td>
<td>200,000</td>
<td>1,420,638</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,620,638</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-</strong></td>
<td><strong>500,000</strong></td>
<td><strong>5,420,638</strong></td>
<td><strong>2,519,559</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>8,440,197</strong></td>
</tr>
</tbody>
</table>

It is anticipated that first Calls for Proposals will be issued in Summer/Autumn 2017 with projects contracting for funding in 2018. On this basis, it is expected that the bulk of activity being delivered in 2019 to 2020. Project completion and payment of retention is expected during 2020/21.

Match funding has yet to be formally identified although it is expected to be secured to deliver all elements of the SUD within the life of the Programme. ERDF funding is expected to be provided at a maximum of 60% of eligible costs resulting in a total SUD Programme of at least £13.5m.

Potential match funding includes:

- DEFRA
- Environment Agency
- SCRIF
- Local Authorities / Combined Authority
- SYPTE
- Private Sector
3.6 Outputs

The Performance Reserve outputs associated with the SUD are provided below. A full list of outputs is provided at Appendix 2. All project proposals will need to demonstrate how they will deliver against these outputs.

ERDF Priority Axis Targets and Performance Reserve - SUD

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>CATEGORY OF REGION</th>
<th>By When (Year end)</th>
<th>Eligible Project Expenditure €</th>
<th>Enterprises Receiving Support - Partial</th>
<th>GHG Decrease (Tonnes Co2)</th>
<th>Percentage of schemes in place</th>
<th>Businesses and properties with reduced flood risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Transition</td>
<td>2018</td>
<td>3,721,637</td>
<td></td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Transition</td>
<td>2023</td>
<td>14,571,707</td>
<td></td>
<td>3,564</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Transition</td>
<td>2018</td>
<td>tbc</td>
<td></td>
<td>-</td>
<td>tbc</td>
<td>tbc</td>
<td>tbc</td>
</tr>
<tr>
<td>5 Transition</td>
<td>2023</td>
<td>3,462,901</td>
<td></td>
<td>-</td>
<td>tbc</td>
<td>tbc</td>
<td>714</td>
</tr>
</tbody>
</table>

It should be noted, and as with the wider ESIF strategy, the ability to deliver all the outputs associated with the SUD will be determined by the nature of the projects that are submitted approved. In addition, the selection process will need to take account of the basis of how outputs were allocated by the Managing Authority to the SCR ESIF.

Low Carbon Strategies - Savings generated through low carbon strategies under P4e in particular will be expected to be benchmarked against 2011 data for a Local Authority area.

Within the context of IP4e a low carbon strategy provides the framework for the delivery of measurable actions that will provide a whole place solution to reduce CO2. It is expected that that majority of activity could be covered by an existing plan or a combination of relevant strategies. It is expected that the strategy would cover a geographically defined area which primarily would be urban and be determined by the scale of the project and the type of activity. It is expected that a strategy for a whole place solution will focus on at least two Low Carbon Investment Priority areas to deliver the whole place solution.

Sheffield City Region Co2 Emissions Estimates (DECC, 2014. Units: Kt CO2)

<table>
<thead>
<tr>
<th>LA District</th>
<th>Year</th>
<th>Industry and Commercial Total</th>
<th>Domestic Total</th>
<th>Transport Total</th>
<th>N. LULUCF Net Emissions</th>
<th>Grand Total</th>
<th>Population (1000s, mid-year estimate)</th>
<th>Per Capita Emissions (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>2011</td>
<td>557.2</td>
<td>541.6</td>
<td>460.2</td>
<td>4.7</td>
<td>1,563.7</td>
<td>231.9</td>
<td>6.7</td>
</tr>
<tr>
<td>Doncaster</td>
<td>2011</td>
<td>703.4</td>
<td>674.4</td>
<td>882.1</td>
<td>44.3</td>
<td>2,304.3</td>
<td>302.5</td>
<td>7.6</td>
</tr>
<tr>
<td>Rotherham</td>
<td>2011</td>
<td>765.2</td>
<td>545.2</td>
<td>555.9</td>
<td>4.4</td>
<td>1,870.7</td>
<td>257.7</td>
<td>7.3</td>
</tr>
<tr>
<td>Sheffield</td>
<td>2011</td>
<td>1,372.0</td>
<td>1,035.1</td>
<td>646.9</td>
<td>1.3</td>
<td>3,055.3</td>
<td>551.8</td>
<td>5.5</td>
</tr>
<tr>
<td>Bolsover</td>
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<td>210.0</td>
<td>343.9</td>
<td>3.9</td>
<td>1,045.4</td>
<td>76.0</td>
<td>13.8</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>2011</td>
<td>223.5</td>
<td>232.3</td>
<td>153.8</td>
<td>-0.9</td>
<td>608.7</td>
<td>103.8</td>
<td>5.9</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>2011</td>
<td>278.2</td>
<td>173.0</td>
<td>237.4</td>
<td>4.3</td>
<td>692.8</td>
<td>71.1</td>
<td>9.7</td>
</tr>
<tr>
<td>N.E. Derbyshire</td>
<td>2011</td>
<td>211.9</td>
<td>224.6</td>
<td>244.6</td>
<td>-4.9</td>
<td>676.2</td>
<td>99.1</td>
<td>6.8</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>2011</td>
<td>300.9</td>
<td>254.0</td>
<td>370.6</td>
<td>14.0</td>
<td>939.6</td>
<td>113.0</td>
<td>8.3</td>
</tr>
</tbody>
</table>
3.7 Integrated Actions – SUD Criteria

1) **ERDF Compliance**

All applications for SUD funding will need to comply with ERDF regulations.

The proposals for the SUD will draw on two Priority Axes of Low Carbon development (PA4), and Climate Change adaptation (PA5). All project proposals will need to reflect the aims and objectives of the relevant Priority Axis and Investment Priority. Likewise, projects will also need to satisfy all ERDF regulations and other statutory/legal requirements where applicable such as planning consent and State Aid.

SUD schemes accessing PA4 will be required to accurately report GHG reductions (in terms of CO2e) occurring as a direct result the interventions.

Applicants must demonstrate the additionality of ERDF investment.

Projects will be considered in terms of Value for Money and Deliverability with the SCR providing formal advise to the Managing Authority in this respect.

2) **Local Strategic Fit**

When assessing proposals for fit with the SUD Strategy and other local plans a number of criteria will be considered as part of the assessment process. These will include (not exhaustive):

- **Economic Growth**

Economic development and growth in productivity can be assisted in target locations for Growth Plan projects by removing economic threats such as unattractive, post-industrial brownfield land. Incentives under the ESIF programme for low carbon development and flood alleviation can be harnessed to help exploit this opportunity. The aim of the SUD is therefore to encourage the development of attractive districts using a ‘whole place’ and innovative approach to deliver low carbon growth, attracting and securing investors that seek locations with real sustainability credentials.

- **Multi Investment Priority Interventions**

The principles of the SUD require the development of Complementary Actions drawing together the outcomes of different thematic objectives of the ESIF Strategy. This requires innovative approaches to integrate different funding strands to address local strategic priorities that cannot be solved through ‘silo thinking’ – disjointed and inefficient use of European funding instruments that are incompatible with the local area’s strategic goals. Projects that can demonstrate synergy with other elements of the ESIF Strategy and SEP are encouraged.

Projects that can demonstrate need and the added value of securing from both PA4 and PA5 are particularly encouraged.

- **Development Interventions**

New urban development and re-development schemes are encouraged to take into account;

- climate mitigation through rational energy use and renewable energy production;
- exhibit water-sensitive design solutions including water preservation and storage
- low carbon development measures including improved cooling, heat island mitigation and energy projects
- productive energy landscapes

- Partnership

Under the auspices of the Growth Plan, successful projects will be encouraged to work together with government, businesses, citizens, social enterprises and universities to help realise the SCR Integrated Infrastructure Plan.

- Innovation

Innovative investments exhibiting ‘whole place’ approach will form a key strand of the city-region’s approach to attract / secure investors seeking locations with credible sustainability performance and attractive settings that mitigate against risk. Innovative projects or delivery mechanisms that result in advanced resource efficiency centres as part of the mitigation-relevant adaptation strategy, demonstrating the integration of features such as low carbon retrofit; smart metering; district heating and cooling; water sensitive design; and multi-mode sustainable mobility nodes/linkages are encouraged.

The challenge to applicants for ERDF support is to create innovative yet deliverable masterplan concepts that address multiple functions, developing vibrant, attractive and busy areas alongside integrated networks for heat/energy, sustainable transport and mobility, water and biodiversity.

- Flagship Projects

With the funding being allocated to a specific strategy within the SCR ESIF Programme, there is an opportunity for the SUD to support flagship projects that could demonstrate, for example, how to:

- Realise sustainable business parks and property to stimulate economic growth whilst retrofitting environmental technologies;
- Develop and implement energy efficiency and renewable energy plans at the site- and district-level;
- Create and join up blue-green corridors, adapting development sites to climate change and building in sustainable transport/nature/recreation opportunities;
- Include local businesses and citizens in the planning, development and possibly financing of the site realisation
- Support the development of SMEs businesses in the low carbon/green sectors
- Promote the creation and growth of community and social enterprises utilising the opportunities of low carbon, green growth and resource efficiency to provide social benefit and local employment opportunity.

- Private Sector Support

Demonstration of private sector involvement and/or support is welcomed. Schemes may seek to utilise private sector-led platforms such as Business Improvement Districts, to drive forward integrated climate change mitigation and adaptation strategies, to transform physical redevelopment of former industrial areas, redundant roads and deprived residential districts, to integrate water-sensitive low carbon design and achieve resource-efficiency.
• **Design**

Proposals will be sought for quality schemes that show advanced levels of design, for instance addressing the following principles e.g.: (1) sustainably designed and constructed infrastructures - e.g. build-with-nature approaches; (2) innovative approaches helping to mitigate environmental risk at the city/regional level (i.e. as part of a wider green network); (3) measures to reduce resource use and emissions in water systems; and (4) energy-generating buildings.

### 3.8 Relationship to ESF – Inclusive Growth

Section 3.3e sets out the type of interventions that could be implemented to ensure that whole place solutions include the community located in the ‘place’. This approach builds upon the original draft SUD proposal (Appendix 3) submitted to DCLG which proposed a green and inclusive SUD for South Yorkshire. The removal of the Social Inclusion ERDF funding from the SCR Programme has required a rethink to the implementation of this concept. To this effect the SUD is encouraging alignment ESF to support implementation of the SCR SUD.

Support for community and social enterprises will help to reduce poverty. As noted by Groundworks in relation to the Green Incubator “A modest outcome of the Green Incubator programme has been reducing people’s dependency on benefits - clients may have been receiving housing benefit or tax credits, but not Jobseekers Allowance for example. The support has demonstrably developed people’s commercial and enterprise skills, financial understanding and business judgement even if, during the lifetime of the support, businesses were not created or sustained.”

Through the Call process project promoters will be actively encouraged to utilise ESF interventions to enable local communities experiencing socio-economic deprivation to access to the economic benefits of the SUD and to develop the skills pipeline and workforce skills to support the low carbon/green economy. Indeed, potential exists to develop specific ESF interventions associated with the SUD developments. These will be explored further depending on the response to Calls.

SCR has an ESF allocation of €70.m allocated across 3 priorities within the Transition Region:

<table>
<thead>
<tr>
<th>Priority</th>
<th>€ million</th>
<th>Primary Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>TO8</td>
<td>19.22</td>
<td>• Progress to Work</td>
</tr>
</tbody>
</table>
| TO9      | 19.32     | • Social Inclusion Programme including Community Innovation Grants  
|          |           | • Progress to Work – Holistic Support  
|          |           | • Socially Inclusive Self Employment |
| TO10     | 32.45     | • Skills Bank  
|          |           | • Skills for Jobs Growth |

Examples of how ESF can be used to support the SUD include:

- Accessing Skills Bank support to develop the skills of the workforce, in particular to support skills progression
- Utilising Skills for Jobs Growth to create routes into new employment opportunity for local unemployed individuals
• Joint development of community based volunteering and training opportunities to support access to jobs in the low carbon and green sectors.
• Supporting the development of low carbon and green sector self-employment within local supply chains

Proposers will be invited to submit applications for ESF support from SCR interventions and the appraisal for all proposals will include an evaluation of social impact. As part of this process the SCR Social Inclusion and Equalities will be asked to comment on all submitted proposals and their comments fed into the appraisal process.
Section 4 Description of the Partnership and Governance arrangements

4.1 Governance

- **SCR Combined Authority**
  The organisation that will be the Intermediate Body for the SUD will be the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (the ‘Authority’) (Also known as the Sheffield City Region Combined Authority).

The Authority was established pursuant to the Order on 1st April 2014 as a Combined Authority within the meaning of Part 6 of the Local Democracy, Economic Development and Construction Act 2009 with the aim of improving:

(a) the exercise of statutory functions relating to transport in the Combined Area;
(b) the effectiveness and efficiency of transport in the Combined Area;
(c) the exercise of statutory functions relating to economic development and regeneration in the Combined Area and the remainder of the City Region; and
(d) economic conditions in the Combined Area and the remainder of the City Region.

The nine local authorities that make up the Sheffield City Region (SCR) are:

<table>
<thead>
<tr>
<th>Constituent</th>
<th>Non-Constituent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>Bassetlaw</td>
</tr>
<tr>
<td>Doncaster</td>
<td>Bolsover</td>
</tr>
<tr>
<td>Rotherham</td>
<td>Chesterfield</td>
</tr>
<tr>
<td>Sheffield</td>
<td>Derbyshire Dales</td>
</tr>
<tr>
<td></td>
<td>North East Derbyshire</td>
</tr>
</tbody>
</table>

The 9 districts have a long history of collaboration, reflecting the natural economic geography of the region.

The Sheffield City Region Combined Authority brings together of two statutory bodies – the South Yorkshire Integrated Transport Authority (ITA) and the Economic Prosperity Board (EPB) in order to align political decision making around strategic Economic Development and Transport.

The Authority works in partnership with the private sector-led Local Enterprise Partnership (LEP) with the LEP Chair attending Combined Authority meetings on behalf of the LEP Board. This approach aims to ‘hardwire’ the partnership between the public and private sectors providing a solid, stable platform for future governance and decision making.

The full Constitution of the Authority is available upon request.

Within the Governance structure of the IB other interested groups will be:

- **SCR Delivery Boards**
  Under a scheme of delegation, the Authority has established 5 Delivery Boards with the key responsibility to commission the delivery of programmes likely to bring about LEP and SCR CA priorities.
Given the content of the SCR SUD, the Infrastructure Delivery Board (and Business Growth Board if required) will play an important part in developing ideas for SUD Calls working in consultation with the SCR Programme Commissioning Team and also provide a route to publicise the programme.

The Delivery Boards are responsible for the delivery of their elements of the Growth Deal. In addition, they have the ability to put forward future proposals for Growth or Devolution Deals. Any new policies developed by these Boards would need to be ratified by the Authority and LEP.

As a result of the legislation by which the Authority was established the delegations made to the Delivery Boards will need to reside with an officer(s) of the Authority. As defined in the Constitution this could be one of the eight local authority Chief Executives and / or the SCR’s Monitoring Officer, Section 151 Officer or Head of Paid Service.

It has been recommended that for the time being these delegations should sit with the Statutory Officers. Such an approach was considered to provide ‘dual key’ accountability arrangements and ensure that all decisions taken were always based on the agreement of all members of the respective Executive Board. If unanimous agreement cannot be reached with Board members, then the issue would be escalated to the Authority and LEP for decision.

Proposed remit of all Delivery Boards

- Programme Delivery:
  1. Oversee and operationalise the delivery of programmes included in the SCR City Deal, Growth Deal settlement and devolution deals.
  2. Sign off of budget for programmes, in line with the scheme of delegations.
  3. Commission activity to ensure programme delivery and implementation.

- Performance and Risk Management:
  1. Review programme performance.
  2. Identify and recommend mitigations for any programme risks or poor performance.
  3. Escalate any strategic, policy or programme risks to the LEP Board and Authority.

The current makeup of the Infrastructure Delivery Board (IEB) is outlined but this is currently under review but any change will maintain a combination of Leaders, LEP, CEX and Stat Officers (or delegates).

<table>
<thead>
<tr>
<th>Board</th>
<th>Leader</th>
<th>LEP</th>
<th>Chief Executive</th>
</tr>
</thead>
</table>
| Infrastructure | DMBC Mayor  
NEDDC Leader / (CBC Leader in interim) | 2 nominees | SCC CEX 
Bassetlaw CEX |
In addition to the Executive members attendees to meetings include SCR Executive and Local Authority Officers as well as other experts with relevant knowledge to assist the IEB.

- **SCRCA SUD Board**
The SCRCA will delegate authority to approve Calls and Funding Applications (both in relation to Local Strategic Fit) to a Board consisting of the four South Yorkshire Leaders and the Executive Director of the SCR Executive Team.

- **SCR SUD Committee**
The existing SCR ESIF Committee membership will be maintained to establish a specific Committee for the SUD and therefore advise both the Authority and the Managing Authority when developing Calls and selecting operations. It is proposed that the existing Terms of Reference are largely retained but adapted for SUD activity and there will be joint Deputy Chairs representing both the MA and the Authority. A separate Agenda will be prepared for the SCR SUD Committee and all minutes and records of decisions will be maintained separately from the wider ESIF Committee.

- **SCR Executive**
An SCR Executive Team has been established to develop the SCR economic strategy, to commission partners to deliver activity against the strategy and to assess proposals and programme manage the activity. The Executive Team will not deliver activity itself. The structure is summarised below:

![Managing Director](image)

### 4.2 Separation of Functions

With IB status the 'Body' takes on a number of functions that need to be kept separate to ensure transparency and fairness in the development of Calls and Selection of Operations. In effect, there are three core functions that will require teams within the IB to deliver:

1) Decision making
2) Strategy Development and preparation of Calls.
3) Project assessment and appraisal (local strategic fit plus value for money and deliverability)
SUD Activity: Contributing to Call Development and advising appraisal in respect to Local Strategic fit.
SUD Activity: Contributing to Call Development and advising appraisal in respect to Local Strategic fit.
SUD Activity: Service IB Board and ESIF Committee. Undertake appraisal in respect to Local Strategic fit and comment on Value for Money and Deliverability.
The decision-making function will rest with the SCRCA SUB Board. This Board will be serviced by the SCR Executive.

In respect to Strategy Development and draft Call content this activity will be undertaken by two elements of the Executive Team falling within the Strategy and Corporate Affairs Directorate and the Programme Commissioning Directorate.

The Appraisal function of outline and full Business Plans will be undertaken within the Programme Assurance Directorate but in consultation with the teams involved in drafting the Call content.

In this structure, it is important to note:

1) The SCRCA will not be applicant for ERDF funds that fall within the SUD Programme.

2) No members of the SCR Executive Teams outlined above will be involved in assisting parties develop outline proposals and no members will be involved in actual delivery of successful projects and no ESIF TA funded individuals will be involved in the functions of the IB.

It is not expected that Technical Assistance will be made available to enable the IB to deliver its IB functions.

4.3 Tasks of the IB

4.3.1 Call development

The Assistant Director Policy and the Assistant Director of Housing, Infrastructure and Planning, plus their teams, will draft content in respect of local strategic fit within Calls for the SUD.

The SCR Executive may choose to seek advice from the relevant Executive Board to assist the drafting of the Call content. Where this occurs any members of the Executive Board who consider they may be a potential applicant will be expected to declare an interest and not take part in the discussion.

Prior to a formal decision from the SCRCA SUD Board, a draft Call will be presented to the SUD Committee for advice. This advice will be presented to the Board to assist in their decision to approve or reject the content for the Call. Its decision will be in accordance with the 2014-20 ERDF England Operational Programme and Operational Programme specific objectives, outputs and results of the relevant priority axis/axes.

Subject to approval the local strategic fit content will be made available to DCLG for inclusion in the relevant Call and issued by them under their normal procedures.

4.3.2 Selection of Operations

The process of selecting operations will utilise that already implemented by the Managing Authority with assessment following the existing format and reporting routes. The IB process is outlined below:

1) Outline Business Plans are received by the MA and following Gateway compliance are made available to the IB for appraisal in respect of:

Local Strategic Fit (for decision):
   a) The proposed operation contributes to the needs/opportunities identified in the Call for Proposals to which it is responding.
   b) The proposed operation is aligned to the local growth needs set out in the local ESI Funds Strategy and contributes to the specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme.
Value for Money (for advice):
   a)  The operation must represent value for money. In assessing value for money, the IB will take account of:
      i.  Efficiency: the rate/unit costs at which the operation converts inputs to the Fund outputs.
      ii. Economy: the extent to which the operation will ensure that inputs to the operation are at the minimum costs commensurate with the required quality.
      iii. Effectiveness: the extent to which the operation contributes to programme output targets, results and/or significant strategic impact at the local level.

Deliverability (for advice):
   a)  The operation is deliverable within the requirements of the fund specific Operational Programme taking account risks, constraints and dependencies
   b)  Evidence has shown that this type of operation is effective or where the operation is new or innovative, the risks have been considered and appropriate mitigations put in place

Once Outline Applications have been received there will be no contact with project sponsors in any respects of their application with the SUD team within the SCR Executive.

Step 1 - The Assistant Director of Programme Assurance, and their team, will undertake the appraisal of the application and seek input from the Assistant Director Policy and the Assistant Director of Housing, Infrastructure and Planning as appropriate.

The assessment will be presented in written form addressing the three areas above together with a recommendation as to whether the application is considered ‘unsatisfactory’, ‘satisfactory’ or ‘good’.

Step 2 - The written assessment will thereafter be presented to the SCR SUD Committee together with the MA’s assessment of the other elements of the project for advice.

Step 3 – Having incorporated the advice of the SUD Committee the Assistant Director for Programme Assurance will present the project assessment of the three issues to the SUD Board. The SUD Board will formally determine whether the project is unsatisfactory’, ‘satisfactory’ or ‘good’ in respect to Local Strategic Fit. In respect to Value for Money and Deliverability the SUD will recommend to MA its views as to whether they consider the project is unsatisfactory’, ‘satisfactory’ or ‘good’.

The SCR SUD Committee and SCRCRA SUD Board will have their own terms of reference and will meet as required dependent upon the progress of the SUD activity.

2) Full Business Plan

Where a project has been approved by both the MA and the IB the sponsor will be invited by the MA to submit a Full Business Plan.

Upon the submission of a Full Business Plan the IB will follow the same three steps as identified above but will have the ability to engage with the project sponsor where clarification is needed in respect to the detailed Business Plan.

4.3.3 Performance Monitoring

The IB Team will meet regularly with the Head of the Local Growth Delivery Team of the MA to discuss the overall performance of the SCR ERDF Programme and specific projects so that the IB can consider the SUD strategy, its Calls and Projects in the context of the wider Programme.

4.4 Conflict of Interests
4.4.1 Managing Conflicts

The Authority: It is not anticipated that the Authority will be an applicant for SUD funding but should this arise under no circumstances will the individuals involved in the Call development and project Selection process be part of the application team. Any previous engagement with the other Teams will need to be declared in the applicant’s documentation together with a summary of any advice or information exchanged.

SCRCA SUD Board: To remove any potential for conflict of interest in decision-making, the South Yorkshire Board Members will need to declare an interest if proposals are put forward from their Authority and have no part in the discussion or decision. The Managing Director of the SCR Executive will also be part of the Board and will act as an arbiter and hold the casting vote in these circumstances or if bids were received from all four South Yorkshire Authorities.

SCR SUD Committee: The SCR SUD Committee will mirror the representation of the current ESIF Sub-Committee and operate in an identical manner other than being serviced by the SCR Executive. As with current practice should a member of the Committee have an interest in the potential submission of an application or becomes an applicant for SUD funding they will be required to formally declare an interest and take no further part in the discussion in relation to that issue. The declaration will be recorded in the minutes of the meeting.

SCR Executive: The three teams in the SCR Executive, identified above, will not be part of any application for funding. Once Outline applications have been submitted they will have no contact with project sponsors in the appraisal process and will only seek clarifications from applicants during the Full application appraisal process.

4.4.2 Register of Interests

A Register of Interests for all individuals involved in the SUD process will be collated and maintained by the Authority.

4.5 Key Stakeholders

The development of the SUD strategy has been undertaken in consultation with the following groups:

- SCR Low Carbon Group
- Local Nature Partnership
- SCR EU Officers Network
- Infrastructure Executive Board
- The SCR Combined Authority and Local Authorities
- The LEP Board and Advisory Boards

All comments have been collated and will be available for inspection if required.
Appendix 1: Examples of Brownfield Sites

Sheffield City Council

Barnsley MBC
# Appendix 1: SUD Outputs

## ERDF Priority Axis Targets and Performance Reserve - SUD

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>CATEGORY OF REGION</th>
<th>By When (Year end)</th>
<th>Eligible Project Expenditure €</th>
<th>Enterprises Receiving Support - Partial</th>
<th>GHG Decrease (Tonnes Co2)</th>
<th>Percentage of schemes in place</th>
<th>Businesses and properties with reduced flood risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Transition</td>
<td>2018</td>
<td>3,721,637</td>
<td>-</td>
<td>-</td>
<td>39</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4 Transition</td>
<td>2023</td>
<td>14,571,707</td>
<td>-</td>
<td>-</td>
<td>3,564</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5 Transition</td>
<td>tbc</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>tbc</td>
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<td>-</td>
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<tr>
<td>5 Transition</td>
<td>2023</td>
<td>3,462,901</td>
<td>-</td>
<td>-</td>
<td>tbc</td>
<td>714</td>
<td>-</td>
</tr>
</tbody>
</table>

## ERDF OUTPUTS - TRANSITION REGION - SUD

| Code   | Target                  | Region   | Enterprises receiving support | Enterprises supported | biodiversity: Surface area of habitats supported to attain a better conservation | Enterprises cooperating with research institutions | Enterprises supported to introduce new to the market products | Renewables: Additional capacity of renewable energy production | Households with improved energy consumption classification | Decrease of annual primary energy consumption of public buildings | Estimated annual decrease of GHG | Businesses and properties with reduced flood risk |
|--------|-------------------------|----------|------------------------------|-----------------------|---------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| 4a     | Low Carbon: Renewables  | TR       | 11                           | 3                     | -                                                                               | -                                                   | -                                                             | -                                                             | -                                                              | -                                                             | 873                                                           |
| 4b     | Low Carbon: Enterprises | TR       | 114                          | -                     | -                                                                               | -                                                   | -                                                             | -                                                             | -                                                              | -                                                             | 620                                                           |
| 4e     | Low Carbon: Whole Place | TR       | 93                           | -                     | -                                                                               | -                                                   | -                                                             | -                                                             | -                                                              | -                                                             | 862                                                           |
| 4f     | Low Carbon: Innovation | TR       | 23                           | 5                     | 0.6                                                                             | -                                                   | -                                                             | -                                                             | -                                                              | -                                                             | 345                                                           |
| 5b     | Climate Changed: Resilience | TR | -                             | 0.6                   | -                                                                               | -                                                   | -                                                             | -                                                             | -                                                              | -                                                             | 714                                                           |
Sheffield City Region SUD: A Green and Inclusive Economy

- Brief description of the wider sustainable urban development strategy and core city region targeted.

For the purposes of the ESIF 2014-20, the geographic coverage of the SCR SUD will be the 4 South Yorkshire Districts of Sheffield, Doncaster, Rotherham and Barnsley which covers a population of over 1.3 million people. South Yorkshire lies within the wider Sheffield City Region and is a Transition Region within the 2014-20 Programme benefiting from an allocation of £151m (€177m).

The SUD plan will be look to deliver a number of elements identified within the SCR Strategic Economic Plan/Growth Plan and ESIF Strategy wherein our vision is: ‘A City Region with a stronger and bigger private sector that can compete in national and global markets’.

It is within this context that the SUD aims to deliver an integrated, holistic approach to encourage green growth and ensuring that even our most deprived communities benefit from such growth. With such a focus it is expected that project proposals may draw on other relevant strategies including the Sheffield City Region Low Carbon Sector Strategy (2013), the South Yorkshire Green Infrastructure Strategy - Creating and improving our green network (2011) and the SCR Infrastructure Plan (under development).

Subject to approval it is expected that the SCR Combined Authority will act as the Accountable Body for the SUD.

- Brief description of proposed integrated actions to support sustainable urban development in the area targeted, including:

Core to our SUD is sound understanding of how to provide integrated ‘whole place’ approach to attract / secure investors seeking locations with credible sustainability performance and attractive settings that mitigate against risk. We benefit from our previous success in turning round degraded, post-industrial areas using this holistic approach to offer connected places benefiting from good non-motorised transport links, low energy use, high-quality landscape and habitat, renewables generation, brownfield land re-use/regeneration, access to a skilled labour force and improved liveability/quality of life on offer. However as outlined in our Growth Plan and ESIF the city region still faces a wide range of economic, social and physical challenges that need to be addressed to create a fully sustainable place to live and work. Our SUD provides an opportunity to tackle all three challenges but targeted on the areas of low carbon and social inclusion

We propose to use the following Thematic Objectives, Investment Priorities and Allocations:

- TO4 Low Carbon (€7,431,747): We would want to take advantage of all the Investment Priorities under TO4 at this stage under the whole place low carbon approach noting that 4(e) may be most appropriate and, importantly, that some activity will probably overlap with activities identified in TOs 5, 6 and 7 where there is an acknowledged close link.

- TO5 Climate Change Adaptation (€744,119): Both Investment Priorities provide the basis for investment in our SUD plan.

- TO9 Social Inclusion (€2,335,903): We propose to apply TO9 (b and c) to our SUD with the potential to focus on supporting activities designed to promote social inclusion whilst also tackling environmental issues.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Indicator</th>
<th>TO4</th>
<th>TO5</th>
<th>TO9</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>Employment increase in supported enterprises</td>
<td>10</td>
<td>77</td>
<td>87</td>
<td></td>
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<tr>
<td>ERDF</td>
<td>No Companies supported with Business resource Efficiency</td>
<td>49</td>
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<td>ERDF</td>
<td>Estimated GHG Reductions</td>
<td>tbc</td>
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<tr>
<td>ERDF</td>
<td>Infrastructure Site Development inc green infrastructure (ha)</td>
<td>3</td>
<td>1</td>
<td>4</td>
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</table>

Results: 1) An increase in the energy efficiency of companies, buildings and transport. 2) Improving the economic viability of areas through infrastructure investments including green infrastructure.
• Brief description of innovative nature or added value resulting from proposed SUD activity including explanation of how proposed activity is of national / international significance.

We aim to harness the potential of low carbon technologies to grow a sustainable (in all senses) economy and increase access for deprived communities and vulnerable people to new green jobs supporting the transition to a ‘Green and Inclusive’ urban economy.

Proposals will be invited with potential to act as trailblazers and catalysts to generate low carbon economic growth whether in the low carbon sector itself or enabling the wider business community to operate in a more resource efficient manner. At the same time, consideration will be required to engage with our most deprived communities so that they too benefit from such growth. Simply we are proposing a holistic a whole place approach to address sustainability and inclusion within a context of economic growth.

Our SUD activity will look to deliver a step change in integrated development, building on locally-driven proven best practices from transnational cooperation and a track record of world-class R&D. Examples include advanced resource efficiency centres and developments integrating low carbon retrofit, smart metering, district heating and cooling, anaerobic digestion, water sensitive design and multi-mode transport nodes fitted with ultra-low carbon vehicle infrastructure. We will adapt and deploy private-sector led models for investment and supply chains using the best examples (AMP, Tata Proving Factory). Central to our approach is to mainstream the best results from relevant cutting-edge networks in which we have played a leading role (e.g. Urban Nexus, Interreg), embedding proven concepts into core ERDF work, and dovetailed with innovation programmes such as Horizon 2020.

Lessons learned will be mainstreamed via learning and action alliances to support replication in other parts of the city region and beyond. The added value resulting from the actions is to deliver truly outstanding quality new developments, raising aspirations as well as delivering high quality private sector jobs in keeping with our Economic Plan. This opportunity will drive us yet further forward from the initial devastation of industrial contraction - through strategies for servicing vacant and derelict land - through place-shaping and environmental regeneration - and into the future by delivering a new generation of ambitious and exciting infrastructure and investment projects demonstrating durable growth via attractive investment locations providing whole-place low carbon solutions.

Actions supported will stimulate progress outwards from best practice ‘hotspots’ and mainstreaming progress through a series of interconnected key nodes and urban-rural linkages. This achieves a denser, more concentrated but more liveable and high quality development offer in target locations, which minimises energy consumption and travel, and encourages walking, cycling and public transport use – a critical condition for achieving lower carbon, energy-efficient and resilient growth in our city-region. Not only are these innovative measures and actions to be taken; the strategic approach and targeting of green growth investments to maximise value are also powerful innovations.

Social inclusion activities within the SUD will sit alongside our investments into greener growth and we will support our most deprived communities to benefit from such growth. Investment may range from enhancing physical accessibility to green growth through ‘place’ enhancement or transport interventions. Likewise the provision pathways to skills, training and employment in addition to the development of supply chain enterprises will encourage opportunities to develop.

Importantly SUD activity will sit alongside other interventions proposed through our ESIF whether this is through assistance to new and existing businesses (e.g. business support and/or access to finance), encouraging inward investment or labour force and skills development.

We consider our Green and Inclusive SUD an exciting opportunity to build on existing strengths, and develop new opportunities that can be demonstrated in the future as an exemplar of a truly sustainable approach to economic development.
• Brief description of Partnership and Governance Arrangements / processes envisaged.

The Governance of our SUD will follow that being put in place to oversee the wider delivery of our Strategic Economic Plan and ESIF.

Subject to the necessary approvals the Governance approach is outlined below:

• The Managing Authority will contract with the SCR Combined Authority in respect of the Accountable Body requirements associated with the SUD. It is understood that requirements are in relation to project selection only.

• The Combined Authority will look to delegate project selection to the SCR LEP Area Partnership (Local Sub-Committee). The LEPAP is currently in the process of being established with membership taking account of the recent EU regulations in respect of Partnership working. It is anticipated that the LEPAP will utilise the Terms of Reference currently being drafted by the Managing Authority as the basis for its activity. The LEPAP will be expected to approve all Calls for Proposals and determine projects in respect of Strategic Fit and Value for Money whilst the MA will consider the other selection criteria e.g. eligibility.

• A SUD Advisory Board will be established with membership being drawn from two Advisory Groups currently being put in place – these being the Low Carbon and Sustainability Group and the Social Inclusion and Equalities Group. The SUD Advisory Board will be expected to develop the Call for Proposals, provide detailed comments and recommendations to the LEPAP in respect of project submissions and monitor progress of the SUD.

• Where appropriate investments will be prioritised using advanced and innovative GVA models complementing the existing FLUTE methodology developed as part of the SCR Investment Fund (SCRIF).

• Members of the SUD Advisory Board will be provided the opportunity to engage with the EU Urban Network as and when appropriate.

Whilst our SUD will apply to South Yorkshire we anticipate scope to work with the 5 other Local Authorities that fall within the Sheffield City Region (SCR). Our proposal has the support of all the non-participating Authorities and the SCR Local Enterprise Partnership (LEP).