

23 May 2014

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

**NOTICE OF MEETING**

You are hereby summoned to a meeting of the Sheffield City Region Combined Authority to be held at the Rotherham Town Hall, The Crofts, Moorgate Street, Rotherham, S60 2TH at 4.00 pm on Monday 2 June 2014 for the purpose of transacting the business set out in the agenda.



**Diana Terris**  
**Clerk to the Combined Authority**

This matter is being dealt with by:

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Gill Garrety	ggarrety@syjs.gov.uk	01226 772806

## **Member Distribution**

**Councillors: Sir S Houghton (Chair), E Watts (Vice-Chair), G Baxter, J Burrows, J Dore, T Favell, S Greaves, Mayor R Jones, A Rhodes, L Rose, R Stone and A Western**

## **Contact Details**

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**SHEFFIELD CITY REGION COMBINED AUTHORITY**

**4.00 PM, 2 JUNE 2014**

Rotherham Town Hall  
The Crofts  
Moorgate Street  
Rotherham  
S60 2TH

**AGENDA**

	<b>Item</b>	<b>Page</b>
1	Apologies	
2	Announcements	
3	Urgent Items  To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	
4	Items to be Considered in the Absence of the Public and Press  To identify where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting.)	
5	Voting Rights for Non-Constituent Members  To identify whether there are any items of business that apply only to the South Yorkshire Members of the Combined Authority i.e. where it would not be appropriate for non-SY Members to have voting rights.	

	Item	Page
6	Declarations of Interest by individual Members in relation to any item of business on the agenda	
7	Reports from and Questions by Members	
8	Receipt of Petitions	
9	Minutes of the Meeting of the Authority held on 22 April 2014	1 - 10
10	Combined Authority Scrutiny	To Follow
11	Combined Authority Finance Update	11 - 36
12	Economic Baseline and Impact of Key Initiatives for SCR	Verbal Report
13	South Yorkshire Passenger Transport Pension fund	37 - 50
14	High Speed Rail Programme Board	51 - 56
15	Minutes of the SCR Combined Authority Transport Committee held on 19 May 2014	57 - 66
16	Draft Agenda for the meeting of the SCR Combined Transport Committee to be held on 30 June 2014	67 - 68

**SHEFFIELD CITY REGION COMBINED AUTHORITY**

**THE AMP TECHNOLOGY CENTRE, BRUNEL WAY, ROTHERHAM, S60 5WG**

**MINUTES OF THE MEETING HELD ON 22 APRIL 2014**

**PRESENT:**

Councillor Graham Baxter MBE, North East Derbyshire DC  
Councillor John Burrows, Chesterfield BC  
Councillor Julie Dore, Sheffield CC  
Councillor Tony Favell, Peak District NPA  
Councillor Sir Steve Houghton CBE, Barnsley MBC  
Mayor Ros Jones, Doncaster MBC  
Councillor Lewis Rose OBE, Derbyshire Dales DC  
Councillor Eoin Watts, Bolsover DC  
Councillor Anne Western, Derbyshire CC  
Karl Battersby, Rotherham MBC  
Huw Bowen, Chesterfield BC  
Peter Dale, Doncaster MBC  
David Hewitt, SCR Exec Team  
Andrew Frosdick, Barnsley MBC / SCR  
Wes Lumley, Bolsover DC / NE Derbyshire DC  
James Newman, SCR Local Enterprise Partnership  
Ben Still, SCR Exec Team  
Diana Terris, Barnsley MBC / SCR  
Craig Tyler, SYJS / SCR  
Eugene Walker, Sheffield CC / SCR

Apologies for absence were received from Councillors S Greaves, A Rhodes and R Stone

## 1 PROCEDURAL ITEMS

The meeting was opened by Diana Terris who welcomed the Members, officers and the members of the public present to the inaugural meeting of the SCR Combined Authority.

### 1.1. Appointment of Chair and Vice-Chair

Nominations for Chair and Vice Chair were invited.

Cllr Dore nominated Cllr Houghton for the Chair of the Combined Authority. This nomination was seconded by Mayor Jones and agreed by the Members present.

Cllr Burrows nominated Cllr Watts for the Vice Chair of the Combined Authority. This nomination was seconded by Cllr Baxter and agreed by the members present.

#### RESOLVED:

1. That Cllr Sir Steve Houghton CBE is appointed Chair of the SCR Combined Authority for the next year (2014/15).
2. That Cllr Eion Watts is appointed Vice Chair of the SCR Combined Authority for the next year (2014/15).

At this point, Cllr Houghton assumed the Chair of the meeting.

### 1.2. Appointment of Second Rotational Members for 2014/15 and the Subsequent Order of Rotation

A Frosdick provided Members with an explanation of why the appointment of rotational Members is required. Such appointments ensure the Authority has a majority of constituent Members.

It was noted that the principle of appointing rotational Members will be adhered to until there is any amendment to the obligating primary legislation.

It was confirmed that there is no requirement for rotational Members to attend Authority meetings unless required.

Rotational Members nominations from the constituent districts were confirmed as:

- Cllr Alan Gardiner (Barnsley MBC)
- Cllr Bill Mordue (Doncaster MBC)
- Cllr Paul Lakin (Rotherham MBC)
- Cllr Leigh Bramall (Sheffield CC)

It was suggested that with the Combined Authority Chair being provided by Barnsley MBC, an alphabetic system of rotational Member appointments

should be assumed, commencing with Doncaster MBC and Rotherham MBC.

RESOLVED:

1. That Cllrs Gardiner, Mordue, Lakin and Bramall be appointed as the Combined Authority's rotational Members
2. That Doncaster MBC and Rotherham MBC provide the rotational Members for 2014/15 (to be followed by Sheffield CC and Barnsley MBC).

1.3. Appointment of Clerk to the Combined Authority

RESOLVED:

1. That Diana Terris be appointed Clerk to the SCR Combined Authority.

1.4. Apologies

Apologies were recorded as above.

1.5. Announcements

No announcements noted.

1.6. Urgent Items

No items received.

1.7. Items to be Considered in the Absence of the Public and Press

No items received.

1.8. Voting Rights for Non-Constituent Members

A Frosdick provided Members with an explanation of how the voting rights for non-constituent Members will operate.

It was noted that whilst non-constituent Members do not have automatic voting rights such rights may be conferred on an item by item basis. The starting point and default position being that all matter will be decided on a SCR (i.e. 9 local authority) basis unless there is a very good reason why this should not be the case.

1.9. Declarations of Interest by Individual Members in Relation to Any Item of Business on the Agenda

No declarations noted.

1.10. Reports from and Questions by Members

No items received

#### 1.11. Receipt of Petitions

The Authority was presented with a petition from Sheffield for Democracy calling for a number of amendments to be made to the constitution.

In receiving the petition, the Chair noted that the constitution may still be considered 'draft' and subject to further revisions. The Chair therefore instructed officers to engage with Sheffield for Democracy to discuss their proposed amendments and consider how they may inform any future revisions.

It was agreed that a formal letter of response would be sent to Sheffield for Democracy once the matter had been given due consideration.

RESOLVED:

1. That officers working on behalf of the SCR Combined Authority engage directly with Sheffield for Democracy members.
2. That a formal letter of response be provided once the matter has been duly considered.

## 2 ITEMS FOR DECISION

### 2.1. Combined Authority - Constitution and Financial Regulations

A report was received summarising the key constitutional and administrative documents prepared for the Combined Authority and inviting the appointment of a number of key posts and roles.

It was noted that the Sheffield City Region Combined Authority is a statutory body akin, in many ways, to a local authority. Accordingly, the Combined Authority must have in place a Constitution, Financial Regulations and various other legal and procedural documents.

It was noted that the documents have been drafted in line with the wishes of Sheffield City Region Leaders, who have given a steer on various matters since the Scheme and Governance Review documents were submitted to Government in April 2013.

It was noted that the Constitution will remain subject to review and that recommended amendments will be reported to the Authority for ratification.

It was requested that appropriate reference to maximising 'social value' in respect of contract evaluation be added to the Constitution and that opportunities to enter into contracts with the Combined Authority be widened to cover the entire city region.



Members were asked to note the Members nominated to sit on the Transport Committee. It was noted that an appointment for Bassetlaw DC is awaited. It was agreed that the Chair of the Transport Committee should be Cllr Bill Mordue (Doncaster MBC) and the Vice Chair Cllr Leigh Bramall (Sheffield CC).

The Membership of the Transport Committee for 2014/15 was confirmed as:

- Barnsley MBC Cllr David Leech  
Cllr Roy Miller
- Bassetlaw DC TBC
- Bolsover DC Cllr Eoin Watts
- Chesterfield BC Cllr John Burrows
- Derbys Dales DC Cllr Lewis Rose OBE
- Doncaster MBC Cllr Bill Mordue  
Cllr Mick Jameson  
Cllr Richard Alan Jones
- NE Derbys DC Cllr Graham Baxter MBE
- Rotherham MBC Cllr Richard Russell  
Cllr Gerald Smith
- Sheffield CC Cllr Leigh Bramall  
Cllr Bob Johnson  
Cllr Bryan Lodge  
Cllr Tim Rippon  
Cllr Ian Auckland

It was noted that the Transport Committee will consider its delegated responsibilities (as reported to previous SCR Leaders' Group meetings) at its first meeting and report any issues by exception.

Members and officers requested that their thanks to Andrew Bullock (Sheffield CC) and the officers of the districts and SCR Executive Team for their assistance with devising the draft constitution be placed on record.

**RESOLVED:**

1. That the Constitution, as presented, is approved.
2. That the Common Seal is adopted and will be affixed to the minutes of the first meeting of the Combined Authority.
3. That Ben Still is appointed as Interim Head of Paid of Service / Chief Officer of the Combined Authority.
4. That Eugene Walker is appointed as Section 151 Officer and Director of Finance to the Combined Authority.
5. That Andrew Frosdick is appointed Monitoring Officer to the Combined Authority.
6. That the Members of the Transport Committee be appointed as noted.
7. That the Chair and Vice Chair of the Transport Committee be appointed as above.
8. That the Transport Committee will give further consideration to its delegated responsibilities at its first meeting and report any issues by exception to the next meeting of the Combined Authority.

## 2.2. Scrutiny Arrangements

A report was presented requesting the Authority's consideration of the approach to arrangements for Overview and Scrutiny in response to recent informal guidance issued on behalf of the Secretary of State.

In discussion, it was agreed that the scrutiny function should be of political balance, and the overseeing group should be chaired by a Member of the majority party (Labour) from a non-constituent district.

## 2.3. Integrated Infrastructure Investment Plan

A report was presented requesting Members support in principle for the development of a city region wide Integrated Infrastructure Investment Plan (SCRIP) and requesting support for the SCR Executive Team leading a process to define the potential scope of the plan.

Members were reminded of activity being undertaken locally in respect of the Government's Single Local Growth Fund for 2015/16 which includes previously announced allocations through DfT devolved majors and then further funds as yet unallocated

It was noted that the Strategic Economic Plan (SEP) process has highlighted the need and opportunity for a city-regional level Integrated Infrastructure Investment Plan; and that this plan would be the basis of agreed strategic priorities and future investment decisions.

It was noted that the core ask in the SEP is for accelerated funding to enable the existing SCRIF programme to be delivered faster which will then free up future years devolved funding for additional projects coming out of the proposed infrastructure plan and that the proposal is for the Infrastructure Plan to highlight further infrastructure to support the delivery of key investment priorities. This process would be underpinned by a spatial and economic evidence base, using partners existing plans as the basis in the first instance.

It was agreed that the views of the LEP Board members should also be sought.

RESOLVED, That the Combined Authority Members:

1. Support the principle to develop a proposal for a city region scale Integrated Infrastructure Investment Plan (SCRIP) and underpinning economic and spatial evidence.
2. Support that SCR Executive Team leading a process to define the potential scope of the plan. With a future LEP Board paper to option, the principles, governance, resourcing and delivery for SCRIP.

## 3 ITEMS FOR INFORMATION

### 3.1. Combined Authority - Continuity Report

A report was presented to provide a brief overview of the Combined Authority's revenue budget and capital programme. The report also outlined the treasury management strategy agreed for the Combined Authority by the Integrated Transport Authority, and the work underway to develop formal processes for distributing growth from Enterprise Zones.

J Newman commented on the funding being received via the LEP and the requirement to manage this separately.

The Chair noted that Authority's expectation that full and comprehensive finance reports will be regularly presented for consideration.

B Still informed Members that further information detailing grant funding post 2014/15 has now been received.

RESOLVED, That the Combined Authority Members:

1. Note the updates provided with regards to the revenue budget and the capital programme.
2. Note the short term breach of parameters on investments, and actions take to address the position.
3. Note the work being undertaken to develop and formalise the distribution of growth from Enterprise Zones.

### 3.2. Rail North

A report was received to provide an update on the progress of the partnership approach to procurement and management of the Northern and Transpennine Express Franchises due to commence in February 2016.

It was noted that the devolution of rail franchises is a key 'ask' of the Sheffield City Region Deal and the other first tranche city deals in the North. The Government has since said it is not able to support full devolution at this stage and as a result a partnership is being developed for procurement and management of the Northern and Transpennine Express rail franchises with the Department for Transport.

Members were reminded that the principles of a partnership approach were agreed between Rail North Leaders and the Secretary of State for Transport in January 2014 and supporting structures to support this are now being established. The political governance arrangements to support Rail North are now being developed.

It was noted that the partnership approach offers opportunities to better integrate rail and local economic planning in the Sheffield City Region, particularly through alignment with the Strategic Economic Plan.

It was noted that further updates will be presented as the initiative develops.

RESOLVED:

1. That the Authority Members note progress on developing a partnership approach to the procurement and management of the Northern and Transpennine Express franchises with the Department for Transport

3.3. Minutes of the ITA Meeting held on 6 March 2014

RESOLVED:

1. That the minutes of the ITA meeting held on 6 March 2014 be noted.

4 ANY OTHER BUSINESS

4.1. Location of Future Meetings

Members considered suitable locations for future Combined Authority meetings, agreeing to observe principles of accessibility and cost efficiency, i.e. using buildings in Local Authority ownership.

Dates of future meetings were noted.

RESOLVED:

1. That the Combined Authority meetings for 2014/15 will be held at Rotherham Town Hall.

4.2. Registered Address of the Combined Authority

Consideration was given to where may provide an appropriate registered address for the Combined Authority. 18 Regent Street, Barnsley was proposed given that this location hosts the Authority's governance staff.

RESOLVED:

1. That 18 Regent Street, Barnsley, S70 2HG be the registered address of the Sheffield City Region Combined Authority.

4.3. South Yorkshire Passenger Transport Pension Fund Committee (Pension Fund Committee)

Members were acquainted with the responsibilities held by the Pensions Fund Committee and informed that under the Integrated Transport Authority (ITA) arrangements; ITA Members constituted the Pensions Fund Committee's membership. Following the Combined Authority's assumption of the ITA's statutory and legal responsibilities there is therefore a requirement to agree whether Combined Authority Members should now constitute the Pensions Fund Committee's membership or whether this may be delegated to the members of the Transport Committee.

Prior to a decision being made on the Pension Fund Committees' membership, Members requested a more detailed report to be presented to the next Combined Authority meeting to help explain the scale of the Committee's responsibilities.

**RESOLVED:**

1. That a report detailing the responsibilities of the South Yorkshire Passenger Transport Pension Fund Committee be presented to the next meeting of the Combined Authority.

CHAIR

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**SHEFFIELD CITY REGION COMBINED AUTHORITY**  
**2 JUNE 2014**  
**COMBINED AUTHORITY (CA) FINANCE UPDATE**

## **Summary**

- Due diligence is being performed on all inherited revenue budgets
- Additional grant funding has been announced by government for LEPs to support the economic development side of the budget
- An Enterprise Zone Growth distribution mechanism is being developed
- LEP loan repayments have been deferred until such a point as the CA accrues sufficient cash surpluses to support its economic development activities
- Following the temporary investment arrangements that saw CA cash invested through SCC, the CA is now able to deposit into its own accounts and funds
- An assessment of the CA's contingent risk in respect of the South Yorkshire Passenger Transport Pension Fund has been performed

## **1. Issue**

- 1.1. This paper seeks to provide a more comprehensive update of the CA's revenue budgets than that which was provided at the inaugural meeting.
- 1.2. The paper also sets out how officers are performing line-by-line due diligence on the inherited budgets from the ITA and the SCR Executive Team to ensure forecasts are accurate, expenditure is properly aligned to business plans, and income generation is being maximised.
- 1.3. The paper outlines ongoing work to develop mechanisms that will allow the business rates growth cash from Enterprise Zones to be passed to the CA on behalf of the LEP.
- 1.4. A summary is also provided of the contingent risk the CA inherits as the administering body of the South Yorkshire Passenger Transport Pension Fund (SYPTPF).
- 1.5. The paper finally seeks authorisation for a delegated signatory list to enter into financial arrangements on the Section 151 Officer's behalf.

## **2. Recommendations**

2.1. It is recommended that the Combined Authority:

- Note the work being done to scrutinise budgets, and ensure they are effectively supporting business delivery
- Note the work being done to develop mechanisms to pass Enterprise Zone Growth cash from billing authorities to the CA
- Note the contingent risk the CA has inherited as part of its function as the administering body of the SYPTPF
- Notes the Finance Director's actions in authorising, pursuant to paragraph 1.3 of Section E Part 4 of the Authority's Constitution, those officers listed in this report to exercise on his behalf and in his name his delegated powers set out in paragraphs 4.1-4.12 and 4.17 of Section E Part 4.

## **3. Background information**

- 3.1. The CA has inherited a budget for the transport activities of the former ITA and the economic development activities of the SCR Executive team. These budgets were developed and approved by officers and bodies distinct from those with responsibility for the monitoring and reporting of them now.
- 3.2. Treating the new budgets as one would do for any other merger or acquisition, CA finance officers have been working with operational officers from the Executive Team to review on a line-by-line basis the SCR economic development budget, and with Joint Secretariat officers to review the ITA budget.
- 3.3. This review forms part of the due-diligence necessary to ensure financial resources are being properly deployed to support service delivery.
- 3.4. The SCR economic development budget will be materially reliant on receiving cash from business rates growth in Enterprise Zones. This cash will be used to repay the £1.1m inward investment 'loan' that was advanced to the LEP by the districts between 2012/13 and 2013/14.
- 3.5. Without a mechanism agreed with the districts this cash cannot be properly calculated, nor paid over to the CA on behalf of the LEP. Accordingly, the inward investment loan will remain outstanding until processes are agreed and codified.
- 3.6. In collaboration with the SCR Executive Team CA finance officers have developed proposals that will shortly be shared with the Directors of Finance forum for handling this loan in the context of the CA.



- 3.7. Treasury Management activities are now being normalised following the initial challenges associated with receiving significant cash amounts before the CA deposit accounts were live.
- 3.8. The CA has also inherited the role of administering body for the South Yorkshire Passenger Transport Pension Fund. This pension fund covers bus drivers previously employed by districts. Operational responsibility for the pension fund is delegated to South Yorkshire Pensions Authority (SYPA) and First Group Ltd are obliged to meet the costs of the fund. The CA, however, retains overall responsibility and accordingly inherits a contingent risk of c. £33m representing the current deficit on the fund.
- 3.9. Governance and monitoring processes will need to be considered to ensure this risk can be properly managed.

#### **4. Implications**

##### **Financial**

- 4.1. None

##### **Legal**

- 4.2. None

##### **Diversity**

- 4.3. None

**REPORT AUTHOR Gareth Sutton**

**POST CA Finance Manager**

**Officer responsible: Eugene Walker, Finance Director**

**Organisation Sheffield CC**

#### **5. Other sources and references:**

- 5.1. None

## REVENUE BUDGET DUE DILIGENCE

Upon inheriting the revenue budgets for the former Integrated Transport Authority (ITA) and the Local Enterprise Partnership (LEP), CA finance officers set in motion the necessary due diligence steps to ensure that budgets were justifiable and properly aligned to service delivery priorities.

This due diligence has manifested itself in a line-by-line appraisal of the budget items. The following paper outlines the budgets in granular detail, sets out the challenge Finance has placed on them, and details changes on previous budgets.

### SCR Economic Development Budget

The budget set by the SCR Executive, and agreed by LEP Chief Executives on the 6<sup>th</sup> March, represents the inherited economic development budget for the CA.

This budget can split between the 'Core Team' consisting of the Chief Executive (CA Head of Paid Service) and policy officers, and the Inward Investment Team led by a Director with a number of officers remitted to attract external investment to the city region, and reporting to the Head of Paid Service.

The budget principally comprises staffing costs and fees paid to external suppliers for consultancy and services. This reflects the role of the teams in generating and implementing policy.

The budget's income streams are heavily reliant on grants from government bodies and local contributions. There is a considerable amount of uncertainty in the stability of the government grants post 2015 (both in terms of them increasing or declining). The teams do, however, effectively generate their own income streams through the uplift in business rates that will flow to the CA from Enterprise Zone (EZ) sites which are heavily promoted by the Inward Investment team.

A budget summary is shown below, with a line-by-line budget offering greater granularity in Appendix 1:

Budget 2014/15	Core Team	Inward Investment Team	Total
	£	£	£
<b>INCOME</b>			
Local Contributions	£203,963	£0	£203,963
Grants	£686,495	£0	£686,495
EZ Growth	£0	£734,060	£734,060
<b>Total Income</b>	<b>£890,458</b>	<b>£734,060</b>	<b>£1,624,518</b>
<b>EXPENDITURE</b>			
Salary Costs	£567,290	£353,191	£920,481
Operating Costs	£22,965	£195,000	£217,965
Consultancy Costs	£196,000	£175,000	£371,000
Office Costs	£59,573	£11,500	£71,073
<b>Total Expenditure</b>	<b>£845,828</b>	<b>£734,691</b>	<b>£1,580,519</b>
<b>Forecast surplus</b>	<b>£44,630</b>	<b>-£631</b>	<b>£43,999</b>

Since last reported CA finance officers have worked with the operational officers to challenge and refine the budget. A number of important material changes have arisen due to this including:

- Reductions in the level of expenditure on services bought in from external consultants (although note that some of the government grants have explicitly been aimed at the use of external consultants to advise LEPs)
- Reductions in level of expenditure on materials and equipment bought to support office functions
- Additional staffing costs were identified
- An increase in identifiable grant available to the CA including:
  - Capacity Grant from the Department for Business Innovation & Skills
  - Revenue Grant from the European Regional Development Fund
  - Revenue Grant from the Growing Places Fund
  - Current efforts to secure Skills Funding Agency grant / resources in kind.

These amendments have pushed the budget from a deficit position to a forecast surplus for the year.

CA finance officers will continue to work with policy officers to ensure financial resource is used as efficiently and effectively as possible.

Challenges still remain for the economic development budget, however.

Challenge and review on the veracity of the EZ Growth income forecast suggests there is broad inconsistency in the way the forecast has been calculated at the district level. As EZ Growth represents 45% of the budget's overall income, there is a concern that adjustments to this figure could have a material impact on the bottom line. As income from EZ Growth is also due to the CA from financial year 2013/14 the issue is exacerbated.

CA finance officers have been working with CA policy officers and colleagues at the Department for Communities and Local Government to develop proposals to codify how EZ Growth should be calculated, forecast, reported, and eventually paid to the CA. Finance officers have also consulted with combined authority colleagues in Manchester and Liverpool to share knowledge and ideas.

Proposals will be taken to the Directors of Finance Group on the 4<sup>th</sup> June to outline mechanisms for moving EZ Growth into the CA. The proposals are grounded in the overarching requirement to provide the CA with the budget and cash certainty it needs to deliver an effective service, without disadvantaging the districts.

The uncertainty surrounding the EZ Growth figure, and when cash would be received from districts, has prompted the CA to defer repayments of the Inward Investment Loan that were due to be paid in April.

At the end of April £272k cash relating to economic development activities sat in the bank account, with forecast outflows for May to take this balance down to £196k. The first tranche of loan repayments for April would have amounted to £281k. Making the loan repayments as scheduled would have pushed the CA into a deficit cash position on the economic development side, forcing it to take credit to support its activities.

As the CA does not have legal powers to support borrowing for anything other than transport activities it would not be able to raise cash from money markets. The legal position of using transport surplus cash to support economic development cash flow is unclear given the impact on the statutory levy – advice in this respect has been sought. Accordingly, the CA was left with no option other than to delay repayments.

An indicative cash flow for the economic development activities is shown in Appendix 2. It should be noted that the EZ Growth issues, and uncertainty on when government grant is to be received, give material uncertainty to the position. The cash flow does, however, show how sensitive the economic development activities are to changes on forecast.

In addition to codifying and enforcing processes for moving EZ Growth, robust processes will be required to support cash flow forecasting.

Government have also recently announced that additional funding of £250k will be made available to LEPs through the Strategy Growth Plan Grant, and have reaffirmed their commitment to provide the £250k LEP Core Funding Grant in 2015/16.

The Core Fund and Strategy Grant will be awarded to the Combined Authority on behalf of the LEP. The Department for Communities & Local Government have confirmed government's expectation that the grant be used to support the costs associated with the development of the Single Economic Plan that has been developed through collaboration between the public and private sectors through the LEP and CA governance mechanisms.

Government expect decisions on the application of funding to be made through existing locally agreed governance mechanisms – in our case the CA and LEP.

### Transport Budget

The transport side of the revenue budget was agreed by the ITA board on the 6<sup>th</sup> February.

The budget principally consists of the levy on the South Yorkshire districts and the associated grant payment to the Passenger Transport Executive (PTE) to support its operational activities.

Most of the costs within the transport budget are now fixed. These include the most significant items:

- The grant to the PTE
- Interest costs on borrowing
- Provisions for repayment of debt

However, the budget was set with material additional costs relating to operating costs and the South Yorkshire Joint Secretariat recharge that would have been incurred if the ITA had continued in its former guise.

A summary of the budget is shown below, but a more detailed line-by-line budget offers a more granular view in Appendix 3:

<b>Budget Summary 2014/15</b>	
INCOME	<b>£'000</b>
Local Contributions	£75,982
Investment Income	£1,562
Subsidiary Recharges	£16
<b>Total Income</b>	<b>£77,560</b>
EXPENDITURE	
PTE Levy	£77,154
Financing Costs	£3,557
Operating Costs	£163
SYJS Recharge	£293
<b>Total Expenditure</b>	<b>£81,167</b>
<b>Net Expenditure</b>	<b>-£3,607</b>
<b>Draw on Reserves</b>	<b>£3,607</b>

As part of the review of this budget, the SYJS recharge has been studied. SYJS will not provide the same over-arching support role for the CA as they previously did for the ITA. Instead, a number of services will be provided to the CA by Sheffield City Council and Barnsley MBC. Accordingly, CA Finance officers have looked to challenge the costs that make up this budget line.

The SYJS recharge is broadly made up as follows:

<b>Previously incurred SYJS recharges:</b>	<b>£'000</b>
Rechargeable Pensions	£2
Meeting Room Accomodation	£4
Webcasting	£5
Bank charges	£8
Internal Audit	£13
Legal & Monitoring Officer	£17
Clerk & Treasurer	£27
HR & Business Support	£34
Costs Associated with Regent Street	£39
Policy & Member Support	£53
Finance Team	£91
<b>SYJS Recharge</b>	<b>£293</b>

CA finance officers have been liaising with Barnsley MBC who hold responsibility for the legal and governance functions of the CA, and Sheffield City Council who operate the CA's Finance Service, to identify where savings can be made on these figures. Further work needs to be completed before being reported on or before a final budget can be agreed.

CA finance officers are also currently reviewing the Treasury Management Strategy inherited from the ITA. This Strategy is particularly conservative, reflecting the volatile investment environment.

CA finance officers are reviewing this strategy to identify whether all layers of risk are properly mitigated, and the relative efficacy of it to meet the budgeted £1.562m investment income target, or preferably beat it. Although the security of CA investments will always be a more important concern than the return on investments, it is important that we are vigilant to the deflationary impact of cash that consistently yields significantly less than the prevailing rate of inflation.

The cash flow for our transport activities (appendix 4) is indicative, and sensitive to movements (normally slippage) on the capital programme. It does, however, show that the CA can expect to have substantial amounts of cash on deposit for a sustained period of time. Most of this cash relates to the PTE monies held on their behalf up until the point it is needed to repay their debt. Accordingly, there is a large degree of certainty on a significant amount of this cash.

This certainty supports an approach to placing deposits on long-term maturities where it is prudent to do so, thus achieving better returns.

CA finance officers will also be reviewing the efficacy of the CA holding the transport reserves it does. Current un-earmarked revenue reserves are forecast to stand at £5.8m by year-end 2014/15; this amounts to 7% of overall in year expenditure. Revenue reserves in total (including the PFI reserve) are forecast to stand at £11.8m which would represent 14.5% of total expenditure.

The full transport reserves, and their forecast movements, can be summarised as follows:

Transport Reserves Movements 2014/15				
£'000				
	Balance b/f	Draw	Contribution	Balance c/d
Revenue Reserves:				
General Reserve	£7,905	£-2,107	£0	£5,798
PFI Reserve	£6,158	£-1,500	£1,360	£6,018
<b>Total Revenue Reserves</b>	<b>£14,063</b>	<b>£-3,607</b>	<b>£1,360</b>	<b>£11,816</b>
Capital Reserves:				
LTP Capital Grant	£1,022	£-17,899	£16,877	£0
LSTF Grant	£13,486	£-13,486	£0	£0
Capital Receipts	£5,343	£-5,343	£0	£0
<b>Total Capital Reserves</b>	<b>£19,851</b>	<b>£-36,728</b>	<b>£16,877</b>	<b>£0</b>
<b>Total Useable Reserves</b>	<b>£33,914</b>	<b>£-40,335</b>	<b>£18,237</b>	<b>£11,816</b>

It should be noted the capital reserves are shown to be expended by the end of financial year 2014/15. This position reflects the end of the current round of LSTF . A bid has been made for the next round of LSTF funding, whilst LTP allocations will be announced later in the summer.

It is important that the CA retains a prudent level of reserves to mitigate against risk and future demand pressures, but it is also essential that the reserves strategy supports the overall business plan.

CA finance officers will, over the coming months, look to review the reserves strategy alongside the PTE's medium to long-term budget forecasts to ensure that the application of our financial resource is properly aligned to the business plan and member priorities.

#### Treasury Management Update

As previously reported, the transfer of £111m of ITA cash on the 1<sup>st</sup> April presented issues for the CA in where to deposit the cash. As the CA was not a legal entity before the 1<sup>st</sup> April 2014, it was not in a position to acquire deposit accounts or money-market funds until some time after this date due to long lead in times related to fraud and money-laundering regulations. This situation was exacerbated as most public bodies received significant grant inflows in April, so were in cash surplus positions.

To get around this problem all cash was initially deposited through SCC. SCC then, whenever possible, on-invested this cash into separately allocated AAA rated money market funds (MMFs). Since this point cash has been placed with other local authorities, and the CA has gained access to its own MMFs, such that at the time of writing no residual funds are left with SCC.

For the month of April the average outstanding investment balance was £202m averaging a return of 1.15%. Accrued interest for the month was £190k.

The current investment position is being supported by a number of high yielding investments that were placed during the credit-crunch. As these investments mature it is highly unlikely they will be replaced with similar yielding products. As an example, deposits placed during April have yielded as low as 0.26%.

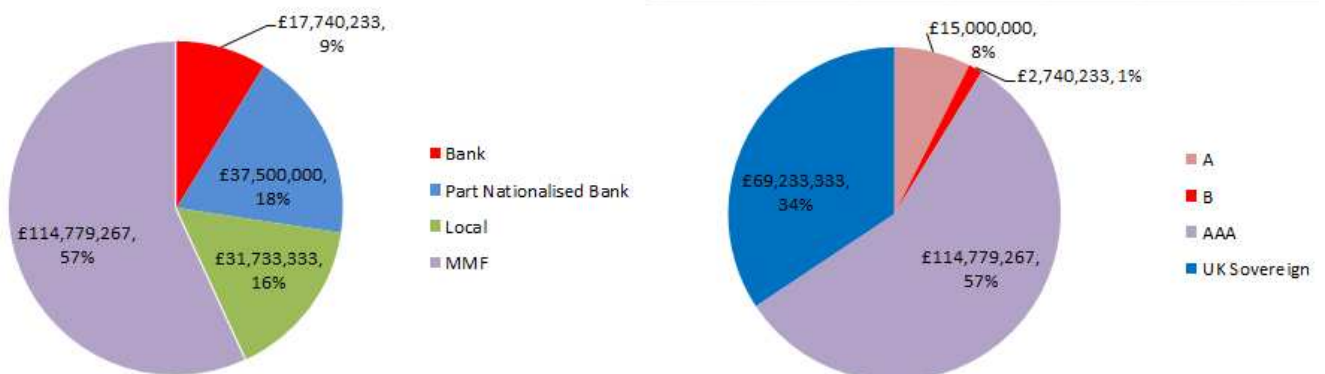
As at the 30<sup>th</sup> April the CA's investment position was as follows:



Type	Counterparty	Rating Fitch	Outstanding Balance £	Rate %	Deal Duration days
MMF	BlackRock	AAA	£30,000,000	0.37%	1
	JP Morgan	AAA	£11,216,500	0.36%	1
	State Street	AAA	£30,000,000	0.33%	1
	Scottish Widows	AAA	£30,000,000	0.36%	1
	Deutsche	AAA	£30,000,000	0.36%	1
Fixed term	Dunbartonshire Council	UK Sovereign	£9,000,000	0.26%	30
	Guildford Council	UK Sovereign	£6,000,000	0.26%	30
	Bank of Scotland	UK Sovereign	£6,158,000	0.40%	30
	RBS	UK Sovereign	£5,000,000	3.30%	273
	Barclays	A	£5,000,000	3.45%	273
	RBS	UK Sovereign	£5,000,000	3.50%	91
	Barclays	A	£5,000,000	2.15%	182
	RBS	UK Sovereign	£5,000,000	3.00%	273
	Lloyds TSB	UK Sovereign	£5,000,000	1.42%	455
	Barclays	A	£5,000,000	2.50%	273
	Lloyds TSB	UK Sovereign	£5,000,000	1.12%	455
	Lloyds TSB	UK Sovereign	£5,000,000	1.33%	640
	Peterborough Council	UK Sovereign	£5,000,000	0.75%	731
	Barnsley MBC	UK Sovereign	£5,000,000	0.40%	364
	West Lothian Council	UK Sovereign	£5,000,000	0.43%	364
	Worthing Council	UK Sovereign	£1,800,000	0.50%	364
	<b>Total</b>		<b>£214,174,500.00</b>		

The portfolio is characterised by the high quality counterparties the CA is investing with; namely local authorities, AAA money market funds, and part nationalised banks.

The following graphs show the weighted average deposits by counterparty type and rating. The UK sovereign rating can be applied to part nationalised banks and local authorities.



The charts serve to show that the CA's investments are highly conservative. The right hand chart does show, however, that an investment was placed with a 'B' rated bank. This relates to an £81m overnight investment that was deposited into the Coop Bank's Public Sector Reserve by SCC on the CA's behalf on the 1st April.

It is the CA's policy not to invest in banks with a credit rating as low as B. This is because a B rated bank carries unreasonable default risk; that is, the risk that the bank will be unable to return the deposit.

This deposit was placed because there were no alternatives available. Deadlines for placing investments with money market funds are between 1pm and 1.30pm, whilst electronic banking ends at 3.30pm. On the 1<sup>st</sup> April the CA did not receive all the cash from the ITA until after these dead-lines had passed. This meant that the only interest bearing account available for the CA to invest in was with its own bank – the Coop. This was an exceptional position that is unlikely to be repeated.

The portfolio is also relatively short. This means that most deals with mature relatively soon. This is partly by design, in that it is prudent not to invest too long in uncertain times, and partly because of market forces where there is little appetite from banks and other bodies for longer term funding.

CA finance officers will be reviewing the Treasury Strategy as part of the due diligence work.

## **SOUTH YORKSHIRE PASSENGER TRANSPORT PENSION FUND (SYPTPF) – CONTINGENT RISK**

### ***Also known as South Yorkshire Bus Fund***

At the meeting of the 22<sup>nd</sup> April it was noted that the CA had inherited 'administering-body' status from the ITA for the SYPTPF.

This means that the CA effectively administers a pension fund. In reality, most of the operational activity and management of the fund is managed by the South Yorkshire Pensions Authority (SYPA) in collaboration with professional fund advisors and investment managers.

Unlike the SYPF, SYPTPF is a single employer pension fund. This means that only one employer is responsible for meeting the costs associated with pensioners, active employees, and any deferred benefits or deficits. This employer is First Group Ltd who took on the bus operations.

However, the CA retains overall responsibility for the fund. This responsibility brings with it a contingent risk that should First Group Ltd fail to meet their financial obligations the CA would be required to make good those obligations.

In reality, this means the CA is guaranteeing the fund. At the last valuation on the 31<sup>st</sup> March 2013, the fund had a deficit of £33m; accordingly, the CA has a contingent liability for £33m. Should the deficit crystallise and First Group Ltd fail to meet it, the CA would be forced to pass these costs onto the South Yorkshire districts. Based on the actuary's analysis, this deficit will not be recovered before 2023.

In the context of this risk, it is important that governance procedures are robust enough to afford the CA the comfort that SYPA and those charged with operational responsibility for the fund are acting in the CA's best interest. A management agreement signed in September 2012 sets out the relationship between the ITA/CA and SYPA.

As the administering body, the CA is required prepare and publish a statement setting out its governance arrangements including the degree of delegation over operational procedures. It is also required, amongst other things, to produce strategy statements and document investment principles.

Under the ITA, a Passenger Transport Pension Fund Committee was established to provide oversight, scrutiny, and leadership. This Committee comprised six elected members and three officers.

Governance for the relationship between the CA, SYPA, First Group Ltd and the SYPTPF as a whole is being reviewed.

## **AUTHORISED SIGNATORY LIST**

The Section 151 officer has powers to enter into financial commitments and relationships on behalf of the CA. These commitments include placing investments, operating money market funds, and taking loans.

Operational practicalities mean that it is not often possible for the Section 151 officer to give personal approval in every instance. Accordingly, the CA can choose to give delegated authority to certain nominated officers to authorise transactions and commitments on the Section 151 officer's behalf.

This paper proposes that the CA follows the financial delegation processes employed by Sheffield City Council. These processes allow members of the city's Financial Leadership Team to authorise transactions under delegated powers.

The paper proposes that the following officers be authorised to act on the CA's behalf, exercising delegated powers from the Section 151 officer:

<b>Officer</b>	<b>Title</b>
Allan Rainford	Deputy Director of Finance
Anna Peysner	Assistant Director of Finance
Laura Pattman	Assistant Director of Finance
Elizabeth Orme	Assistant Director of Finance
Paul Schofield	Assistant Director of Finance
Mike Thomas	Senior Finance Manager
Chris Nicholson	Senior Finance Manager
Julie Fletcher	Senior Finance Manager
Ray Wright	Senior Finance Manager

This paper views this proposal as necessary for the effective and efficient execution of services.

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Budget 2014/15	Core Team	Inward Investment Te	Total		Budget 2014/15	Core Team	Inward Investment Te	Total	
	£	£	£			£	£	£	
<b>INCOME</b>					<b>INCOME</b>				
BMBC	£31,828	£0	£31,828		Local Contributions	£203,963	£0	£203,963	
DMBC	£41,252	£0	£41,252		Grants	£686,495	£0	£686,495	
RMBC	£35,909	£0	£35,909		EZ Growth	£0	£734,060	£734,060	
SCC	£75,149	£0	£75,149		<b>Total Income</b>	<b>£890,458</b>	<b>£734,060</b>	<b>£1,624,518</b>	
Bassetlaw	£3,963	£0	£3,963		<b>EXPENDITURE</b>				
Bolsover	£3,966	£0	£3,966		Salary Costs	£567,290	£353,191	£920,481	
North East Derbyshire	£3,966	£0	£3,966		Operating Costs	£22,965	£195,000	£217,965	
Chesterfield	£3,966	£0	£3,966		Consultancy Costs	£196,000	£175,000	£371,000	
Derbyshire Dales	£3,966	£0	£3,966		Office Costs	£59,573	£11,500	£71,073	
<b>Total Local Contributions</b>	<b>£203,963</b>	<b>£0</b>	<b>£203,963</b>		<b>Total Expenditure</b>	<b>£845,828</b>	<b>£734,691</b>	<b>£1,580,519</b>	
Capacity Grant (BIS)	£14,495	£0	£14,495		<b>Forecast surplus</b>	<b>£44,630</b>	<b>-£631</b>	<b>£43,999</b>	
GPF Revenue	£50,000	£0	£50,000						
BIS/CLG core fund	£250,000	£0	£250,000						
Strategy Growth Plan Govt fun	£250,000	£0	£250,000						
Skills Funding Agency	£72,000	£0	£72,000						
ERDF Grant	£50,000	£0	£50,000						
EZ Growth	£0	£734,060	£734,060						
<b>Total Grants</b>	<b>£686,495</b>	<b>£734,060</b>	<b>£1,420,555</b>						
<b>Total Income</b>	<b>£890,458</b>	<b>£734,060</b>	<b>£1,624,518</b>						
<b>EXPENDITURE</b>									
Team Salaries	£567,290	£353,191	£920,481						
<b>Salary Costs Total</b>	<b>£567,290</b>	<b>£353,191</b>	<b>£920,481</b>						
Lead Generation Organisation	£0	£175,000	£175,000						
Strategy Growth Plan	£146,000	£0	£146,000						
Economic strategy	£50,000	£0	£50,000						
<b>Consultancy Costs Total</b>	<b>£196,000</b>	<b>£175,000</b>	<b>£371,000</b>						
Travel costs	£13,965	£5,000	£18,965						
Officer Expenses	£9,000	£100,000	£109,000						
Conferences/Premises Fees	£0	£25,000	£25,000						
Marketing & Communications	£0	£65,000	£65,000						
<b>Operating Costs Total</b>	<b>£22,965</b>	<b>£195,000</b>	<b>£217,965</b>						
Office Equipment	£59,573	£11,500	£71,073						
<b>Office Costs Total</b>	<b>£59,573</b>	<b>£11,500</b>	<b>£71,073</b>						
<b>Total Expenditure</b>	<b>£845,828</b>	<b>£734,691</b>	<b>£1,580,519</b>						
<b>Total Net Costs</b>	<b>£44,630</b>	<b>-£631</b>	<b>£43,999</b>						

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**LEP CASHFLOW SUMMARY**

**ECONOMIC DEVELOPMENT ACTIVITY: FORECAST CASH FLOW FINANCIAL YEAR 2014/15**

	Total	April	May	June	July	August	September	October	November	December	January	February	March
Total Inflows	£1,924,310	£0	£14,495	£962,426	£172,000	£0	£258,463	£0	£0	£258,463	£0	£0	£258,463
Total Outflows	£2,144,239	£21,099	£90,294	£513,423	£90,294	£90,294	£232,117	£371,600	£90,294	£232,117	£90,294	£90,294	£232,117
<b>Net Cashflow</b>	<b>-£219,929</b>	<b>-£21,099</b>	<b>-£75,799</b>	<b>£449,003</b>	<b>£81,706</b>	<b>-£90,294</b>	<b>£26,346</b>	<b>-£371,600</b>	<b>-£90,294</b>	<b>£26,346</b>	<b>-£90,294</b>	<b>-£90,294</b>	<b>£26,346</b>
<b>Cash at Bank/Available for Investment</b>		<b>£272,191</b>	<b>£196,391</b>	<b>£645,395</b>	<b>£727,100</b>	<b>£636,806</b>	<b>£663,152</b>	<b>£291,552</b>	<b>£201,258</b>	<b>£227,604</b>	<b>£137,309</b>	<b>£47,015</b>	<b>£73,361</b>
<b>Cash Inflows from Operating Activity</b>													
Government Grant	£500,000	£0	£0	£500,000	£0	£0	£0	£0	£0	£0	£0	£0	£0
Local Authority Subscriptions	£203,963	£0	£0	£203,963	£0	£0	£0	£0	£0	£0	£0	£0	£0
Locally Held Regional Grants	£186,495	£0	£14,495	£0	£172,000	£0	£0	£0	£0	£0	£0	£0	£0
EZ Growth Cash	£1,033,852	£0	£0	£258,463	£0	£0	£258,463	£0	£0	£258,463	£0	£0	£258,463
	<b>£1,924,310</b>	<b>£0</b>	<b>£14,495</b>	<b>£962,426</b>	<b>£172,000</b>	<b>£0</b>	<b>£258,463</b>	<b>£0</b>	<b>£0</b>	<b>£258,463</b>	<b>£0</b>	<b>£0</b>	<b>£258,463</b>
<b>Cash Outflows from Operating Activity</b>													
Salary Costs	£920,481	£21,099	£30,190	£172,013	£30,190	£30,190	£172,013	£30,190	£30,190	£172,013	£30,190	£30,190	£172,013
Other Service Costs	£661,146	£0	£60,104	£60,104	£60,104	£60,104	£60,104	£60,104	£60,104	£60,104	£60,104	£60,104	£60,104
	<b>£1,581,627</b>	<b>£21,099</b>	<b>£90,294</b>	<b>£232,117</b>	<b>£90,294</b>	<b>£90,294</b>	<b>£232,117</b>	<b>£90,294</b>	<b>£90,294</b>	<b>£232,117</b>	<b>£90,294</b>	<b>£90,294</b>	<b>£232,117</b>
<b>Cash Inflows from Financing Activity</b>													
Inward Investment Loan Received	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Outflows from Financing Activity</b>													
Inward Investment Loan Repaid	£562,612	£0	£0	£281,306	£0	£0	£0	£281,306	£0	£0	£0	£0	£0
	<b>£562,612</b>	<b>£0</b>	<b>£0</b>	<b>£281,306</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£281,306</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

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<b>Transport Reserves Movements 2014/15</b>				
<b>£'000</b>				
	<b>Balance b/f</b>	<b>Draw</b>	<b>Contribution</b>	<b>Balance c/d</b>
Revenue Reserves:				
General Reserve	£7,905	-£2,107	£0	£5,798
PFI Reserve	£6,158	-£1,500	£1,360	£6,018
<b>Total Revenue Reserves</b>	<b>£14,063</b>	<b>-£3,607</b>	<b>£1,360</b>	<b>£11,816</b>
Capital Reserves:				
LTP Capital Grant	£1,022	-£17,899	£16,877	£0
LSTF Grant	£13,486	-£13,486	£0	£0
Capital Receipts	£5,343	-£5,343	£0	£0
<b>Total Capital Reserves</b>	<b>£19,851</b>	<b>-£36,728</b>	<b>£16,877</b>	<b>£0</b>
<b>Total Useable Reserves</b>	<b>£33,914</b>	<b>-£40,335</b>	<b>£18,237</b>	<b>£11,816</b>

<b>Budget Summary 2014/15</b>	
	<b>£'000</b>
<b>INCOME</b>	
Local Contributions	£75,982
Investment Income	£1,562
Subsidiary Recharges	£16
<b>Total Income</b>	<b>£77,560</b>
<b>EXPENDITURE</b>	
PTE Levy	£77,154
Financing Costs	£3,557
Operating Costs	£163
SYJS Recharge	£293
<b>Total Expenditure</b>	<b>£81,167</b>
<b>Net Expenditure</b>	<b>-£3,607</b>
<b>Draw on Reserves</b>	<b>£3,607</b>

<b>Previously incurred SYJS rec</b>	<b>£'000</b>
Rechargeable Pensions	£2
Meeting Room Accomodation	£4
Webcasting	£5
Bank charges	£8
Internal Audit	£13
Legal & Monitoring Officer	£17
Clerk & Treasurer	£27
HR & Business Support	£34
Costs Associated with Regent Street	£39
Policy & Member Support	£53
Finance Team	£91
<b>SYJS Recharge</b>	<b>£293</b>

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**TRANSPORT ACTIVITY: FORECAST CASH FLOW FINANCIAL YEAR 2014/15**

	Total	April	May	June	July	August	September	October	November	December	January	February	March
Total Inflows	£105,202	£15,962	£6,949	£6,916	£13,411	£6,961	£6,923	£13,634	£7,218	£6,907	£13,411	£6,907	£0
Total Outflows	£122,629	£13,569	£5,892	£5,892	£19,771	£5,892	£5,892	£19,771	£5,892	£5,892	£19,771	£5,892	£16,892
<b>Net Cashflow</b>	<b>-£17,427</b>	<b>£2,393</b>	<b>£1,057</b>	<b>£1,025</b>	<b>-£6,359</b>	<b>£1,069</b>	<b>£1,032</b>	<b>-£6,137</b>	<b>£1,327</b>	<b>£1,016</b>	<b>-£6,359</b>	<b>£1,016</b>	<b>-£16,892</b>
<b>Cash Available for Deposit</b>		<b>£214,175</b>	<b>£215,232</b>	<b>£216,257</b>	<b>£209,898</b>	<b>£210,967</b>	<b>£211,999</b>	<b>£205,863</b>	<b>£207,189</b>	<b>£208,205</b>	<b>£201,846</b>	<b>£202,862</b>	<b>£185,970</b>
<b>Cash Inflows from Operating Activity</b>													
ITA Levy	£78,375	£9,300	£6,907	£6,907	£6,907	£6,907	£6,907	£6,907	£6,907	£6,907	£6,907	£6,907	£0
Investment Income	£795	£158	£41	£9	£0	£54	£0	£223	£311				
Subsidiary Recharge	£16						£16						
	<b>£79,186</b>	<b>£9,458</b>	<b>£6,949</b>	<b>£6,916</b>	<b>£6,907</b>	<b>£6,961</b>	<b>£6,923</b>	<b>£7,130</b>	<b>£7,218</b>	<b>£6,907</b>	<b>£6,907</b>	<b>£6,907</b>	<b>£0</b>
<b>Cash Outflows from Operating Activity</b>													
Grant to the PTE	£73,690	£9,300	£5,854	£5,854	£5,854	£5,854	£5,854	£5,854	£5,854	£5,854	£5,854	£5,854	£5,854
PTE Cash Returned to Allow Debt Repayment	£11,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£11,000
Other Service Costs	£456	£38	£38	£38	£38	£38	£38	£38	£38	£38	£38	£38	£38
	<b>£85,146</b>	<b>£9,338</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£5,892</b>	<b>£16,892</b>
<b>Cash Inflows from Capital Activity</b>													
Highways Capital Maintenance Grant	£9,140	£2,285	£0	£0	£2,285	£0	£0	£2,285	£0	£0	£2,285	£0	£0
LTP Capital Grant	£16,876	£4,219	£0	£0	£4,219	£0	£0	£4,219	£0	£0	£4,219	£0	£0
	<b>£26,016</b>	<b>£6,504</b>	<b>£0</b>	<b>£0</b>	<b>£6,504</b>	<b>£0</b>	<b>£0</b>	<b>£6,504</b>	<b>£0</b>	<b>£0</b>	<b>£6,504</b>	<b>£0</b>	<b>£0</b>
<b>Cash Outflows from Capital Activity</b>													
Highways Capital Maintenance Grant	£9,140	£2,285	£0	£0	£2,285	£0	£0	£2,285	£0	£0	£2,285	£0	£0
LTP Capital Grant	£17,899	£1,885	£0	£0	£5,338	£0	£0	£5,338	£0	£0	£5,338	£0	£0
LSTF Grant	£13,486	£61	£0	£0	£4,475	£0	£0	£4,475	£0	£0	£4,475	£0	£0
Capital Receipts	£5,343	£0	£0	£0	£1,781	£0	£0	£1,781	£0	£0	£1,781	£0	£0
	<b>£45,868</b>	<b>£4,231</b>	<b>£0</b>	<b>£0</b>	<b>£13,879</b>	<b>£0</b>	<b>£0</b>	<b>£13,879</b>	<b>£0</b>	<b>£0</b>	<b>£13,879</b>	<b>£0</b>	<b>£0</b>
<b>Cash Inflows from Financing Activity</b>													
Borrowing Raised	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Cash Outflows from Financing Activity</b>													
Borrowing Repaid	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

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Budget 2014/15	Transport £'000	Economic Development £'000	Total CA £'000
<b>INCOME</b>			
BMBC	£13,147	£32	£13,179
DMBC	£16,966	£41	£17,007
RMBC	£14,485	£36	£14,521
SCC	£31,384	£75	£31,459
Bassetlaw	£0	£4	£4
Bolsover	£0	£4	£4
North East Derbyshire	£0	£4	£4
Chesterfield	£0	£4	£4
Derbyshire Dales	£0	£4	£4
<b>Total Local Contributions</b>	<b>£75,982</b>	<b>£204</b>	<b>£76,186</b>
Capacity Grant (BIS)	£0	£14	£14
GPF Revenue	£0	£50	£50
ERDF Grant	£0	£50	£50
Skills Funding Agency	£0	£72	£72
BIS/CLG core fund	£0	£250	£250
Strategy Growth Plan Govt funding	£0	£250	£250
EZ Growth	£0	£734	£734
<b>Total Grants</b>	<b>£0</b>	<b>£1,421</b>	<b>£1,421</b>
Investment Income	£1,562	£0	£1,562
<b>Investment Income</b>	<b>£1,562</b>	<b>£0</b>	<b>£1,562</b>
Subsidiary recharge	£16	£0	£16
<b>Total Other Income</b>	<b>£16</b>	<b>£0</b>	<b>£16</b>
<b>Total Income</b>	<b>£77,560</b>	<b>£1,625</b>	<b>£79,185</b>
<b>EXPENDITURE</b>			
Team Salaries	£0	£920	£920
<b>Salary Costs Total</b>	<b>£0</b>	<b>£920</b>	<b>£920</b>
Subscriptions	£31	£0	£31
<b>Subscriptions Total</b>	<b>£31</b>	<b>£0</b>	<b>£31</b>
Economic strategy	£0	£50	£50
Strategy Growth Plan	£0	£146	£146
Lead Generation Organisations	£0	£175	£175
<b>Consultancy Costs Total</b>	<b>£0</b>	<b>£371</b>	<b>£371</b>
Travel costs	£0	£19	£19
Insurance	£8	£0	£8
Audit Fee	£24	£0	£24
Conferences/Premises Fees	£0	£25	£25
Marketing & Communications	£0	£65	£65
Members' allowances & expenses	£87	£0	£87
Officer Expenses and other costs	£13	£109	£122
<b>Operating Costs Total</b>	<b>£132</b>	<b>£218</b>	<b>£350</b>
Rental, IT, Office Equipment	£0	£70	£70
<b>Office Costs Total</b>	<b>£0</b>	<b>£70</b>	<b>£70</b>
Previously incurred SYJS recharges:	£293	£0	£293
<b>SYJS Recharge</b>	<b>£293</b>	<b>£0</b>	<b>£293</b>
Grant to the PTE	£77,154	£0	£77,154
<b>PTE Levy</b>	<b>£77,154</b>	<b>£0</b>	<b>£77,154</b>
Financing costs:			
Interest Charges	£1,388	£0	£1,388
Debt Repayment Provisions	£2,169	£0	£2,169
<b>Financing Costs Total</b>	<b>£3,557</b>	<b>£0</b>	<b>£3,557</b>
<b>Total Expenditure</b>	<b>£81,167</b>	<b>£1,579</b>	<b>£82,746</b>
<b>Total Net Costs</b>	<b>-£3,607</b>	<b>£44</b>	<b>-£3,562</b>
<b>Reserve Movements</b>			
Draw on PFI Reserve	£1,500	£0	£1,500
Draw on General Reserve	£2,107	£0	£2,107
Contribution to General Reserve	£0	-£44	-£44
<b>Total Reserve Movements</b>	<b>£3,607</b>	<b>-£44</b>	<b>£3,563</b>

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**SHEFFIELD CITY REGION COMBINED AUTHORITY**

**2 June 2014**

**Report of the Clerk and the Treasurer**

**SOUTH YORKSHIRE PASSENGER TRANSPORT PENSION FUND COMMITTEE**

**1. Purpose of the Report**

There is a need to provide for appropriate continuity for the Administration of the South Yorkshire Passenger Transport Pension Fund for which the CA has acquired responsibility as Administering Authority from the former ITA. At their previous meeting members of the Authority asked for further information before making any decisions as to future arrangements.

**2. Recommendations**

- 2.1 That the Director of Finance undertake a review of the arrangements for the management of the South Yorkshire Passenger Transport Pension Fund and submit a further report to members to consider how the Authority should most appropriately discharge its functions as Administering Authority for the Fund having regard to Members fiduciary obligations.**
- 2.2 To ensure that Members fiduciary obligations are properly discharged in the interim and to provide for appropriate continuity the Authority delegate its functions as Administering Authority to a Committee of the Authority to be drawn from the six former members of the Passenger Transport Pension Fund Committee of the former Integrated Transport Authority who are now members of the Transport Committee of the Combined Authority.**
- 2.3 That the Committee be designated as the South Yorkshire Passenger Transport Pension Fund Committee.**
- 2.4 That the terms of reference of the Committee be approved as set out in section 3.1 of the Appendix 3 to the report.**
- 2.5 That Councillors Russell, Auckland, Bramall, Jameson, Jones and Leech be appointed as members of the Committee.**
- 2.6 That Director of Finance report to the Authority as appropriate during the interim as to the administration of the Fund in addition to the Authority receiving the minutes of meetings of the Committee**

### **3. Background**

- 3.1 The Authority has assumed as part of its functions which were transferred from the former ITA the role of Administering Authority for the South Yorkshire Passenger Transport Pension Fund. This Fund was originally the Pension Fund for the former municipal bus undertaking employees who were transferred to the private sector following Bus Deregulation. Details of the Fund, which is clearly a sizeable undertaking, are attached as Appendix 1. The Fund is administered and managed under contract by the South Yorkshire Pensions Authority. Whilst the ITA was the Administering Authority the relevant member oversight was discharged by a small Committee of elected members.
- 3.2 Further information with regard to the Administering Authority responsibilities and the key roles and responsibilities of members is set out in Appendices 2 and 3.
- 3.4 An officer from the South Yorkshire Pensions Authority has been asked to attend the meetings to assist with any specific queries with regard to the financial position of the Fund although as indicated at the previous meetings there are not considered to be any concerns as to the position of the Fund.

### **4. Key Issues**

- 4.1 Members were understandably concerned to understand the responsibilities which they have assumed from the ITA and before making any arrangements as to how these should be discharged within the new Combined Authority. However it is important that at least an interim decision as to ongoing arrangements is taken so that there is appropriate continuity in the oversight and management of the Fund.
- 4.2 The Director of Finance is now the responsible statutory officer for the financial affairs of the Authority and therefore of the Fund. Previously this role was discharged by the Clerk and Treasurer to the ITA who was also the Clerk and Treasurer to the South Yorkshire Pensions Authority which manages the Fund. The Director of Finance proposes to undertake a review of existing arrangements. This is reasonable and proper both because they have assumed statutory responsibility for the financial affairs of the Combined Authority, which includes the administration of the Fund, an also because with a new Authority coming into being it would be wrong simply to assume that the existing arrangements are necessarily appropriate going forward. There is a need to clarify the relationship between the roles of the Director of Finance and Treasurer of the South Yorkshire Pensions Authority.
- 4.3 However there is a need in the interim for appropriate continuity for the oversight of the Fund at elected member level given members have fiduciary responsibility as Pension Fund "Trustees".

- 4.4 It is unrealistic to expect any of the members of the Authority who are Council Leaders to have the time to undertake familiarisation training and to devote appropriate time to this important responsibility. The Authority's Monitoring Officer also has direct responsibility to the FCA in his role as Compliance Officers of SYPA.
- 4.5 The former members of the Bus Pensions Committee of the ITA have been appointed as members of the Transport Committee of the Combined Authority so there exists a repository of experience which can be utilised for continuity purposes whilst the recommended review exercise is undertaken.
- 4.6 There is scope for member roles to change in the future and this can be considered as part of the Review. However realistically it must be open to question whether Leaders will have the time to take on the significant commitment of being a Pension Fund Trustee given their overall level of commitments.

## **5. Proposal**

- 5.1 It is therefore recommended that whilst an appropriate review is undertaken by the Director of Finance the Authority delegates its functions as Administering Authority for the Fund to a Committee of suitably experienced members drawn from members of the Transport Committee. The proposed terms of reference of the Committee are set out within Appendix 3. It is anticipated that meetings of the Committee can be organised to follow meetings of the Transport Committee to minimise the additional impact on the commitments of elected members.
- 5.2 It would be appropriate in addition to the Authority formally receiving the minutes of the Committee for periodic reports to be submitted to Leaders by the Director of Finance and by the SYPA so that there is appropriate transparency for Leaders.

**Andrew Frosdick**  
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## SOUTH YORKSHIRE PASSENGER TRANSPORT PENSION FUND

**Administering Authority: Barnsley, Doncaster, Rotherham and Sheffield Combined Authority**

### FACTSHEET

Membership 03 14*	: Actives	246
	: Deferred	442
	: Pensioners	1450
Market Value assets 03 14	: £195.29m*	
Actuarial Valuation 03 13	: £227.09m	Liabilities
	: £194.22m	Assets
	: 86% Funding Level	
Employer	: First South Yorkshire Limited	
Actuary	: Barnett Waddingham LLP	
Investment Advisor	: Eric Lambert	
Pensions Administrator	: South Yorkshire Pensions Authority	
Investment Manager	: Old Mutual Global Investors	
	: South Yorkshire Pensions Authority	
Fund Advisor	: South Yorkshire Pensions Authority	
Custodian Bank	: HSBC Securities Services	
Business Bank	: Co-operative Bank	
External Auditor	: KPMG	
Affiliations	: Member of Local Authority Pension Fund Forum	

\*unaudited

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## ROLES AND RESPONSIBILITIES

### Administering Authority: Principal responsibilities

- Must maintain a pension fund for the Scheme and pay or credit to it monies received from employers and members and investment income and investment capital receipts and pay appropriate benefits
- Must invest all fund monies received and formulate a policy for that investment in accordance with the Regulations
- Must appoint an investment manager of a type stipulated if it doesn't manage the fund itself and keep the performance of the manager under review
- Must comply with LGPS Regulations, other pertinent legislation and the requirements of the Pensions Regulator
- Must prepare and publish a statement setting out its governance arrangements including degree of delegation and operational procedures
- Must publish an annual report the contents of which are stipulated
- Must provide employers with audited accounts
- Must prepare and publish a Funding Strategy Statement and Statement of Investment Principles the contents of which are stipulated
- Must prepare and publish a pension administration strategy statement
- Must prepare and publish a policy statement regarding the exercise of discretionary functions
- Must prepare and publish a communication policy statement (with members, members' representatives, prospective members and employers)
- Must appoint an actuary and obtain an actuarial valuation of the assets and liabilities of its fund every three years
- Must publish copies of actuarial reports and certificates to stipulated persons
- Must comply with the requirements involved in operating the Internal Dispute Resolution Procedure
- Must not borrow money when that money is liable to be repaid from the fund
- Must operate a separate fund bank account

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## MEMBERS' ROLES AND RESPONSIBILITIES

- 1.1 Guidance on the roles and responsibilities of Members sitting on Local Government Pension Scheme administrating authorities has traditionally been focused upon their conduct of investment issues. However, the effective and efficient administration of pension payments is an equally important objective of the Authority and the guidance applies as much to that function as it does to investment.
- 1.2 When considering the advice and determining investment policy, Members are effectively acting as trustees and as such need to understand the special obligations placed upon trustees. These responsibilities are additional to those carried out as an elected Member of a local authority. Members' duties as trustees are to manage the Fund in accordance with the regulations and to do so prudently and impartially on behalf of all the beneficiaries. This sometimes means that they may have to make decisions that in other political circumstances they may choose not to make. The overriding consideration for them as trustees, however, has to be for the benefit of the Fund and its contributors and beneficiaries. The advice of the Fund's advisors is very important in discharging this responsibility. Trustees can delegate some of their powers but not the responsibilities that go with them. They are not expected to be qualified to give investment advice or to initiate investment policy. They must be aware of what is proposed by their advisors and be sure that it is relevant to the needs of the Fund and within their powers.
- 1.3 In practice, trustees typically discharge their duty by ensuring that they have a systematic and clear way of agreeing their investment policy with the managers and advisors they employ. Testing adherence to policy on a regular basis is essential. These requirements will consist of meetings and regular written reports with professional advisors whose skills and judgements can be relied upon. This Authority obtains much of the advice from officers of its sister authority, South Yorkshire Pensions Authority, and from its own officers.
- 1.4 In addition to the setting of policy and investment parameters for the Fund, there should be meetings to review investment returns and administrative performance. Meetings with external advisors need not be as frequent as those with officers but can be arranged as circumstances require.
- 1.5 There has not been much recent case law relating to trustee responsibilities so the leading court judgments are now quite historic. They have, however, tended to stress the independent fiduciary duty required of a trustee and the requirement to put the needs of the beneficiaries first at all times. The duty of the trustees is to exercise their powers in the best interests of the present and future beneficiaries of the Fund. Holding the scales impartially between different classes of beneficiaries is paramount. Trustees must, of course, obey the law but subject to that they must put the interests of their beneficiaries first and the courts have traditionally held that the best interests of the beneficiaries are normally their best financial interests. In the case of a power of investment, the power must be exercised so as to yield the best return for the beneficiaries, judged in relation to the risks of the investment in question and the prospect of the yield of income and capital appreciation; both have to be considered in judging the return from the investment.
- 1.6 The standard required of a trustee in exercising his powers of investment is that he must take such care as an ordinary prudent man would take if he were minded to make an investment for the benefit of other people for whom he felt morally bound to provide. That duty includes the duty to seek advice on matters which the trustees do

not understand, such as the making of investments, and on receiving that advice to act with the same degree of prudence. This requirement is not discharged merely by showing that the trustee has acted in good faith and with sincerity. Honesty and sincerity are not the same as prudence and reasonableness. Accordingly, although a trustee who takes advice on investments is not bound to accept and act upon the advice, unless in addition to being sincere he/she is acting as an ordinary prudent person would act.

- 1.7 The Secretary of State has previously indicated that LGPS administering authorities should pay due regard to the principle contained in the landmark 1925 legal case *Roberts v Hopwood* in exercising their duties and powers under the regulations governing the investment and management of funds. In that case, Lord Atkinson said:

“A body charged with the administration for definite purposes of funds contributed in whole or in part by persons other than members of that body owes, in my view, a duty to those latter persons to conduct that administration in a fairly business-like manner with reasonable care, skill and caution, and with a due and alert regard to the interest of those contributors who are not members of the body. Towards these latter persons, the body stands somewhat in the position of trustees or managers of others”.

Lord Wrenbury stated that "A person in whom is vested a discretion must exercise his discretion upon reasonable grounds. A discretion does not empower a man to do what he likes merely because he is minded to do so - he must generally exercise the discretion to do not what he likes but what he ought. In other words, he must, by use of his reason, ascertain and follow the course which reason directs. He must act reasonably".

- 1.8 Governance issues were raised by Lord Hutton as part of his 2011 review of public sector pension schemes. Appropriate training of Members featured prominently in his recommendations. Therefore, it is possible that as the proposals for the future of the LGPS are developed, government might take the opportunity to review the roles of administering authority Members and the Secretary of State is expected to announce shortly, further consultation on LGPS governance arrangements. The establishment of a “shadow” Advisory Board has already been implemented.
- 1.9 The Law Commission is currently reviewing the concept of “fiduciary duty”. The outcome of the consultation is expected later this year.

## **SYITA MANAGEMENT ARRANGEMENTS**

- 2.1 The position was, and remains, unless altered by the Authority that the Fund obtains investment management services from two organisations: South Yorkshire Pensions Authority (SYPA) and Old Mutual Global Investors (OMGI). Investment management agreements are in place with both OMGI and SYPA. The administration contract is with SYPA.
- 2.2 The current investment management agreement (IMA) with SYPA dates from September 2012 when it was updated following a comprehensive review. The Agreement covers such material matters as the management of conflicts of interest, best execution, fair treatment of customers, suitability of products and services etc. SYPA manages the bond, UK equity, emerging market equities and property unit trust categories of the Fund and any cash pending investment. It implements the de-

risking strategy in conjunction with the Fund's actuarial consultant and independent investment advisor. It also supervises OMGI on behalf of the Fund. For the purposes of the Financial Conduct Authority (FCA) Rules SYPA regards this Authority as a professional client which means that SYPA expects the Authority to have already assessed the risks involved in the strategies, investments and related services covered by the Agreement with it.

- 2.3 The IMA with OMGI dates from September 2004 and is a standard document. Officers reviewed the IMA terms in conjunction with OMGI during the summer of 2010 and again in 2012. OMGI manage the developed overseas equity portion of the Fund.
- 2.4 The agreement governing pension administration services with SYPA was entered into in 1995. It can be terminated upon six months notice. Under it SYPA undertakes to administer the provisions of the Regulations in relation to all actual and eligible pensionable employees, deferred pensioners and current pensioners of the Fund, to submit reports to this Authority on matters relevant to the fund administration and to provide such ancillary services related to pensions administration as agreed with the employing body within the Fund.
- 2.5 The advisory agreement with SYPA was reviewed in 2011. Under this SYPA is appointed to proffer advice upon investment issues and related matters such as corporate governance, corporate social responsibility, responsible investment policy and to proffer general advice upon the trends and developments within the investment and asset management industries. SYPA is also contracted to proffer advice upon the substance, administration of and interpretation of the Local Government Pension Scheme Regulations in so far as the Regulations affect pensions and benefit related matters, including the disclosure and publication of the same, and to proffer general advice upon trends and developments within the pensions and actuarial industries and the likely consequences of such upon this Fund. This also covers advice upon legislation affecting the Fund. Although SYPA will proffer advice and inter alia negotiate contractual terms on behalf of the Authority, only the Authority itself can enter into contracts affecting the Fund.
- 2.6 SYPA is reimbursed for its services either at cost (based upon time weighted work) for investment business activities or according to an agreed formula for administration matters. OMGI have a performance fee arrangement. Both OMGI and SYPA are FCA authorised and regulated. All agreements can be terminated on one month's notice.
- 2.7 SYPA officers attended SYTPF Committee meetings and prepared reports in accordance with these contracts. Advice and guidance regarding the substance, administration of and interpretation of the Local Government Pension Scheme Regulations is normally provided by the SYPA Head of Pensions Administration. Within SYPA there is a dedicated team which handles all membership queries regarding this Fund's membership. SYPA's payroll unit also manages the Fund payroll and the training and communications team are responsible for producing newsletters etc.
- 2.8 Matters relating to investment and accounting issues, including Fund performance, responsible investment and OMGI supervision are normally reported to the Committee by the SYPA Fund Director or SYPA Head of Investments. Within the SYPA investment team individual officers have responsibility for bond, UK equity and emerging market equity selection and the management of the property unit trust portfolio. The Fund accounts are prepared by the SYPA Head of Finance but are

incorporated into the Authority's accounts by and reported upon by the Authority's Treasurer. Accountancy matters and finance functions, such as the processing of invoices, submission of tax claims and cash management relating to the Fund, are handled alongside SYPA's own transactions and, like all of SYPA's services provided under the various Agreements, are done so in accordance with SYPA Standing Orders and Financial Regulations: SYPA does not provide a dedicated team for this Fund's accounting and custodial work. The Fund accounts are audited by SYPA's external auditor.

- 2.9 The Authority's Clerk was the designated officer for ensuring that Members' training policies and strategies are implemented under the CIPFA Pensions Finance Knowledge and Skills Framework.
- 2.10 Internal audit and legal services are supplied in the Clerk name by officers of the South Yorkshire Joint Secretariat who provide similar services to the other South Yorkshire joint authorities. The preparation of minutes, despatch of papers and summonses and all Member/Committee servicing arrangements, including organising meetings, are also carried out by SYJS staff.
- 2.11 The Authority appointed Eric Lambert as its independent investment advisor in April 2010. Mr Lambert is engaged to provide Members with independent advice on all aspects of the Fund's investment policy, its execution and delivery and to comment upon industry and related matters.
- 2.12 The Authority has appointed Barnett Waddingham as its retained actuary. Barnett's actuarial services are governed by an agreement which was renewed in October 2012.
- 2.13 The contract for the provision of corporate governance research and proxy voting execution was tendered during 2011. Pensions and Investment Research Consultants were appointed with effect from 1 January 2012.

### **PROPOSED POWERS AND RESPONSIBILITIES DELEGATED TO THE PENSION FUND COMMITTEE**

- 3.1 Determine and formulate the overall strategy of the South Yorkshire Passenger Transport Pension Fund in accordance with its role as an administering authority of the Local Government Pension Scheme and as prescribed in law and in accordance with statutory Regulations;
- 3.2 Set investment policy and publish a Statement of Investment Principles and ensure that all investment decisions are consistent with and made in accordance with the policy;
- 3.3 Appoint and dismiss internal and external managers and advisors as necessary, including a Fund actuary, and ensure that all managers and advisors have clear performance objectives and appropriate levels of discretion to meet those objectives and monitor their performance and review them in the light of performance;
- 3.4 Commission a triennial actuarial valuation and arising out of this set the contribution levels for the employer within the Scheme having agreed the assumptions to be used by the actuary and any recovery strategy found to be necessary or agree any distribution of surpluses if any;

- 3.5 Publish a Funding Strategy Statement and set and monitor targets for the effective and efficient performance and activities in administering the Scheme for the contributing employer and Scheme members;
- 3.6 Ensure that the Authority communicates and promotes itself effectively with the employer, individual Scheme members, regulators and central government and all stakeholder groups including the publishing of statutory statements as laid out in Regulations including an annual Fund report and statement of accounts, communication policy statement and governance statement;
- 3.7 Ensure that the Fund operates cost effectively and provides an appropriate level of service at all times;
- 3.8 Implements adequate and effective controls to ensure good governance and compliance with legal requirements and meets industry best practice standards;
- 3.9 Determining other pension fund related matters as directed by the Combined Authority.

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**SHEFFIELD CITY REGION COMBINED AUTHORITY  
2 JUNE 2014  
HS2 PROGRAMME BOARD**

**Summary**

- SCR HS2 Programme Board held its inception meeting on the 1 April 2014. The meeting programme for 2014 has been agreed.
- The following were recommended;
  - Terms of Reference for the group
  - Formation of Task & Finish groups and lead officers for Connectivity, Planning, Economic Regeneration and Skills, Media and Communications and HS2 station Growth Strategy
  - Principle of the Programme Board being the ‘SCR place to go for HS2’ advice and recommendations to create an efficient HS2 decision making process throughout SCR
  - Investigate the revival of the Eastern Network Partnership to promote strategic engagement with external stakeholders
  - Sheffield City Region partners are required to be in a state of preparedness for the route and station location announcements by the Secretary of State.
  - That detailed analysis is needed of the work programme, resource implications and options for meeting the “state of preparedness” requirement
- HS2 Programme Board recommend the combined authority support;
  - The formation and operation of HS2 Task & finish groups to determine work needed to be in a state of preparedness for the station locations currently being considered by the Secretary of State.
  - The concept of an SCR, HS2 ‘engagement strategy’.
  - That a detailed work programme, resource implications and options for meeting the “state of preparedness” be submitted to a future meeting

**1. Issue**

- 1.1. To inform Sheffield City Region Combined Authority of actions undertaken at the HS2 Programme Board inception meeting held on 1 April 2014 and to make appropriate recommendations.

**2. Recommendations**

It is recommended that the Sheffield City Region Combined Authority

- **Approve** The formation and operation of HS2 Task & finish groups to determine work needed to be in a state of preparedness for the station locations currently being considered by the Secretary of State.
- **Approve** the concept of an SCR, HS2 'engagement strategy'.
- **Note** That a detailed work programme, resource implications and options for meeting the "state of preparedness" be submitted to a future meeting

### 3. Background Information

3.1 The SCR Combined Authority are reminded of the previous decisions in relation to HS2.

On the 9<sup>th</sup> October 2013 SCR published the below statement within a press release, following on from a meeting of the Leaders on the 8<sup>th</sup> October 2013:

"The leaders' final decision will be to back the station which offers the maximum economic benefit for the Sheffield City Region, subject to affordability."

On the 7 November 2013 the ITA resolved that:

- a) That the ITA supports high speed rail and wants a well-served station stop in South Yorkshire.
- b) Regarding station location, the ITA supports a Meadowhall location and wants to see a full consultation response to Government for Meadowhall that maximises connectivity and benefits to South Yorkshire and the City Region.
- c) The ITA supports Sheffield City Council leading private engagement with HS2 to see if a viable option for Victoria can be agreed. SCC would cover any costs of this and involve other partners as required  
The Combined authority will be aware that the Secretary of state is currently considering two station locations within the Sheffield City Region.

Following the submission of HS2 consultation responses by the South Yorkshire Integrated Transport Authority (SYITA), the Sheffield City Region (SCR) Local Enterprise Partnership (LEP) and individual local council's in January 2014, Sheffield City Region (SCR) Partners have established an HS2 Programme Board.

The Board has been set up in response to the Sir David Higgins report which emphasised the need for areas to be HS2 ready, thereby gaining the maximum benefit from the investment in HS2. Similar arrangements have been established in other HS2 areas to meet Government expectations. **Appendix A** shows the structure of the SCR HS2 Programme Board.

The HS2 Programme Board should be the "SCR place to go for HS2" acting on behalf of the Combined Authority.

It will provide advice to and take instruction from the Combined Authority and it is proposed that it will be the body that oversees and leads the SCR's



programme of work on HS2 and the identified place for external stakeholder enquiries and information.

The HS2 Programme Board will not include consideration or reconsideration of station location. The SCR has already determined its position which is set out in the minutes of decision above.

- 3.2 In his report Sir David Higgins, HS2 Chairman, stated that he aims to bring the programme for HS2 forward by 3 years which would bring the benefits to the north sooner. The SCR support Sir David Higgins in his recommendations to deliver HS2 earlier and start construction of HS2 stations in the north. The report also recognises the need to plan Phase 2 and improvements to the existing rail network, in a holistic manner. Planning in partnership with Network Rail will assist in bringing forward the Phase 2 legislation and support early construction of stations and network in the north.

Government is currently considering the station locations within the SCR and we need to be in a state of preparedness for the final announcement. Care will be needed to ensure that work is undertaken efficiently and effectively, abortive work is avoided, and resource needs are properly identified.

Scoping this work, the potential resource implications and options available to the CA has not been completed and will be the subject of a further report. In the interim only work that is already within an established and agreed funding and work programme is being undertaken.

- 3.3 The HS2 Phase 2 public consultations finished on 31 January 2014. An announcement by the Secretary of State on the route and station locations is expected in 2015.
- 3.4 It is recommended within the SCR 'Strategic Economic Plan' that SCR HS2 wider connectivity is in place prior to the first HS2 train serving the region. The HS2 Programme Board will need to provide recommendations to the Combined Authority what the work programme and resourcing implications will be for the station locations before the Secretary of State to be prepared to the same level of detail, and the way in which this will supports the Strategic Economic Plan.
- 3.5 Work on "state of preparedness now is needed to underpin SCR's emerging HS2 station Growth Strategy. Within the SCR Strategic Economic Plan (SEP), the SCR Local Enterprise Partnership board have made recommendations and requested support for HS2 development to Government, details are summarised within **Appendix B**.
- 3.6 The HS2 Growth Taskforce also commented within their report on 'Maximising the growth and regeneration benefits of HS2' that, Moves towards the establishment of a Combined Authority for the SCR will provide a sound platform for the governance and delivery of economic growth and regeneration plans focused on a new HS2 station in Sheffield City Region.

- 3.7 The table below presents the recommended Task & Finish group lead authorities for each HS2 work stream.

<b>Task &amp; Finish Group</b>	<b>Lead</b>
Connectivity	SYPTTE
Economic Regeneration & Skills	SCC and DMBC
Media, Communications and engagement	SCR Executive Team
Planning	SCC

- 3.8 Non-South Yorkshire Counties have been invited onto the Programme Board as they are responsible for the transport functions. Consideration of non-South Yorkshire Districts will be discussed at the HS2 Programme Board meeting in July.

#### HS2 Resource

- 3.9 Work on identifying the work programme, resources implications and options available to meet the “state of preparedness” requirement and underpin the SEP is currently underway. A report will be brought to a future Combined Authority meeting.

#### Engagement Strategy

- 3.12 To assist Sir David Higgins vision, the HS2 Programme Board recommends that SCR Partners should take a proactive approach to providing SCR information to Government, HS2 Ltd and stakeholders such as Department for Transport, BIS, Highways Agency and Network Rail.
- 3.13 Following the successful second reading vote on the Hybrid Bill for Phase 1 of HS2 on the 28 April, The Yorkshire Post reported that 15 of Yorkshire MP’s did not vote. The report warned that ‘apathy’ on HS2 from Yorkshire shows that Yorkshire is not excited about this ‘phenomenal opportunity’, although, as this vote concerns the delivery of phase 1 there is no impact on their constituencies. The SCR through its engagement strategy will work with its MP’s to increase awareness of the benefits to the SCR of HS2.
- 3.14 The HS2 Programme Board recommends the immediate development of an ‘SCR Engagement Strategy’. As part of this work stream it is recommended that the SCR should;
- Clearly state SCR’s support for HS2.
  - Set the key requirements of HS2 for the SCR.
  - Identify key HS2 decision makers and stakeholders that SCR need to influence to ensure HS2 supports the strategic objectives of the region.
  - Identify stakeholder positions and desired outcomes.
  - Identify key events, forums, formal consultations and other opportunities in which to influence the HS2 scheme.

- Define timescales for key influential messages.
- Develop the SCR HS2 narrative to effectively influence stakeholders.
- Develop SCR's 'asks' of central government for HS2 and promote growth strategy
- Gain maximum benefit from and proactively contribute to Connecting Cities.
- Gain maximum benefit from and proactively contribute to the Eastern Network Partnership
- Gain maximum benefit from engagement with Government, HS2 Ltd, Network Rail, Highways Agency and other relevant partners.

### Supply Chain Event & HS2 College

- 3.15 The SCR LEP and HS2 Ltd hosted a Supply Chain seminar at the AMP Technology Centre in Rotherham on 30th April 2014. Over 80 people attended, representing a range of businesses and partners from across the Sheffield City Region. HS2 sent a team of experts to speak with business leaders about supply chain opportunities. It is proposed that the Media, Communications and Engagement Task and Finish Group will develop a plan to ensure that SCR businesses are aware of the many opportunities that the HSR project can offer. Effective communication of these business opportunities will require support from a range of partners/networks including local Chambers of Commerce and relevant SCR Sector Groups.
- 3.16 On 30 April 2014, a SCR response to the Government's consultation on the location of the HS2 College was submitted. This was developed by Doncaster Metropolitan Borough Council (DMBC) following a decision by the SCR Local Enterprise Partnership Board that a single site in Doncaster was the preferred location for this within SCR. The bid capitalises on Doncaster's key strengths as a UK rail industry centre and is endorsed by a number of high profile private sector organisations as well as creating educational and rail links with York and Derby. Doncaster is already home to more than 200 rail and engineering companies, a rail port and a 35 acre rail freight terminal. DMBC communications team is working with the SCR Executive Team, local businesses and partners on a marketing campaign for the new college bid – updates and reports on the progress of the marketing/ engagement activity will be provided to the Media, Communications and Engagement Task and Finish Group and to the HS2 Programme Board. The Government's decision on the preferred location for the HS2 College is expected in June 2014. On the wider SCR HS2 skills agenda, the Economic Regeneration and Skills Task and Finish Group will ensure that the existing SCR structures (e.g. the SCR Skills for Growth Partnership) will be utilised to ensure that local communities are able to take maximum advantage of the many opportunities HS2 will offer.

## **Implications**

### 4.1 Financial

None as a direct result of this report as details will be the subject of a future report to the Combined Authority.

Within the SCR SEP the LEP have requested match funding of up to £500,000 from Government departments for HS2 development throughout the Sheffield City Region.

#### 4.2 Legal

There are no legal implications as a result of this report

#### 4.3 Diversity

The HS2 Programme Board will, in undertaking its functions, consider the Public Sector Equality Duty under S149 of the Equality Act 2010 and in particular the need to advance equality of opportunity between persons who share a protected characteristic and persons who do not share it. Where potential impacts on persons with protected characteristics are identified consultation with such persons will be undertaken and the impacts reported so that they can be given due regard by the decision maker. No equality issues arise directly from this report.

REPORT AUTHOR **Marcus King, Strategy & Policy Officer**  
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No Background papers used in the preparation of this report  
Other sources and references: Non at this point

## SHEFFIELD CITY REGION COMBINED AUTHORITY

### TRANSPORT COMMITTEE

19 MAY 2014



PRESENT: Chair Councillor B Mordue (Chair)  
Councillors: L Bramall (Vice-Chair), I Auckland, J Burrows,  
M Jameson, B Johnson, A Jones, D Leech, R Russell,  
G Smith, E Watts and G Wynne

Officers: J Bann, T Belshaw, S Davenport, A Eckford,  
T Finnegan-Smith, N Firth, A Frosdick, J Hurley, A Kemp,  
M McCarthy, D Pownall, B Still, C Tyler and D Young

Apologies for absence were received from Councillors  
G Baxter, B Lodge, R Miller, T Rippon and L Rose

#### 1 APOLOGIES

The Chair welcomed members, officers and the members of the public present to the first meeting of the Sheffield City Region Combined Authority Transport Committee.

Members' apologies were noted as above.

#### 2 REVIEW OF DELEGATED RESPONSIBILITIES

The Committee Members were provided with a copy of Terms of Reference and responsibilities delegated to the Transport Committee from the SCR Combined Authority, as have been previously considered and agreed by previous meetings of the Combined Authority and the Integrated Transport Authority (ITA).

Members were provided with an opportunity to challenge any of the responsibilities delegated.

Cllr Russell requested clarity regarding point c. of the terms of reference; *'that the positions of Chair and Vice Chair will be reviewed every 12 months'*. It was agreed that the Terms of Reference should be clarified.

RESOLVED, that Members:

1. Note the contents of the report and the Terms of reference and responsibilities delegated to the Transport Committee, subject to the above amendment.

#### 3 ANNOUNCEMENTS

T Belshaw provided Members with an update regarding the Supertram rail replacement programme. It was noted that positive feedback has been received in

respect of the bus replacement services provided. It was reported that works will be suspended for the local stage of the Tour de France.

It was reported that a new range of discounted tickets for young people is being launched by TravelMaster. From 30 March, new GetAbout Day and GetAbout 7 Day tickets will offer young people with valid MegaTravel, MegaTravel MiCard and 16-18 Student Passes unlimited bus and tram travel in South Yorkshire at the introductory price of just £2.50 a day or £6.50 a week. A new GetAbout+ Day ticket, available from 18 May, will also offer a day's unlimited county-wide travel on bus, tram and train for just £3.60.

D Young informed Members of the receipt of 2 petitions. These are a 1041 signature petition concerned with the loss of Sheffield's FreeBee bus service and a 97 signature petition from the St Wilfrid's Day Centre concerned with the changes to disabled concessionary entitlements pre-09.30.

Members were informed that Red Line Buses, based in Barnsley, have apparently ceased trading. The PTE officers are working with other operators to arrange alternate services for the No. 32 and 38 services' school runs. Other services operated by Red Line are largely duplicates of other services.

4 URGENT ITEMS

No urgent items were requested.

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

RESOLVED, that:

1. Item 18 'Lease of Units 1 & 4 Meadowhall Interchange' be considered in the absence of the public and press.

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

No declarations noted.

7 REPORTS FROM AND QUESTIONS BY MEMBERS

Cllr Jones reported concerns with the new signals installed on the A1(M) junction at Wadworth which are causing traffic to back up onto the motorway. It was noted that the signalisation scheme with delivered by way of a successful pinch point bid. DMBC Highways and Transportation officers are monitoring this situation with the Highways Agency and the concerns will be fed into ongoing engagements.

Cllr Russell questioned whether all Transport Committee meetings would be convened on Monday afternoons as not enough prior notification had been provided to Members. It was noted that the 6 weekly meeting cycle and meeting dates have been considered and approved by the SCR districts' respective Heads of Governance, with an expectation that the information would be disseminated internally. It was agreed that Members would be directly provided with the details of all future meetings.

RESOLVED, that Members:

1. Will be provided with details of all future Transport Committee meetings.

8 ENHANCEMENTS TO THE DISCRETIONARY CONCESSIONARY TRAVEL ENTITLEMENT

Prior to taking the presented report and recommendations, the Chair invited 2 members of the public to address the committee, as per the rules on deputations detailed in the constitution of the Combined Authority.

Mr George Arthur, on behalf of the Barnsley Retirees' Action Group welcomed the decision to review the changes made to the concessionary offer and suggested that this was due to the collective public pressure. However, it was suggested that the revised offer did not go far enough in reinstating all the additional enhancements available to elderly public transport users prior to March 2014. Mr Arthur commented on a lack of publicity leading up to the changes being implemented which prevented appropriate public engagement and adequate consultation. Questions were raised comparing South Yorkshire's concessionary fare offer with other metropolitan areas. Mr Arthur asked the Committee Members to reinstate all travel concessions and presented the Committee with a 5453 names petition on behalf of the Freedom Riders requesting the matter continue to be debated.

Mr Alan Thorpe addressed the Committee on behalf of the region's visually impaired transport users. Mr Thorpe thanked the Committee Members for agreeing to consider reinstating all concessionary fare enhancements for disabled users of public transport. Mr Thorpe invited the Committee Members to 'spend a day as a visually impaired transport user' to learn more about the challenges faced.

Councillor Auckland questioned whether the financial position figures of the ITA and SYPTE, as presented at the end of the 3rd quarter 2013/14 suggest that more funding could be found to pay for further concessionary enhancements. It was confirmed that the end of year finance reports would be presented to the next meeting of the Combined Authority, as per the new governance arrangements.

B Still confirmed that the Combined Authority finance report would be circulated to Transport Committee Members for information and reiterated that the revised offer presented before the Committee today is based on what it is believed can be afforded from the 2014/15 budget.

S Davenport confirmed that a draft settlement agreement had been sought with Sheffield CAB, noting that settling the legal fees they have incurred to date in respect of their legal challenge was part of this. It was noted that this includes no confidentiality clauses.

The Committee was presented with a report inviting the Members to review and potentially enhance the travel concession scheme above that currently offered. It was noted that the current scheme is the national scheme on buses, with the additional local discretionary enhancements of the extension of the bus scheme onto Supertram and the additional "with-carer" support for eligible disabled people.

It was noted that the enhancements to be considered by Members are:

- To disabled people, and where appropriate their carers, to allow free travel on weekdays prior to 09:30 and after 23:00 hours on buses and tram, and at any time on trains in South and into West Yorkshire at an estimated cost of £154,000 per annum;
- To elderly people, to introduce a half fare (single or day return journeys) on trains within South Yorkshire between 09:30-23:00 Monday to Friday and at any time on weekends and Bank Holidays at an estimated cost of £50,000 per annum.

The paper provided further background information pertaining to the reasons the changes to concessionary fares were introduced and the processes engaged to determine the options available.

Members were reminded of the need to due regard for the public sector equality duty and have due regard to the two Equality Impact Assessments appended to the report, when considering or making decisions. Members were also invited to raise any questions they had about the discharge of their Equalities Act Duties, no further questions were raised.

Cllr Leech asked why the train concessions under consideration can't be introduced until 8th June at the earliest. It was noted that this provides the operators with sufficient time to re-programme ticketing equipment and complies with rail industry protocols for the introduction of new products.

Cllr Russell reiterated the comments made at preceding ITA meetings; noting that Members don't want to be in this position but have to address the reality of tight budgets. Cllr Russell also commented on South Yorkshire's proud history of providing 'better than legally required' concessionary offers and that these pre-date the introduction of the National Scheme. It was also suggested that tendered bus services must be protected as the loss of these would have more serious impacts on all public transport users.

Cllr Bramall noted both the public and Members' general support for the reregulation of bus services but recognised this matter was not currently for debate. Cllr Bramall also noted that funding for the ENCTS is no longer received as a ring fenced grant and local councils are finding even the national minimum difficult to fund given significant central government funding cuts.

Cllr Auckland reiterated suggestions that the financial position of the Combined Authority should be looked at more closely.

Members discussed a number of budgetary pressures and issues which local councils are currently dealing with.

Cllr Burrows informed Members that the matter under discussion was by no means unique to South Yorkshire, noting that in Derbyshire only the standard ENCTS concessions are provided.

RESOLVED, that Members:



1. Approve the enhancement of the Transport Act 1985 South Yorkshire Concessionary Travel Scheme as set out in Appendix A, for South Yorkshire issued ENCTS tickets to:
  - a) Provide pre-09:30 hours and post 23:00 hours free concessionary travel on bus and tram for disabled persons and carers Monday to Friday.
  - b) Provide free concessionary travel for disabled persons and carers on train at all times within South Yorkshire and from a South Yorkshire station into West Yorkshire.
  - c) Provide a half fare (single and off peak day return tickets) for travel by Elderly English National Concessionary Travel Scheme (ENCTS) pass holders on local rail services within South Yorkshire boarding between the hours of 09:30-23:00 Monday to Friday and at any time on weekends and Bank Holidays, travelling on a South Yorkshire pass.
  - d) Note that the enhanced scheme shall come into effect from 8th June 2014.
  
2. That the Committee note that the sustainability of concessionary travel funding will be fully consulted upon as part of future financial years' budget considerations.

The meeting was temporarily suspended to permit the egress of the members of the public.

## 9 TRANSPENNINE CONNECTIVITY

A report was presented for Members to note the existing transport links between the SCR and MCR and the need for improvements to these links to maximise connectivity to future labour markets and the SCR's economic performance.

Members were also asked to note the work that is currently taking place by the Highways Agency (HA) on improvements to trans-Pennine connectivity and the scope of that work.

The committee was further informed of emerging work on 'East – West' links, in response to Sir David Higgins' recent HS2 Report.

Cllr Jameson asked whether there were any plans to upgrade and enhance trans-Pennine rolling stock whilst electrification is awaited. It was confirmed that this will be considered as part of the refranchising discussions.

Cllr Jones asked why the Woodhead Tunnels are still represented on support maps given the DfT's reluctance to consider returning these to rail usage. It was noted that these have been retained for completeness given their continued mentions at stakeholder reference groups.

RESOLVED, that Members:

1. Endorse the work stream on East – West links in partnership with Local Authorities/PTEs and Combined Authorities being led by Greater Manchester and endorses up to £20,000 spend funded from SYPTE's budget for the first phase of this work.
2. Approve SYPTE as the lead organisation on the East-West links project with full engagement with the SCR local authorities. Engagement with South Yorkshire will be via the officer 'Strategic Leadership Group' (SLG). Engagement with the non-South Yorkshire authorities is to be confirmed.

10 ROTHERHAM BUS PARTNERSHIP

The committee was presented with a paper seeking approval to enter into a Bus Partnership Rotherham MBC and the principal bus operators in Rotherham. Members' attention was specifically drawn to the public sector equality duty and the equality impact assessment.

Cllr Russell suggested that partnership is a step in the right direction but only presents a slight improvement on the current position.

Cllr Bramall noted that the Sheffield agreement had delivered a number of benefits and an overall better level of service.

RESOLVED, That Members:

1. Endorse the entering into the Rotherham Bus Partnership on the basis set out within the main body of the report. In doing so approve the Interim Director General or his deputy and Chair of the Transport Committee to sign the Rotherham Partnership Agreement, on the basis on the Heads of Terms attached (Appendix A), and in the light of the Competition Test undertaken (Appendix B) and the Equality Impact Assessment (Appendix C);
2. Approve IN PRINCIPLE the certification of the Qualifying Agreements on the #22 bus corridor where the bus service timetables are co-ordinated, pursuant to Schedule 10 Part 2 of the Transport Act 2000 and the meeting considers that the Agreements: a) are in the interest of persons using the local bus services in the SCR Transport Committee's area; and b) do not impose restrictions on Operators which are not indispensable for the attainment of securing improvements to local bus services or improving congestion.
3. Delegate the final decision to officers in the event that co-ordination is agreed.
4. Note that partners need to similarly secure their own approvals. (RMBC's was secured on the 9 April 2014).

Cllr Auckland abstained from voting on this item.

11 DRAFT 2013/14 YEAR END POSITION - LTP CAPITAL PROGRAMME

A report was presented to provide an initial position statement regarding delivery of the 2013/14 South Yorkshire Local Transport Plan (LTP) capital programme. In particular, final spend claims from the last programme year are reported, in order to inform Members of requested funding carry-overs into the 2014/15 programme.

Reasons for why some schemes underspent in 2013/14 were provided. Members' attention was drawn to 4 schemes causing delivery concerns. It was noted that these are being assessed with project lead officers and any funding reallocation proposals will be presented via the usual quarterly reporting process.

RESOLVED, that Members:

1. Note the contents of the report
2. Approve the levels of carry-over, from the 2013/14 South Yorkshire LTP capital programme, as detailed in the report and attached at Appendix A.

12 DRAFT 2013/14 YEAR END POSITION - LSTF PROGRAMME

A report was received to provide an initial position statement regarding delivery of the 2013/14 South Yorkshire Local Sustainable Travel Fund (LSTF), i.e. the Key Component and Large Project programmes.

Members were asked to note that following the protocols adopted at the time of last autumn's "Mid-Term Review", all projects within the LSTF programmes have been reclassified to reflect their latest delivery status, having regard to the remaining LSTF timescales. This information is being used as the basis of a review into some LSTF allocations.

Members' attention was again drawn to the schemes for which the current rate of delivery is causing most concern, and for which, remediation plans are being worked up with the project lead officers.

It was noted that in the interests of making timely reallocation decisions (given the limited time available to spend LSTF funding), a process of delegated responsibility to endorse recommended remediations is being sought. It was clarified that under the legislative arrangements of the Combined Authority (which differs from that of a Local Authority), this responsibility can be delegated to the Executive Director. It was clarified that this would always be in consultation with the Chair and Vice Chair and other relevant Members, as was previously done with the 'Section 41' Members. If the matter is sensitive, the Chair can convene a special meeting of the committee.

RESOLVED, that Members:

1. Note the issues raised within the Report.
2. Endorse powers of delegation for programme remediation to the programme Executive Director, in consultation with the Chair and relevant district Members.

13 SUB-LEASE OF OFFICE ACCOMMODATION AT 11 BROAD STREET WEST, SHEFFIELD

A report was received requesting Members' approval of the disposal by way of sub-lease of floor 2 of 11 Broad Street West, Sheffield.

RESOLVED, that Members:

1. Approve the sub-lease of floor 2 11 Broad Street West, Sheffield to Sheffield City Council at a rental of £5.00 per square foot for a fixed period of 2 years.

14 MINUTES OF THE MEETING OF THE SOUTH YORKSHIRE TRANSPORT USERS' GROUP HELD ON 15 APRIL 2014

Members were presented with the minutes of the meeting of the South Yorkshire Transport Users' Group held on 15th April.

RESOLVED:

1. That the minutes be noted.

15 TRANSPORT STRATEGY PROGRESS REPORT MAY 2014

A report was presented to update the Transport Committee on current progress on the Transport Strategy.

RESOLVED, that Members:

1. Note the progress made to date and the outlook for the SCR Transport Strategy and provides any comment to guide the formulation of future initiatives and actions.
2. Note the content of the Transport Strategy Progress report, given the move to a Combined Authority and attendance at the Transport Committee of members from across the SCR.
3. Note that the next progress report to the Transport Committee will look back at the key achievements and outcomes of the Transport Strategy to date across all partner organisations against the 26 Policy areas.

16 TOUR DE FRANCE - STAGE 2 -SUNDAY 6 JULY 2014

A report was received to present the current position relating to the SYPTE and public transport provision for the Tour de France, Stage 2 and to highlight the reputational risk to SYPTE and Partners in any failures to deliver a successful event.

RESOLVED, that Members:

1. Note the current position in terms of SYPTE activities and responsibilities relating to Stage 2 of the Tour de France (TdF).
2. Note that it may be necessary to financially underpin bespoke public transport services where the commercial market is not able or willing to do so; and that should this occur, details of costs will be supplied to the Transport Committee and approval sought to support additional services and/or information.
3. Agree to support in principle the use of increased staffing resources to manage SYPTE infrastructure (Interchanges, Park and Ride sites and Traveline) to ensure the safe and effective movement of public transport passengers and event spectators in order to support partners to deliver a successful.

17 CONCESSIONARY TRAVEL - SIX MONTHLY REVIEW WINTER 2013/14

A report was presented to brief the Transport Committee on the recent trends relating to the take up of Concessionary Travel in South Yorkshire.

RESOLVED, that Members:

1. Note the contents of the report.

18 LEASE OF UNITS 1 & 4 MEADOWHALL INTERCHANGE

A report was received asking Members to approve the disposal by way of a lease of units 1 and 4, Meadowhall Interchange.

RESOLVED, that Members:

1. Approve the recommendations contained within the report.

CHAIR

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## SHEFFIELD CITY REGION COMBINED AUTHORITY

### TRANSPORT COMMITTEE

2.00PM, 30 JUNE 2014

South Yorkshire Joint Secretariat  
 18 Regent Street  
 BARNSELY  
 S70 2HG

### AGENDA

	Item	Page
1	Apologies	
2	Announcements	
3	Urgent Items	
	To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	
4	Items to be Considered in the Absence of the Public and Press  To identify where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting.)	
5	Declarations of Interest by Individual Members in Relation to any Item of Business on the Agenda	
6	Reports from and Questions by Members	

	Item	Page
7	Receipt of Petitions (subject to confirmation)	
8	Minutes of last SCR Transport Committee 19 May??	
9	Presentation by Peel Holdings on Future Plans for RHADS	
	<b><u>Items for Decision</u></b>	
10	Sheffield Bus Partnership – TM Travel (tbc)	
11	Public Transport Action Plan (PTAP)	
12	Bus Lane Review – Resourcing (tbc)	
13	SCR Rail Plan	
14	Review of Tendered Services Criteria	
15	Revisions to Conditions of Contract for Bus Services (tbc)	
16	LTP3 Capital Programme Delivery Review and Q4 Year End	
17	LSTF Delivery Review and Q4 Year End	
18	Punctuality Improvement Partnerships (PIPS)	
19	Capital Scheme Delivery (tbc)	
20	Future Integrated Transport Schemes – Final Report	
21	Multi-Modal Modelling Framework (tbc)	
	<b><u>Items for Information</u></b>	
22	Q4 Capital Programme Progress Report	
23	Network Rail Delivery – CP5	
24	SBP 18 Month Update	
25	Yorkshire Rail Network Study Phase 2	