

Sheffield City Region

Assurance Framework



2020

Contents

1	Introduction	3
2	About the Sheffield City Region	5
3	Structures and Roles	9
4	Accountability for Public Funds	24
5	Robust and Transparent Decision-Making	28
6	Contract Management	36
7	Measuring Performance and Success	37
8	Inclusive and Collaborative Working	39
9	Publishing Information	42
10	Glossary of Terms	46
11	Appendix A: Summary of LEP Policies	47
12	Appendix B: Joint Statement from LEP and MCA	49

List of Tables and Figures

Figure 1	Sheffield City Region Timeline	5
Figure 2	Map of the Sheffield City Region and the wider Functional Economic Area	6
Figure 3	Draft SCR Strategic Economic Plan 2020-2040 (May 2020)	7
Figure 4	The Sheffield City Region Organisational Structure	9
Figure 5	LEP Portfolio and Champion Roles	14
Figure 6	The SCR Executive Team Structure	22
Figure 7	Business Case Development, Appraisal and Approval Process	30
Table 1	Membership of the Sheffield City Region Mayoral Combined Authority (MCA) 2020/21	11
Table 2	Membership of the Sheffield City Region Local Enterprise Partnership (LEP) 2020/21	13
Table 3	Gender Composition of LEP Board (March 2020)	17
Table 4	Membership of the Thematic Boards 2021/21 (excluding the Transport Board)	19

1. Introduction

Purpose of the Assurance Framework

- 1.1 The aim of this document is to set out how the Sheffield City Region (SCR) will use public money responsibly, both openly and transparently, and achieve best value for money. This document outlines:
- The respective roles and responsibilities of the Mayoral Combined Authority (MCA), the SCR Mayor, the Local Enterprise Partnership (LEP) and other elements of the decision-making and delivery structure;
 - The key processes for ensuring accountability, probity, transparency, legal compliance and value for money;
 - How potential investments will be prioritised, appraised, approved, and delivered; and
 - How the progress and impacts of these investments will be monitored and evaluated.
- 1.2 The Assurance Framework sits alongside several key SCR governance and policy documents – most notably the Devolution Agreement and Settlement Letter, the MCA Constitution, the LEP Terms of Reference, the Financial Regulations, the Strategic Economic Plan (SEP), Investment Plan and Monitoring and Evaluation Framework.
- 1.3 The Assurance Framework has been developed in response to the National Local Growth Assurance Framework (January 2019), the Strengthened Local Enterprise Partnerships Report (July 2018), the LEP Governance and Transparency Best Practice Guide (January 2018) and the Ney Review (October 2017).
- 1.4 This Assurance Framework takes effect from 21 July 2020. It will apply to all new funding bids, funding regimes and projects from this date and Transforming Cities Fund (TCF) projects. For continuity and consistency purposes, some existing projects which are already part way through the 2019 Assurance Framework process, will conclude their approval through that route.

Updating the Assurance Framework

- 1.5 The SCR Assurance Framework is reviewed and updated at the end of each year. The next annual review of this document is scheduled to commence in November 2020.
- 1.6 A draft of the Assurance Framework is presented to the MCA and LEP Boards to approve any changes. The Assurance Framework is then submitted to the Ministry of Housing, Communities and Local Government (MHCLG) and other Government Departments for approval, including the Department for Transport and Department for Education.

The Structure of this Document

- 1.7 The remainder of this document is structured into the following sections:
- **Section 2** describes the City Region, the funding devolved by Government and the plan for economic growth;
 - **Section 3** explains the structures, roles and responsibilities of the organisations that make up the SCR's decision-making bodies;
 - **Section 4** outlines the processes for ensuring openness and accountability for public funds;
 - **Section 5** describes how the LEP collaborates and engages with other LEPs, partners and the public;

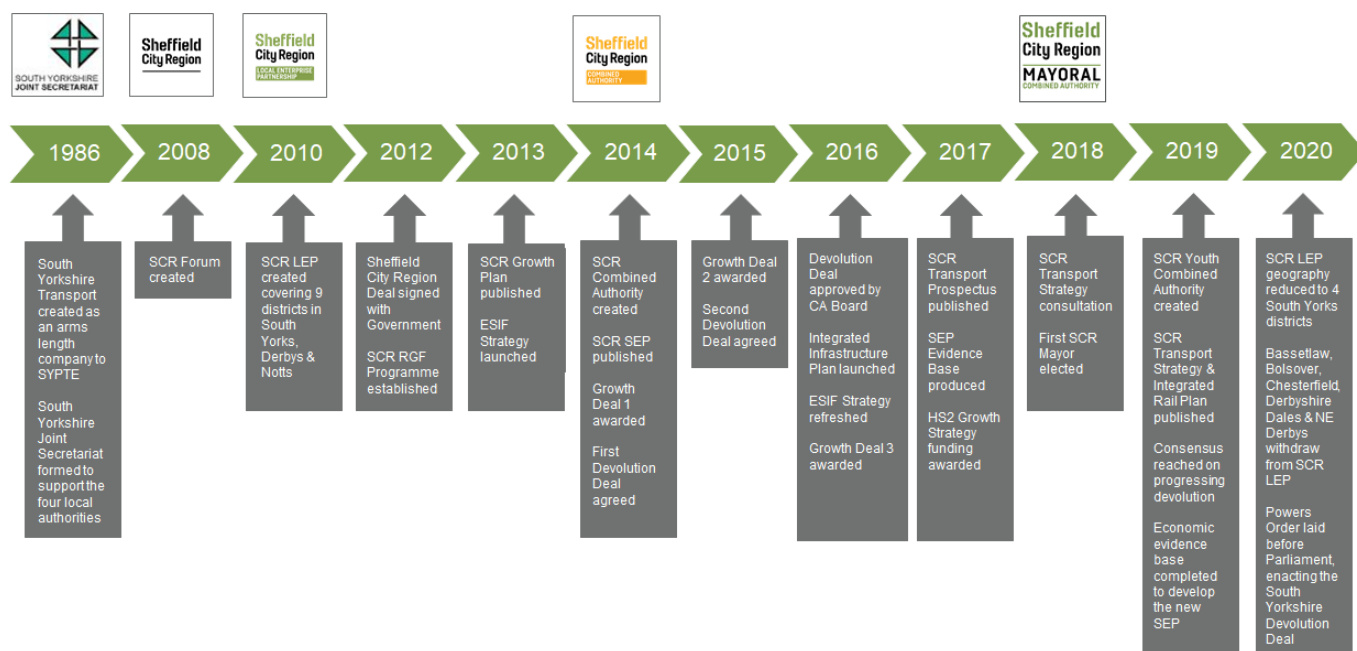
- **Section 6** illustrates how decisions are made in a robust, evidenced and transparent manner;
- **Section 7** explains how projects are delivered and monitored and evaluated;
- **Section 8** outlines how information is published;
- **Appendix A** provides a summary of the policies that the LEP is governed by; and
- **Appendix B** is a joint statement from the LEP and MCA on their respective roles and responsibilities.

2. About the Sheffield City Region

History

- 2.1 The Sheffield City Region (SCR) consists of the four local authority districts in South Yorkshire.
- 2.2 The concept of the Sheffield City Region dates back to 2008 when the SCR Forum was created. However, joint working across the South Yorkshire authorities significantly predates this, as shown in Figure 1 below.

Figure 1: Sheffield City Region Timeline



- 2.3 The SCR Forum evolved into the Local Enterprise Partnership (LEP) in 2010. This was followed by the formation of the Mayoral Combined Authority (MCA) on the 1st April 2014 and the election of the first SCR Mayor on the 4th May 2018. The South Yorkshire Devolution Deal¹ was signed into law on 27 July 2020.

Geography

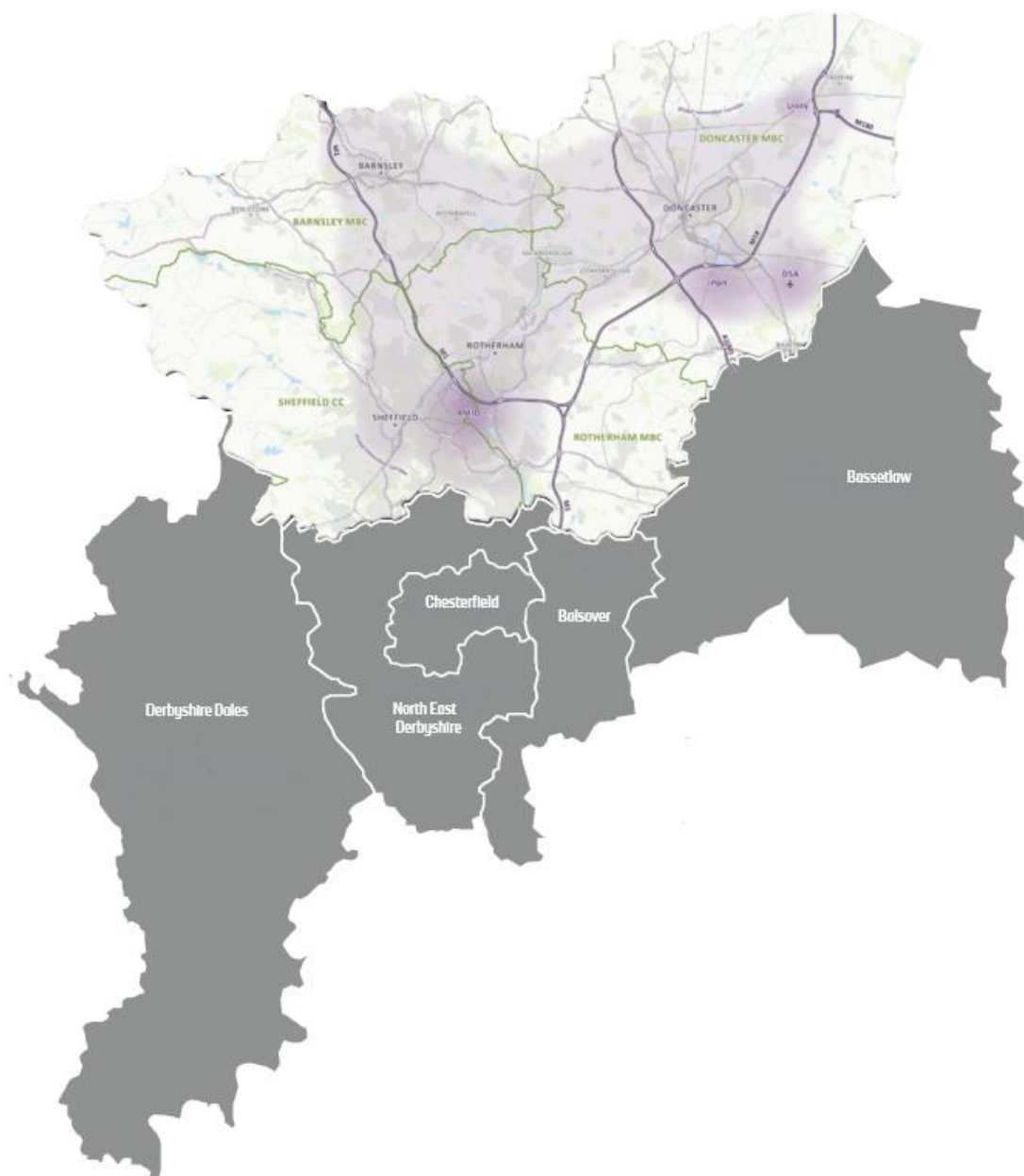
- 2.4 Focused around the core city of Sheffield, the fifth largest city in England, the City Region is a polycentric economy with a series of linked but diverse communities, including the large urban centres of Barnsley, Doncaster and Rotherham, market towns such as Bawtry and Penistone, and rural areas including the Peak District National Park. This reflects an economic geography that is both complex and dynamic.
- 2.5 The MCA and LEP's boundaries are coterminous. The geography consists of the four local authority districts in South Yorkshire (Barnsley, Doncaster, Rotherham and Sheffield).
- 2.6 The wider functional economic area for the Sheffield City Region also covers five neighbouring districts in the D2N2 LEP area: Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire (Figure 2). Prior to 1 April 2020, these districts were full members of the Sheffield City Region LEP, when revisions

¹ [The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority \(Functions and Amendment\) Order 2020](#)

to the LEP's geography were made to comply with the LEP Review recommendation on removing overlaps with other LEPs.

- 2.7 Whilst the five districts in Derbyshire and Nottinghamshire are no longer members of the Sheffield City Region LEP, they continue to be non-constituent members of the MCA in accordance with the 2014 Order² that created the MCA.

Figure 2: Map of the Sheffield City Region and the wider Functional Economic Area



Plan for Economic Growth

- 2.8 In 2019, the LEP and SCR Mayor began work on developing a new SEP. The SEP is a twenty-year economic strategy which sets out the vision and policy objectives of the City Region focusing on growing the economy at pace, ensuring that all people and places have a fair opportunity to benefit from prosperity and protecting and enhancing our environment.

² [The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014](#)

2.9 The SEP is built on our evidence base and is the result of widespread consultation with business representatives and local industry leaders. The vision and policy objectives for future economic growth of the City Region, are set out in Figure 3 below.

Figure 3: Draft SCR Strategic Economic Plan 2020-2040 (May 2020)



2.10 The process for producing the new SEP included:

- Evidence Gathering and Review** – this brought together the latest data and evidence on the performance of the local and wider UK economy and insights on skills attainment, innovation performance, inclusive growth and drivers of productivity. The data and information were presented in an Evidence Review document that was published in June 2019.
- Partner Engagement** - the Evidence Review was used to engage public, private and voluntary sector partners in identifying additional statistical and anecdotal evidence. Workshops were also held with the LEP Board and local authority partners to refine the focus of the SEP and achieve consensus on the priority themes and objectives.
- Consultation** - The draft SEP will be circulated for public consultation in Summer 2020. Responses from the consultation will be reviewed and a final draft will be presented to the LEP and MCA Boards for approval in Autumn 2020.

2.11 The SEP is reviewed and updated on a regular basis to ensure a sound strategic basis for investment.

2.12 Together, with the SCR Investment Plan, the SEP sets the blueprint for how all devolved funding will be invested. All projects and schemes that are seeking investment from the MCA and LEP are assessed on how they will address the SEP objectives and priorities for economic growth, inclusion and sustainability, and how they will contribute to SEP targets for outputs and outcomes.

Devolved Powers and Funding

- 2.13 The South Yorkshire Devolution Deal provides the ability to establish a single pot of funding to invest in economic development. This includes Growth Deal monies (Local Growth Fund), a consolidated transport budget, Adult Education Budget and Gainshare (grant-based investment funds) as detailed below.

Local Growth Fund (LGF)

- 2.14 In July 2014, the Sheffield City Region was awarded an LGF allocation of £295.2m through the Growth Deal to deliver the LEP's strategic priorities and objectives. This comprised of a range of funding streams including major scheme transport funding, skills capital funding and business investment funding. A further £30.7m was awarded in January 2015 and a third-round allocation in January 2017 of £37.8m; resulting in a total LGF allocation of £363.7m. The current LGF funding period ends on 31 March 2021.

Gainshare

- 2.15 The Gainshare funding allocation for South Yorkshire through the Devolution Deal is £30m per annum for a period of 30 years. This consists of 60% capital and 40% revenue funding and is to be invested in the delivery of the SCR's strategic and economic priorities.

Adult Education Budget (AEB)

- 2.16 From the 2021/22 academic year, the Sheffield City Region will assume responsibility for adult education budget (AEB). Devolution of AEB will support high quality adult education across the city-region. This equates to around £35m per annum.

Transport Settlement

- 2.17 The MCA will have control of the consolidated devolved capital transport budget. This consists of the Integrated Transport Block, the Highways Maintenance Block (excluding PFI), and Highways Maintenance incentive funding.

Transforming Cities Fund (TCF)

- 2.18 In March 2020, the Government awarded £166m from the Transforming Cities Fund (TCF) to the Sheffield City Region for a period of three years.

Powers

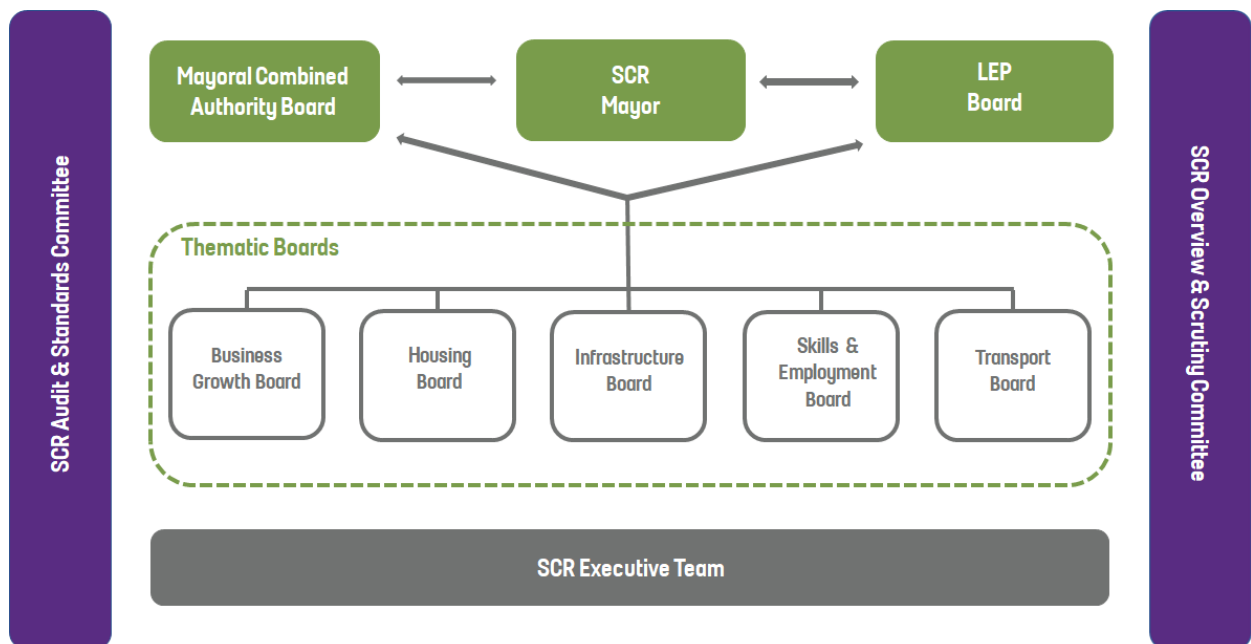
- 2.19 Under the South Yorkshire Devolution Deal, the MCA and SCR Mayor have been granted the following devolved powers from Government:
- The full devolution of the 19+ Adult Education Budget for college and training providers;
 - To improve the supply and quality of housing and secure the development of land or infrastructure;
 - To create a non-statutory Spatial Framework for South Yorkshire;
 - To establish Mayoral Development Corporations;
 - To provide grants and make agreements with other bodies on the management of the strategic highway network; and
 - The ability to introduce a Mayoral precept.

3. Structures and Roles

Overview

- 3.1 The Sheffield City Region (SCR) governance model combines the best of private sector expertise and public sector capacity, transparency and accountability.
- 3.2 The Mayoral Combined Authority (MCA) and Local Enterprise Partnership (LEP) form the core decision-making Boards for the Sheffield City Region. The private sector led LEP, supports and works alongside democratically elected Leaders on the MCA Board. The SCR Mayor, Leaders of the City Region’s four local authorities and LEP Chair sit on both Boards. This has resulted in strong partnership between the MCA and LEP. It also ensures that a single oversight is in place to deliver efficient, effective, accountable and informed decision-making.
- 3.3 The SCR Mayor, MCA Board and LEP Board are supported by five Thematic Boards and the SCR Executive Team. The Thematic Boards are responsible for driving forward the agenda of their thematic area. The SCR Executive Team advises the SCR Mayor, MCA and LEP on policy, seeks agreement between those bodies and subsequently commissions, manages and monitors the delivery of projects. The SCR Executive Team also supports the decision-making process. Two independent committees; the Audit and Standards Committee and Overview and Scrutiny Committee; ensure that the MCA, LEP and SCR Mayor are fulfilling their legal obligations, and developing and delivering strategies that are in the best interests of local people.
- 3.4 Figure 4 sets out the overall structure of the SCR as an organisation, and how the Boards and Committees relate to one another.

Figure 4: The Sheffield City Region Organisational Structure



- 3.5 The following sections provide a description of the different elements of the structure and their respective roles and responsibilities.

The SCR Mayor

- 3.6 The SCR Mayor is directly elected by the electorate in South Yorkshire (Barnsley, Doncaster, Rotherham and Sheffield) and serves a four-year term of office. The SCR Mayor was elected in May 2018 and the next Mayoral Election is scheduled to take place in May 2022.

Role of the Mayor

- 3.7 The SCR Mayor has a manifesto of commitments on which he was elected, and he exercises powers and functions that are devolved to the Sheffield City Region by central Government.
- 3.8 The SCR Mayor is the Chair of the MCA and will lead the MCA in terms of proposing and agreeing the revenue and capital budgets of the MCA, including allocation of the consolidated transport budget, appropriate use of the Adult Education Budget and how Gainshare is utilised to support the MCA's policies.
- 3.9 The SCR Mayor is a member, and Chair, of the Mayoral Combined Authority (MCA) and leads the City Region; promoting it as a place to live, work, visit and invest in. The SCR Mayor is also a member of the LEP Board.

Responsibilities of the Mayor

- 3.10 The decision-making powers and functions of the SCR Mayor are:
- Development of a strategy and spending plan for the delivery of the mayoral functions;
 - Responsibility for a consolidated, devolved transport budget, with a multi-year settlement to be agreed at the Spending Review;
 - Responsibility and the power to approve franchised bus services, to support the MCA's delivery of smart and integrated ticketing across South Yorkshire;
 - Responsibility for an identified Key Route Network of local authority roads that will be collaboratively managed and maintained by the MCA on behalf of the Mayor;
 - Powers over strategic planning, including the responsibility to create a spatial framework for the Sheffield City Region;
 - Ability to create Mayoral Development Areas or Corporations in agreement with the relevant MCA member.

The Mayoral Combined Authority (MCA)

- 3.11 The Sheffield City Region Combined Authority was formally constituted in law in April 2014. It comprises the four constituent local authorities for South Yorkshire and five non-constituent local authorities from the neighbouring D2N2 LEP area. The constituent members are Barnsley, Doncaster, Rotherham and Sheffield. The non-constituent members are Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire. With the election of the SCR Mayor in May 2018, it became the Mayoral Combined Authority (MCA).

Role of the MCA

- 3.12 The MCA is the legal and Accountable Body for funding devolved and awarded to the MCA and LEP. The MCA is also the Local Transport Authority for South Yorkshire. This role and its accompanying responsibilities are defined in the [MCA Constitution](#).

Responsibilities of the MCA

- 3.13 The MCA's remit is strategic economic development, housing, skills and transport.
- 3.14 The MCA is responsible for setting the policy direction of the City Region and maximising financial investment to achieve economic growth. The MCA is also responsible for making large investment decisions on projects, and ensuring that the policy and strategic objectives of the SEP are delivered.
- 3.15 On this basis, typically the agenda for the MCA is focused on different elements of the SEP and takes decisions and oversees performance on items including:
- Programme updates – on initiatives being delivered;
 - Investment decisions;
 - Monitoring of financial and output performance;
 - Assurance, strategic risk management and governance; and
 - Strategies and plans.
- 3.16 The constituent members of the MCA are accountable for where public money is being spent.
- 3.17 Additional responsibilities and further powers may be devolved to the SCR Mayor and the MCA, pending agreement by Government, the SCR Mayor, MCA and the constituent authorities.

Membership of the MCA

- 3.18 The MCA is chaired by the SCR Mayor. Membership of the MCA is set out in Table 1 below. This specifies the type of membership; constituent, non-constituent and observer.

Table 1: Membership of the Sheffield City Region Mayoral Combined Authority (MCA) 2020/21

Member	Post	Membership Type
Sheffield City Region	SCR Mayor	Constituent
Barnsley Metropolitan Borough Council	Leader	Constituent
Doncaster Metropolitan Borough Council	Mayor	Constituent
Rotherham Metropolitan Borough Council	Leader	Constituent
Sheffield City Council	Leader	Constituent
Bassetlaw District Council	Leader	Non-constituent
Bolsover District Council	Leader	Non-constituent
Chesterfield Borough Council	Leader	Non-constituent
Derbyshire Dales District Council	Leader	Non-constituent
North East Derbyshire District Council	Leader	Non-constituent
Sheffield City Region LEP	Chair	Non-voting
Doncaster Metropolitan Borough Council	Nominated Representative	Rotational
Rotherham Metropolitan Borough Council	Nominated Representative	Rotational

- 3.19 The MCA Constitution stipulates that substitute members will be nominated and agreed by the full members annually.
- 3.20 Each year the MCA appoints two additional, rotational members from amongst the constituent councils. This is a requirement of the Order by which the Combined Authority was established to ensure that the majority

of Members are from constituent councils. In 2020/21, the rotational members are from Doncaster and Rotherham. In 2021/22 they will be from Barnsley and Sheffield. By convention these Members do not attend or vote.

- 3.21 Organisations are invited to attend MCA meetings in an observer capacity when relevant business is being discussed. These can include Government agencies (such as Homes England or Network Rail) and other LEPs which have close economic links with the Sheffield City Region (for example but not restricted to the Leeds City Region, Manchester and Humber LEPs).
- 3.22 All MCA Board members are expected to conduct themselves in accordance with the Nolan Principles of Public Life. These principles are embedded in the [MCA Members' Code of Conduct](#) as detailed in the MCA Constitution.

MCA Board Meetings

- 3.23 The MCA Board meets on an eight-weekly cycle and the meetings are held in public.
- 3.24 All constituent members of the MCA Board and the Mayor have one equally weighted vote. Non-constituent members have no automatic right to vote. The MCA Constitution allows for voting rights to be extended to non-constituent members at the discretion of the constituent members.
- 3.25 Decisions are made by a majority of the members present at MCA meetings and voting when using the powers held by the Authority when it was established in 2014. For the new powers devolved to the MCA through the devolution deal, the SCR Mayor must be part of the majority of members present and voting on the exercise of such functions. These functions are:
- Adult Education Budget;
 - Skills powers/duties; and
 - Housing functions.

The SCR Constitution sets the majority as the Mayor plus 75% of the Members from the constituent councils present at the meeting. By convention, if 100% of the Members from the constituent councils are in favour of a resolution, then the Mayor will also vote in favour (as that is the will of the MCA), unless the Mayor gives minuted reason for not doing so.

- 3.26 The approval of the non-statutory Spatial Framework will require a unanimous decision from all constituent members. Whilst the establishment of any Mayoral Development Corporation will require the agreement of the Mayor and the MCA member that represents that place.
- 3.27 The SCR Mayor's budget proposals will be approved by the MCA in accordance with the Combined Authorities (Finance) Order 2017 and the SCR Constitution.

Quoracy for MCA Board Meetings

- 3.28 At least three voting members of the MCA must be present for a meeting to be valid. If a decision is required to meet agreed timescales and a meeting of the MCA is either not possible or scheduled, written procedures for decision making apply, in line with the MCA Constitution and the relevant Overview and Scrutiny regulations.

The Local Enterprise Partnership Board (LEP)

3.29 The Local Enterprise Partnership (LEP) is a voluntary business-led partnership which brings together business leaders, local politicians and other partners to promote and drive economic growth across the Sheffield City Region. The Sheffield City Region LEP was established in 2010.

Role of the LEP

3.30 The LEP leads on strategic economic policy development within the City Region and sets the blueprint for how the SCR economy should evolve and grow. The LEP is the developer and author of the SEP. The LEP works to raise the profile, image and reputation of the Sheffield City Region as a place to visit, live, work and invest in.

Responsibilities of the LEP

3.31 The LEP is responsible for setting strategy and acts as the custodian of the SEP. The LEP bids for funding and programmes from Government and is responsible for delivering these programmes. This includes delivering the Growth Deal programme of activity.

3.32 The LEP is also responsible for ensuring that policy and decisions both receive the input of key business leaders, and by extension, reflect the views of the wider business community. The LEP fulfils this responsibility by leading on engagement with local businesses and policy makers at a City Regional, national and international level.

3.33 The focus of the LEP Board is to discuss the following:

- **SCR Economy** – such as research on how well the SCR economy is performing and the issues and needs of different sectors and markets;
- **Accepting Schemes to the LEP Programme** – LEP approval is needed before a project can be accepted onto the LEP funded pipeline programme;
- **Performance** - of LEP funded programmes;
- **Providing a Forum for Debate** - between the public and private sectors; and
- **Economic Strategy and Policy Development** – on new initiatives being brought forward.

Membership of the LEP

3.34 The LEP comprises 12 permanent private sector representatives, the four Leaders of the Local Authorities and the SCR Mayor. The private sector members include two representatives from the Sheffield City Region's Higher Education (HE) sector. A Trades Union representative and two co-opted private sector members, who act as specialist advisers on thematic issues, also sit on the Board.

3.35 Membership of the LEP is set out in Table 2 below.

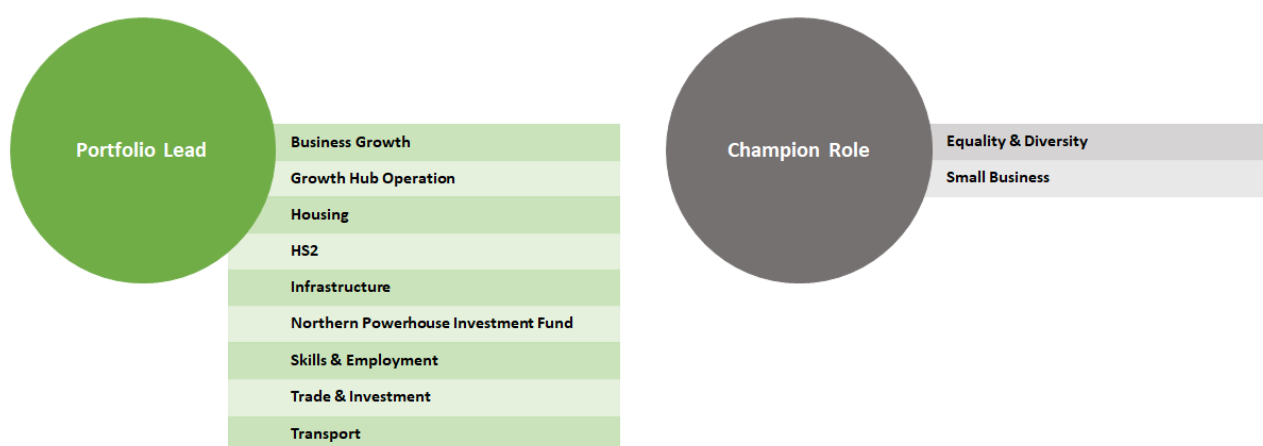
Table 2: Membership of the Sheffield City Region Local Enterprise Partnership (LEP) 2020/21

Member	Post	Membership Type
James Muir	LEP Chair	Private Sector
Nigel Brewster	LEP Vice Chair	Private Sector
Lucy Nickson	LEP Vice Chair	Private Sector

Laura Bennett	Permanent Member	Private Sector
Alexa Greaves	Permanent Member	Private Sector
Gemma Smith	Permanent Member	Private Sector
Professor Chris Husbands	Permanent Member	Private Sector
Peter Kennan	Permanent Member	Private Sector
Tan Khan	Permanent Member	Private Sector
Neil MacDonald	Permanent Member	Private Sector
Owen Michaelson	Permanent Member	Private Sector
Richard Stubbs	Permanent Member	Private Sector
Professor Dave Petley	Co-opted Member	Private Sector
Alison Kinna	Co-opted Member	Private Sector
Bill Adams	Trades Union Representative	Membership Body
Sheffield City Region	SCR Mayor	Public Sector
Barnsley Metropolitan Borough Council	Leader	Public Sector
Doncaster Metropolitan Borough Council	Mayor	Public Sector
Rotherham Metropolitan Borough Council	Leader	Public Sector
Sheffield City Council	Leader	Public Sector

- 3.36 Private sector LEP Board members are each assigned a portfolio of work based on their expertise and knowledge. The portfolios are thematic based, and each LEP Board member leads on the LEP's activity on that theme.
- 3.37 The LEP Board also designates a private sector LEP Board member to be Small Business Champion and Equality and Diversity Champion. The Small Business Champion is tasked with leading engagement with small businesses, and ensuring that the views of micro, small and medium sized businesses are adequately represented by the LEP. The Equality and Diversity Champion ensures that the LEP Board understands its role in promoting diversity and eliminating discrimination. The portfolios are listed in Figure 5.

Figure 5: LEP Portfolio and Champion Roles



- 3.38 The current composition of the LEP Board is 73.7% Private Sector members compared to 26.3% Public Sector members. This equates to a ratio that is significantly higher than the Government's ambition of a two-third, one-third split.

- 3.39 Co-opted members were first introduced onto the LEP Board in Autumn 2017 to provide additional specialist advice and expertise on the SEP's thematic priorities, such as infrastructure, skills and employment. The knowledge and advice provided by the co-opted members has led to significant progress being made on key projects and initiatives including the development and delivery of the Housing Investment Fund pilot.
- 3.40 All LEP Board members are expected to conduct themselves in accordance with the Nolan Principles of Public Life. These principles are embedded in the [LEP Code of Conduct](#). LEP Board members are required to sign a document confirming that they will subscribe to Nolan principles as a condition of their appointment.

LEP Board Meetings

- 3.41 The LEP Board meets on an eight-weekly cycle and the meetings are held in private, with the exception of an Annual General Meeting (AGM).
- 3.42 All Board members (apart from co-opted members) have equal voting rights, and decisions are taken on the basis of a simple majority.

Quoracy for LEP Board Meetings

- 3.43 Meetings of the LEP Board are considered quorate when at least one quarter of the Private Sector Members and at least one quarter of the constituent local authority members are present.
- 3.44 A LEP Board Member may be counted in the quorum if they are able to participate in the meeting by remote means such as by telephone, audio or video link. The member must remain available throughout the agenda items where discussions and decisions are made.
- 3.45 Co-opted members, and any LEP Board member who is obliged to withdraw under the LEP Code of Conduct, are not counted towards the quorum.
- 3.46 To ensure that LEP Board members are suitably committed to the work of the LEP, consistent non-attendance at meetings is grounds for termination of membership. This is outlined in the [LEP Terms of Reference](#).
- 3.47 If a decision is required to meet agreed timescales and a meeting of the LEP is either not possible or scheduled, the urgency procedure for decision making applies, as outlined in LEP Terms of Reference will be implemented.

LEP Chair

- 3.48 The LEP Chair must have a private sector background.
- 3.49 The LEP Chair leads on building the reputation and influence of the City Region at a national and international level. The LEP Chair is also a non-voting member of the MCA.

LEP Vice Chair

- 3.50 The Sheffield City Region LEP has two Vice Chairs.
- 3.51 The LEP Vice Chairs must have a private sector background.
- 3.52 The LEP Vice Chairs provide day to day leadership and support to the LEP Board Members, lead on business relations within the City Region, engage with the wider business community and deputise for the LEP Chair when necessary.

Defined Term Limits

- 3.53 The LEP Chair and LEP Vice Chairs have defined term limits of three years. They can re-apply for a further term.
- 3.54 All other permanent private sector LEP Board members are appointed for an initial term of three years. As set-out in the LEP Terms of Reference, the Chair may extend the appointment of an individual for a further three-year term. With a clear rationale, and only in exceptional circumstances, a further extension not exceeding two years may be granted.
- 3.55 Co-opted LEP Board members have a defined term limit of one year, with the exception of the co-opted HE representative who serves a term of three years.
- 3.56 The Trades Union Congress (TUC) has a permanent seat on the LEP Board and nominates their named representative on an annual basis.

LEP Board Recruitment and Appointment

- 3.57 Private sector LEP Board members are appointed through an open and transparent recruitment and selection process, which is run on an annual basis. In the interests of continuity and succession planning, the recruitment is staggered so that the terms of all private sector members do not expire at the same time.
- 3.58 When private sector members either approach the end of their term, or if a LEP Board member resigns mid-term, the vacant positions on the LEP Board are promoted through the SCR website, social media channels and are advertised in local and regional media. Local business representative organisations are also consulted about LEP Board vacancies and advertise and promote these vacancies through communications with their members.
- 3.59 When recruiting new LEP Board members, consideration is given to achieving the optimum composition and diversity on the LEP Board in line with the [LEP Diversity Policy](#). However, all Board appointments are made on merit, and within the context of the skills and experience required by the LEP Board.
- 3.60 Interested candidates are required to complete and submit an application form. A LEP Appointments Panel, which is made-up of LEP Board Vice Chairs, reviews and assesses the applications against the LEP Board Member Job Description and Person Specification, with advice and support from the SCR Executive Team. Candidates are shortlisted for an interview by a panel including LEP Board members (usually the Vice Chairs), a member of an independent business representative body, and the SCR Chief Executive or Deputy Chief Executive.
- 3.61 A combination of the completed application form and interview are used to judge each candidate's experience, suitability and fit. The LEP Appointments Panel then makes a recommendation to the LEP Board on the candidates that should be appointed.
- 3.62 Newly appointed LEP Board members are invited to attend an induction session with the SCR Executive Team to develop their understanding of the City Region, the organisational and decision-making structure, the LEP's priorities and plans and support available to LEP Board members from the SCR Executive Team.
- 3.63 Vacant positions for the Chair and Vice Chair roles are promoted in the same way. However, these positions are also advertised in national media outlets and on the Government's Public Appointments website. The Mayor leads the appointment panel for the LEP Chair, which also includes another LEP Board Member, an independent business representative organisation, a Local Authority Chief Executive and either the SCR Chief Executive or Deputy Chief Executive.

Equality and Diversity

- 3.64 The [LEP Diversity Policy](#) seeks to ensure that the composition of the LEP Board is diverse and reflective of the City Region in the broadest sense. In determining the optimum composition of the LEP Board, consideration is given to gender, race, protected characteristics and areas of expertise including industry knowledge, geography, sectors and business size. This is done with a view to obtaining an appropriate balance of membership. Applications from under-represented groups are encouraged. This approach has resulted in the current LEP Board being the most diverse it has ever been.
- 3.65 The current gender composition of the LEP Board is detailed in Table 3 below. It illustrates that 33.3% of the LEP's permanent private sector members and 50% of co-opted private sector members are women (combined 35.7%).

Table 3: Gender Composition of LEP Board (March 2020)

Type of Membership	Gender		Vacant Posts	Total	Gender Ratio	
	Female	Male			Female	Male
Private Sector (Permanent)	4	8	0	12	33.3%	66.7%
Public Sector (Permanent)	2	3	0	5	40.0%	60.0%
Membership Body (Permanent)	0	1	0	1	0%	100%
Permanent Members	6	12	0	18	33.3%	66.7%
Private Sector (Co-opted)	1	1	0	2	50.0%	50.0%
Co-opted Members	1	1	0	2	50.0%	50.0%
All Private Sector (TOTAL)	5	9	0	14	35.7%	64.3%
All Members (TOTAL)	7	13	0	20	35.0%	65.0%

- 3.66 The LEP expects to obtain an equal split of male and female Private Sector Board members by March 2023.

How the MCA and LEP Work Together

- 3.67 A key facet of the governance arrangements in the City Region is the strong inter-relationship between the LEP and MCA and overlap of membership. Building on the best of the public and private sectors, this brings accountability, transparency and business insight together. The configuration and membership of the LEP and MCA are designed to be mutually supportive.
- 3.68 The MCA is the legally Accountable Body for all funds awarded to the LEP and approves the LEP annual capital and revenue budgets prior to the start of the financial year. However, the LEP advises on how these funds are prioritised.
- 3.69 The MCA tests the value for money of proposed projects, and makes decisions in a legally compliant, responsible and transparent manner.
- 3.70 To maintain good communication and cooperation, the LEP and MCA are both served by the same team of staff (the SCR Executive Team). Financial information and reports on programme delivery are reported to both the LEP and MCA Boards. This includes details of applications received for LEP funded programmes and contracts awarded.
- 3.71 Given the clarity in remit and strong controls being in place, there are minimal circumstances where the MCA would not comply with the LEP's advice. However potentially this could occur if:

- The LEP was seeking to influence a decision of the MCA which is within the remit of the Accountable Body, specifically an operational decision as opposed to a strategic decision regarding the economic strategy;
- The LEP was seeking to influence a decision which is non-compliant with public accountability requirements and procedures, or does not offer value for money;
- The MCA was seeking to influence a decision which is within the remit of the LEP (for example, supporting a project that is not aligned with the objectives of the SEP); or
- The MCA was refusing to operationalise a policy directive of the LEP in accordance with the SEP.

3.72 A procedure is in place for managing conflicts in decision-making should they occur. The three SCR Statutory Officers would first attempt to resolve the conflict with the Chairs of the LEP and MCA Boards. If the conflict cannot be resolved, and depending on the nature of the conflict, this would be formally escalated to either the LEP Board or MCA Board to discuss and agree a resolution.

3.73 In 2019, the LEP published a Memorandum of Understanding to concisely and simply explain the respective roles and responsibilities of the LEP and MCA, and how they work together. This was done to ensure that members of the public are clear on who is responsible for decision-making in the City Region. This document is contained in Appendix B.

Thematic Boards

3.74 To support decision-making and delivery, the MCA and LEP are supported by five Thematic Boards, which are based on the broad strategic priorities of the SEP. The five Thematic Boards all have delegated authority to make financial decisions on behalf of the MCA up to defined limits.

Role of the Thematic Boards

3.75 The purpose of the [Thematic Boards](#) is to provide adequate and experienced capacity to review projects and make investment decisions. These Boards bring together the public and private leadership of the MCA and LEP to drive the delivery of the SCR's programme of activity, ensuring that the focus remains on the outcomes being delivered. The Thematic Boards therefore enable the MCA and LEP Boards to operate strategically rather than merely as investment boards.

3.76 The five Thematic Boards are accountable to the MCA and each one has a defined portfolio with distinct responsibilities for [Business Growth](#), [Housing](#), [Infrastructure](#), [Skills and Employment](#) and [Transport](#).

3.77 The Transport Board has a broader role than the other four Thematic Boards; specifically co-ordinating the transport activities, and overseeing the performance, of the South Yorkshire Passenger Transport Executive (SYPTTE).

Responsibilities of the Thematic Boards

3.78 Each of the five Thematic Boards (Business Growth, Housing, Infrastructure, Skills and Employment and Transport) has delegated authority to approve projects with a value of less than £2 million. Decisions made by the Thematic Boards are presented to the MCA Board in a written Delegated Decisions Report. As the delegating body, the MCA has the right to review decisions made by the Thematic Boards.

3.79 The responsibilities of the five Thematic Boards are to:

- Shape future policy, priorities and programmes for the LEP and MCA Boards to approve;
- Review programme and funding applications of less than £2 million that have been through the SCR

appraisal process and decide whether to approve, defer or reject the application;

- Review programme and funding applications of £2 million or more that have been through the SCR appraisal process and make a recommendation to the MCA Board for approval, deferment or rejection of the application;
- Accept grants with a value of less than £2 million; and
- Monitor programme delivery and performance on their thematic area.

3.80 The Transport Board has the following additional responsibilities:

- Assisting in the development of the transport strategy and strategies for its implementation;
- Overseeing the performance of SYPTTE in delivering operational transport services and its capital programme and providing SYPTTE with political direction;
- Recommending the capital programme of SYPTTE for approval to the MCA; and
- Recommending the revenue budget of SYPTTE for approval to the MCA.

Membership of the Thematic Boards

3.81 The Transport Board has a different membership structure to the other four Thematic Boards. Its membership comprises:

- The SCR Mayor (Chair);
- A Leader from the MCA of a South Yorkshire local authority (Deputy Chair);
- A nominated representative for each of the remaining three South Yorkshire (constituent) local authorities on the MCA Board;
- A representative for the non-constituent local authorities on the MCA Board;
- A lead local authority Chief Executive;
- A Private Sector LEP Board member;
- The Director General of the SYPTTE; and
- The MCA Head of Paid Service (or their nominated representative).

3.82 The members of the remaining four Thematic Boards are set out in Table 4 below.

Table 4: Membership of the Thematic Boards 2020/21 (excluding the Transport Board)

Business Growth	Housing	Infrastructure	Skills & Employment
One Leader from the MCA of a South Yorkshire local authority	One Leader from the MCA of a South Yorkshire local authority	One Leader from the MCA of a South Yorkshire local authority	One Leader from the MCA of a South Yorkshire local authority
	Leader of Bassetlaw District Council (non-constituent local authority from the MCA)		Leader of Chesterfield Borough Council (non-constituent local authority from the MCA)
A nominated representative for each of the three other South Yorkshire local authorities	A nominated representative for each of the three other South Yorkshire local authorities	A nominated representative for each of the three other South Yorkshire local authorities	A nominated representative for each of the three other South Yorkshire local authorities

A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority	A lead Chief Executive from a South Yorkshire local authority
Two private sector LEP Board members	Two private sector LEP Board members	Two private sector LEP Board members	Two private sector LEP Board members
Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)	Head of Paid Service (or their nominated representative)
A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA	A non-voting representative for the other non-constituent local authorities from the MCA

- 3.83 Board decisions are made on the basis of consensus. Where consensus cannot be reached the issue is escalated to the MCA.
- 3.84 The Thematic Boards can form Task and Finish groups of key stakeholders and advisors to assist in the management and monitoring of individual programmes or projects. Any such groups are purely advisory and cannot assume any of the Thematic Board's responsibilities for decision-making. Task and Finish groups are required to submit reports to the Thematic Board.

Thematic Board Meetings

- 3.85 Thematic Boards routinely meet on an eight-weekly cycle and the SCR Executive Team provides the secretariat.

Quoracy for Thematic Board Meetings

- 3.86 Meetings of the Thematic Boards (with the exception of the Transport Board) are quorate when five members are present; of which two are from South Yorkshire (constituent) local authorities and one is a LEP private sector member.
- 3.87 Transport Board meetings are quorate when two thirds of the members are present.
- 3.88 A member who is obliged to withdraw under the [MCA Code of Conduct](#) or [LEP Code of Conduct](#) shall not be counted towards the quorum.
- 3.89 If a decision is required to meet agreed timescales and a meeting of the Thematic Board is either not possible or scheduled, written procedures for decision making apply, in line with the Thematic Boards Protocol for Decisions Between Meetings.

Audit and Standards Committee

- 3.90 The SCR [Audit and Standards Committee](#) ensures that the LEP, MCA and SCR Mayor are operating in a legal, open and transparent way.
- 3.91 In accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, the Committee provides a high-level focus on assurance and governance arrangements.
- 3.92 The Audit and Standards Committee monitors the operation of the organisation. Their role is to ensure that the MCA is fulfilling its legal obligations, complies with statutory requirements, is managing risk effectively

and has robust control measures in place for all devolved powers and funding. The Committee reviews and endorses all budgets and accounts, including those for the LEP, before they are finalised and presented to the MCA Board for approval, and identify any risks.

- 3.93 Membership of the Audit and Standards Committee is politically balanced and consists of 8 elected Councillors (or their nominated substitute) from the four South Yorkshire local authorities and two independent members.
- 3.94 The Audit and Standards Committee meets at least quarterly and reports into the MCA on both financial and non-financial performance.

Overview and Scrutiny Committee

- 3.95 The SCR [Overview and Scrutiny Committee](#) holds the MCA, SCR Mayor, LEP and Thematic Boards to account for all decisions taken, including devolved powers and funding. The Overview and Scrutiny Committee has the authority to review and scrutinise any decision made, or action taken by the LEP, MCA, SCR Mayor, Thematic Boards or SCR Executive Team. The Committee can, at their discretion, produce reports and make recommendations for change or improvements.
- 3.96 The Overview and Scrutiny Committee is responsible for checking that the MCA and LEP are delivering their objectives, and that SCR policies, strategies and plans are made in the best interests of residents and workers in the City Region. They provide independent scrutiny of SCR initiatives and LEP activities and public consultation on draft strategies.
- 3.97 Membership of the Overview and Scrutiny Committee is politically balanced and consists of 10 elected Councillors from the four South Yorkshire local authorities (or their nominated substitute); typically, the Chair of each local authority's overarching Scrutiny Committee.
- 3.98 The Overview and Scrutiny Committee meets on a quarterly basis. The MCA is required to consider the conclusions of any review by the Overview and Scrutiny Committee at the next available meeting.

Statutory Officers

- 3.99 The MCA and LEP appoint three [Statutory Officers](#) to discharge duties and obligations on their behalf. The Statutory Officers ensure that the MCA is acting in accordance with its legal duties and responsibilities, operating within the financial regulations and receiving appropriate advice on policy and governance.
- 3.100 The Statutory Officer roles are defined in the MCA Constitution and comprise:
- **Head of Paid Service** – The SCR Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the MCA as set out in section 4 of the Local Government and Housing Act 1989 and acts as the principal advisor to the LEP.
 - **Section 73 Officer** – The SCR Group Finance Director fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985. The Section 73 Officer administers the financial affairs of the MCA and LEP.
 - **Monitoring Officer** – The SCR Monitoring Officer discharges the functions in relation to the MCA as set out in section 5 of the Local Government and Housing Act 1989.

Remuneration Panel

- 3.101 An independent Remuneration Panel convenes to identify the salary and allowances that should be paid to the SCR Mayor and SCR Deputy Mayor for their term of office.

3.102 The Remuneration Panel reports their recommendations in a report to the MCA Board who decide the salary and allowances that will be paid.

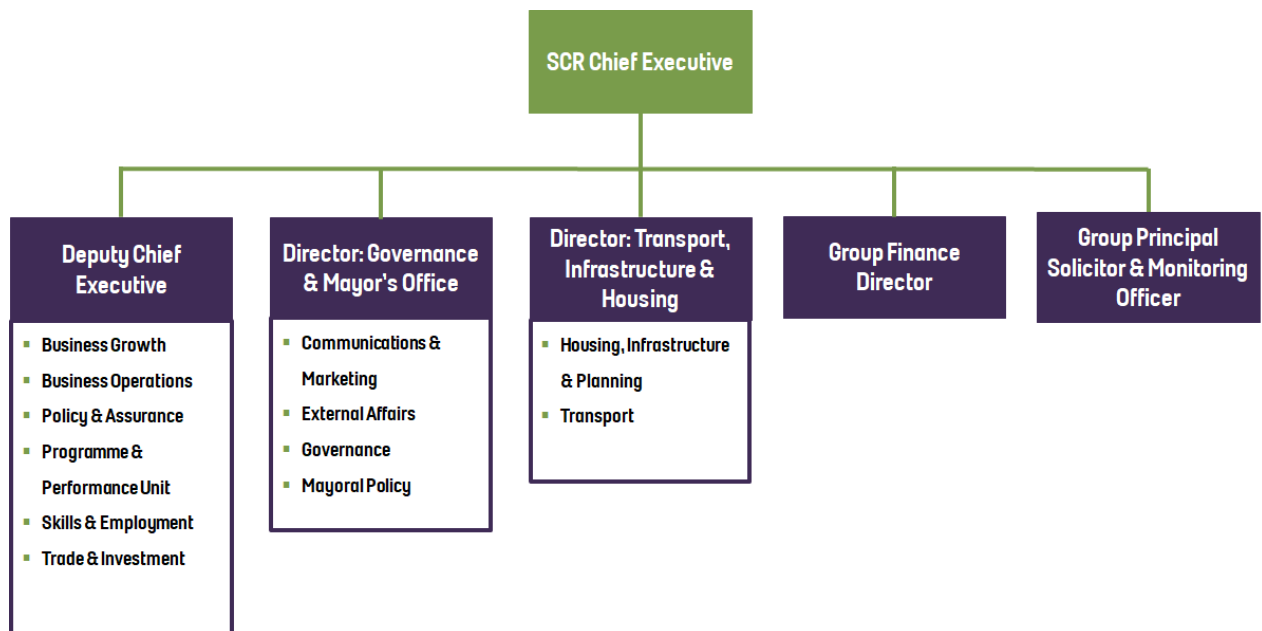
The SCR Executive Team

3.103 The MCA Board, LEP Board and Thematic Boards are supported by the [SCR Executive Team](#). The SCR Executive Team is a dedicated resource that provides impartial advice and works in collaboration with partners and stakeholders.

3.104 The role of the SCR Executive Team is to advise the MCA, Mayor and LEP and pro-actively advance the decision-making process through close co-ordination and by working with local authority Leaders, Chief Executives and officers.

3.105 The SCR Executive Team is employed by the MCA and its current functions are shown in Figure 6 below.

Figure 6: The SCR Executive Team Structure



3.106 The SCR Executive Team supports the following activities:

- **Developing Policy** - supporting the MCA, SCR Mayor and LEP to draft key policy, including the SEP;
- **Initiating and Encouraging Project Ideas** - the team works with officers from local authorities, the private sector and project applicants to identify and bring forward viable project ideas that support the strategic objectives of the City Region;
- **Advising Funding Applicants on Business Cases and the Appraisal Process** – advising project applicants on how to develop a robust and comprehensive Business Case;
- **Appraising Business Cases** – independently reviewing and appraising business cases and funding applications through the SCR Appraisal Panel and contracting specialists and subject experts to undertake technical reviews as required, prior to making recommendations to the Thematic Boards;
- **Programme and Project Design and Development** – designing and developing investment programmes and projects to deliver the agreed policy objectives of the Mayor, MCA and LEP, in line

with the agreed Investment Plan. This sometimes includes preparing and submitting funding bids to Central Government proactively or in response to specific calls and opportunities that may arise;

- **Programme Monitoring** - collating and communicating performance on different funding streams to the MCA and LEP Boards and MHCLG as per the Government's requirements;
- **Project Monitoring and Evaluation** - managing the monitoring and evaluation framework, and providing reports and updates to the Thematic Boards, MCA and LEP;
- **Administration of the Boards** – ensuring MCA, LEP and Thematic Board meetings are planned and arranged in a timely fashion and communicated;
- **Compiling Papers and Reports** - for the SCR Mayor and Board members;
- **Enquiries** – dealing with the media and handling general enquiries from the public;
- **Publishing Information** – ensuring that minutes, agendas and papers of the meetings of the LEP, MCA Board, Audit and Standards Committee and Overview and Scrutiny Committee are published promptly on the SCR website and publishing information on the MCA and LEP policies and procedures; and
- **Promoting the City Region** – to potential investors and the public as a place to invest, work and live.

3.107 The functions of the SCR Executive Team are organised to maintain 'ethical walls' and ensure that there are no opportunities for conflicts of interest between project and programme commissioning and project appraisal.

4. Accountability for Public Funds

- 4.1 Several measures are in place to ensure that the SCR Mayor, Mayoral Combined Authority (MCA) and Local Enterprise Partnership (LEP) are managing and administering public funds in a responsible, efficient, transparent and accountable manner.

The Accountable Body

- 4.2 The MCA is the legal and Accountable Body for powers and funding devolved by Government. The MCA is also the legal and accountable body for the LEP, and is therefore responsible for all decisions and expenditure.
- 4.3 The MCA holds all funding, enters into contractual arrangements and processes payments. The MCA also provides programme management to account for the funding and ensures that the impact of investment is assessed.
- 4.4 The MCA is accountable for:
- Ensuring that its decisions and activities conform with legal requirements regarding equalities, environmental and European legislation (such as State Aid), and that records are maintained so that this is evidenced;
 - Retaining overall responsibility for the appropriate use of public funds by the MCA, LEP and Thematic Boards;
 - Managing funds allocated to the SCR Mayor until such time as the Mayor has Executive Functions following the making of a Mayoral Powers Order by Government;
 - Ensuring that the approved Assurance Framework is being adhered to;
 - Ensuring that all contracts entered discharge their duties; and
 - Maintaining and publishing annual accounts (including Local Growth Fund and other funding sources received from Government), in accordance with the relevant regulations, each year in draft form by 31 May and finalised in July.
- 4.5 In accordance with section 101 of the Local Government Act 1972, the MCA can delegate funding decisions to Chief Officers within the Sheffield City Region. The [SCR Scheme of Delegation](#) specifies the delegations for funding and decision-making that are available to the Head of Paid Service (the SCR Chief Executive), the Section 73 Officer (SCR Group Finance Director), the SCR Monitoring Officer and the Chief Executives of the constituent and non-constituent local authorities.

Section 73 Officer

- 4.6 The SCR Section 73 Officer is fully engaged in the operation of the organisation, ensuring that devolved funds are managed responsibly and allocated through a robust application process.
- 4.7 The Section 73 Officer is accountable for:
- Ensuring that devolved funds, including the AEB, are used legally, appropriately and are subject to the usual local authority checks and balances, including discharging financial duties under the [Financial Regulations 2019](#);

- Ensuring that the MCA acts in a manner that is lawful, transparent, evidence based, consistent and proportionate, including the publication of annual audited accounts;
- Signing-off Value for Money Statements for all funding applications during the appraisal process as true and accurate;
- Certifying that funding can be released under the appropriate conditions (in line with statutory duties);
- Signing-off quarterly reports to the Ministry of Housing, Communities and Local Government (MHCLG) on programme performance and expenditure;
- Ensuring that the established professional codes of practice are applied; and
- Assuring that strong governance arrangements and LEP policies are in place to ensure that the LEP is operating robustly and transparently (by providing an Annual Assurance Statement and letter to the MHCLG Accounting Officer).

Internal and External Audit

- 4.8 The MCA has an established process for internal and external audit. Internal audit is a contracted service provided by Grant Thornton. Ernst and Young are the appointed external auditors. As the MCA is the Accountable Body, the audit arrangements cover both the LEP and the MCA's funding and activities, including devolved monies.
- 4.9 In conjunction with the internal audit team, the MCA Head of Paid Service, Section 73 Officer and Monitoring officer prepare an annual Internal Audit Plan at the start of each financial year, which is reviewed towards the end of the financial year. The Internal Audit Plan includes all aspects of the business case evaluation and monitoring process. This provides independent and objective assurance to the MCA. The Plan is approved by the MCA and is considered by the Audit and Standards Committee. The current plan was approved by the Audit and Standards Committee in July 2020.

Overview and Scrutiny

- 4.10 The SCR's independent Overview and Scrutiny Committee holds the MCA, SCR Mayor, LEP and Thematic Boards to account on behalf of the public. They have the authority to review and scrutinise any decisions made including the investment of devolved funds, or actions taken. The Committee can at their discretion, make recommendations for change or improvement.
- 4.11 The Overview and Scrutiny Committee has an annual [Work Programme](#) of topics that they will scrutinise. Committee members are encouraged to propose additional topics for scrutiny.

SCR Appraisal Panel

- 4.12 The SCR Appraisal Panel, in conjunction with an independent and contracted team of specialists and experts (known as CIAT), conducts a technical review of all business cases for projects that are seeking funding. The Panel currently consists of a LEP Board member who acts as Chair, the MCA's three Statutory Officers or their representatives (Monitoring Officer, Section 73 Officer and Head of Paid Service) and relevant officers from the SCR Executive Team. The Panel makes recommendations to the appropriate decision-making Board on the level of risk of a project and whether to endorse, approve, defer or reject funding applications. The SCR Appraisal Panel also advises on any conditions that should be placed on the funding and advises on the merits of potentially competing funding applications by considering the net impact of the overall investment programme.
- 4.13 The Statutory Officers ensure that the Accountable Body duties are discharged through their representation on the SCR Appraisal Panel. This embeds the roles and functions of the Statutory Officers in the project

appraisal process. All projects seeking funding from SCR are reviewed by the SCR Appraisal Panel and are subject to independent technical scrutiny.

- 4.14 The SCR Appraisal Panel meets every two weeks, or more frequently if necessary, to ensure the pipeline of project proposals continues at the required pace.
- 4.15 The appraisal process is detailed in Section 5.

Ensuring Value for Money

- 4.16 All projects and programmes that apply for funding are appraised and assessed for Value for Money (VfM) using the most recent HM Treasury Green Book and appraisal guidance published by individual Government departments such as the Department for Education and Department for Transport.
- 4.17 The VfM assessment considers the potential costs, benefits, risks, uncertainties and impacts of the project. A Benefit Cost Ratio (BCR) is calculated for the project wherever possible but this is just one of the metrics that is considered in the VfM assessment. All of the wider monetised and non-monetised impacts and benefits of a project are quantified wherever possible and non-quantifiable benefits are also assessed qualitatively. Non-monetised costs and disbenefits are also qualitatively assessed.
- 4.18 A VfM Statement summarising the VfM assessment is completed by the SCR Appraisal Panel at every stage of the appraisal process (Strategic Outline Case, Business Justification Case, Outline Business Case and Full Business Case) and published on the SCR website with the business case to enable partners and members of the public to comment. The initial, adjusted and final BCR for transport projects is calculated in accordance with the DfT's Value for Money Advice Note for Local Transport Decision Makers.
- 4.19 The VfM statements are on a proportionate basis relative to the level of risk, complexity and funding sought.
- 4.20 The SCR Section 73 Officer is responsible for signing-off VfM Statements and sign-off must be achieved before a project can progress. The VfM Statement is also signed-off by the MCA.
- 4.21 The VfM Statement for each project, is presented to the appropriate Board or Thematic Board. The Statement includes the SCR Appraisal Panel's justification and recommendation on whether the project should be approved, deferred or rejected and any conditions that should be put in place.
- 4.22 Most projects that are funded by SCR offer high value for money (determined as having a final BCR rating of 2 or above and accounting for significant non-monetised impacts and key uncertainties).
- 4.23 The ambition is always to support projects that demonstrate High VfM as defined above, particularly with transport schemes. However, projects that are appraised as offering lower VfM, may still be funded if there is a strong strategic business case and the project will deliver the strategic and economic objectives in the SEP (for economic growth, inclusion and sustainability), or where the project is essential to unlock or enable other development to take place. However, the MCA and/or LEP can decide to remove a project from the programme if the appraisal identifies Poor or Low VfM.

Managing Risk

- 4.24 The approach to risk management is comprehensive and in accordance with HM Treasury's Orange Book principles and other project management guidance. The Head of Paid Service is the named officer for managing risk on the MCA and LEP activity.

- 4.25 Robust control measures and a Strategic Risk Management Framework are in place to provide accountability and support due diligence. The Strategic Risk Management Framework guides the identification, assessment and management of risks for all activities.
- 4.26 Risk management controls and mitigation action plans for LEP funded programmes and projects are agreed and added to the programme Risk Register. A plan is then constructed to reduce the likelihood of the risk occurring and/or decrease the impact of a risk, should it occur.
- 4.27 Funding applicants are required to include risk and contingency plans as part of their application for funding. Once a project has received funding approval, the SCR Executive Team works with project applicants to monitor delivery of the contract and risks. The Team compile Quarterly Monitoring reports for the Thematic Boards to identify any issues with delivery, perceived or actual risks to the project, any corrective action and any change requests (for example, a reduction in grant or an extension to the timescale for delivering key milestones). Any risks to the delivery of the SEP Programme are reported to, and considered by, the Chairs and Vice Chairs of the MCA and LEP respectively.

Annual Reviews by Government

- 4.28 The MCA holds an Annual Conversation meeting with Government each year to discuss delivery of the Devolution Deal and investment of devolved funding. The meeting is an opportunity to identify achievements and successes and any areas for improvement.
- 4.29 The LEP is reviewed twice a year by Government; a Mid-Year Review and an Annual Performance Review. The review considers the governance arrangements that are in place, strategic approach and performance against profiled expenditure and outputs on the LGF programme. A representative of the MCA attends the Annual Performance Review meeting, along with the LEP Chair and/or LEP Deputy Chair.

5. Robust and Transparent Decision-Making

- 5.1 In accordance with the Transparency Code and Government guidance on best practice, the SCR Mayor, MCA Board, LEP Board and Thematic Boards are expected to act in the interests of the Sheffield City Region when making investment decisions. All decisions are made via an approved process, free from bias or perception of bias.
- 5.2 To ensure that decision-making is robust and transparent, all meetings of the MCA Board, Audit and Standards Committee and Overview and Scrutiny Committee are held in public. The MCA also publishes a monthly [Forward Plan of Key Decisions](#) to alert the public to decisions that will be taken, in advance of the decision being made. The decision-making process is detailed below.

Budget Setting and Allocation

- 5.3 The annual Mayoral Budget is developed by the Mayor, alongside the MCA revenue and capital budget. The budgets are presented to the MCA Board in draft form in November and again for final approval each January. The budgets must be agreed in accordance with the Combined Authorities (Finance) Order 2017 and the SCR Constitution.
- 5.4 The MCA, in consultation with the LEP where appropriate, is responsible for setting the annual capital and revenue budgets for funding allocated to the LEP prior to the start of the financial year.
- 5.5 All approved capital and revenue budgets are published on the SCR website. Budgets are monitored on a quarterly basis with reports submitted to the Boards. Quarterly financial monitoring reports on individual programmes and projects are also submitted.
- 5.6 The SCR Investment Plan will identify how all devolved funding will be invested to deliver the South Yorkshire Devolution Deal and the strategic objectives and investment priorities outlined in the SCR SEP. Individual Delivery Plans identify how budgets will be spent in each of the thematic areas (for example, skills, business growth and housing). The Investment and Delivery Plans are informed by quantitative data and qualitative information on the performance and health of the SCR economy, and analysis of economic, social and environmental needs. This ensures that the development of new schemes and interventions will address weaknesses and opportunities in the SCR economy.
- 5.7 Investment decisions on the allocation and use of the Adult Education Budget (AEB) in South Yorkshire will be made with full consideration to the statutory entitlements. Approximately half of the AEB will be allocated to the delivery of the following statutory entitlements:
- English and Maths, up to and including Level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4, or higher, and/or;
 - First full qualification at Level 2 for individuals aged 19 to 23, and/or;
 - First full qualification at Level 3 for individuals aged 19-23.
- 5.8 The remainder of the AEB will be allocated to non-statutory training and will be procured through an open, commissioning process.
- 5.9 The MCA Board is the final decision-making body for AEB funding awards.

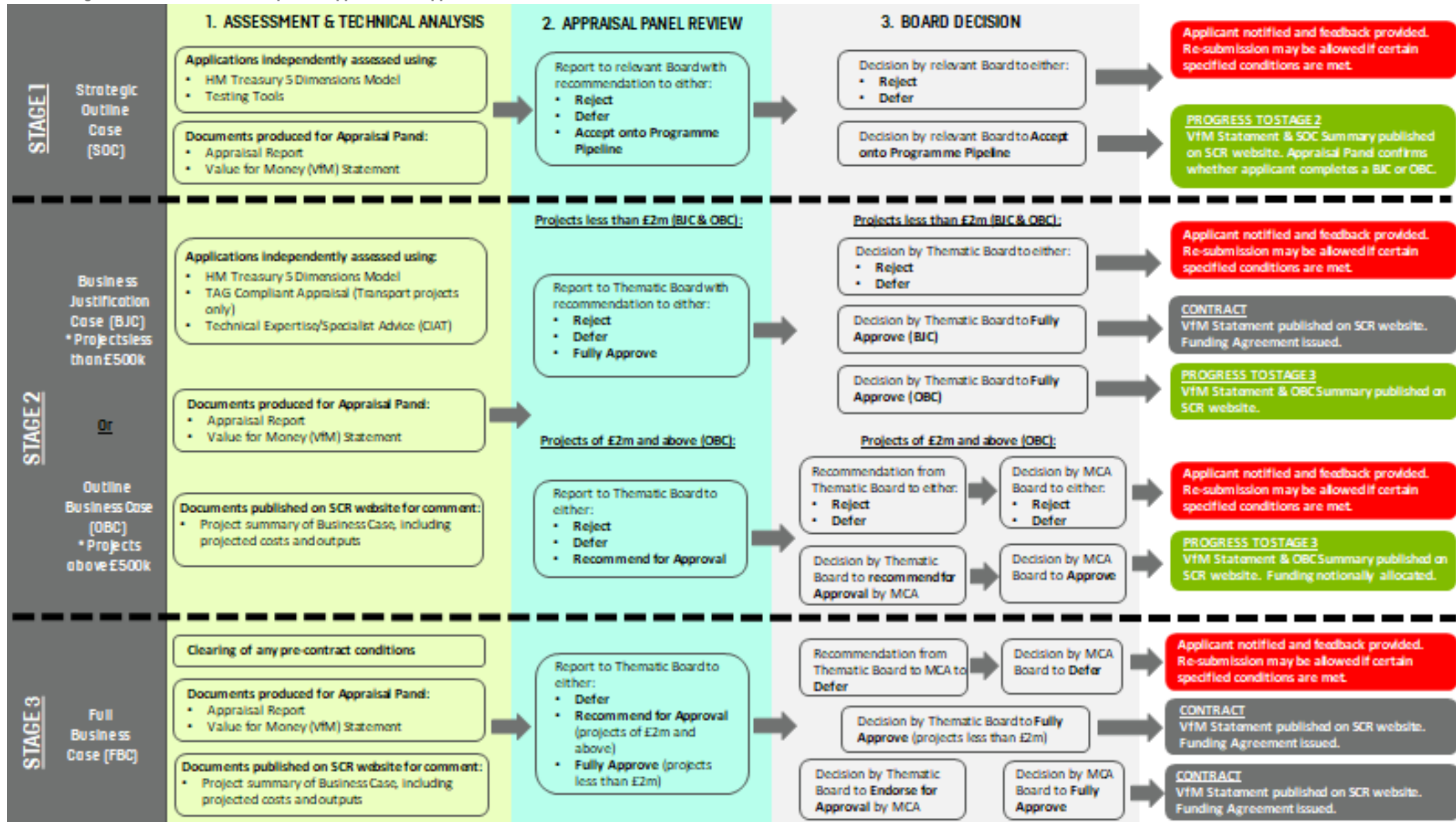
Commissioning and Open Calls

- 5.10 In accordance with the agreed policy, programme and project applications for funding usually originate from three sources:
- **SCR Executive Team** – the SCR Executive Team may identify a need for a programme or project that either meets the strategic priorities and objectives of the SEP or which will respond to an economic shock. These details may be held within an agreed Commissioning Framework or Delivery Plan.
 - **A Thematic Board** – the Thematic Boards will proactively identify potential projects which satisfy the strategic objectives of the SEP and thematic Delivery Plan. These are subject to funding being available.
 - **Via a targeted Open Call for Project Applications** – open calls inviting applicants to bid for funding or propose a project are published on the SCR website. Calls have a specific focus, such as delivering an investment priority or targets in the SEP. Project applicants will then submit a response or bid.
- 5.11 Commissioning for non-statutory AEB delivery will begin in Autumn 2020, following the publication of the SCR Employment and Skills Plan on the SCR website. The plan will set out the ambition to provide South Yorkshire residents with high quality learning and to deliver the skills that employers need to drive economic growth. Training providers will be required to submit a Delivery Plan which will be appraised. Following a moderation process, senior officials will make final recommendations for approval.
- 5.12 The procurement process for non-statutory AEB delivery will follow established rules and best practice for procurement including the latest HM Treasury Green Book and AEB funding and appraisal guidance and will seek best value for money.

The Appraisal Process

- 5.13 All schemes seeking investment (including projects commissioned by the Thematic Boards, responses to Open Calls and projects identified by the SCR Executive Team but excluding AEB), undergo a proportionate appraisal to assess the merits of the application, its strategic fit and value for money.
- 5.14 Each project and application for funding is assessed on its own merit, including where there are potentially competing applications for funding.
- 5.15 For transport schemes, central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). This requirement doesn't stop MCAs and LEPs considering alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme.
- 5.16 The steps involved in the appraisal process are detailed and illustrated in Figure 7.

Figure 7: Business Case Development, Appraisal and Approval Process



Stage 1 Submission: Strategic Outline Case

- 5.17 A Strategic Outline Case (SOC) is the first official communication from a project applicant or scheme promoter. The purpose of the SOC is to establish the case for change and should provide a first view of the 'how, what and when' the project will deliver. It is important that an SOC can demonstrate its alignment with the SEP which sets the blueprint for how funds will be invested. The SOC is a standard template and requests the following information from the applicant:
- Project objectives and vision and the rationale for investment;
 - Project outputs and outcomes against the SEP;
 - High level timescales;
 - High level cost estimate of project (a range will suffice at this stage);
 - Initial estimate of funding required;
 - Project sponsor; and
 - Identifying risks and long list options analysis.

Stage 1 Appraisal: Strategic Outline Case

- 5.18 The SOC is assessed in line with the five-dimension model in the most recent HM Treasury Green Book and appraisal guidance published by individual Government departments. The SOC is therefore appraised against the following criteria:
- **Strategic Dimension** – contribution to SCR strategic objectives and national policy objectives;
 - **Economic Dimension** – impact on local and national growth, impact on national BCR, the social, distributional and environmental impacts, and an assessment of the value the project adds;
 - **Financial Dimension** – cost estimate and sources of funding e.g. identified scheme promoter, private sector and other contributions;
 - **Commercial Dimension** – proven market place for the project, certainty in outcomes, procurement processes and commercial viability; and
 - **Management Dimension** – demonstration that the project is capable of being delivered successfully, including Delivery Plans, statutory processes, programme, risk management (with appropriate mitigation plans) and benefit realisation.
- 5.19 To assess complex or transport related schemes, a series of approved and bespoke testing tools and models are used (such as FLUTE 18, SCRTM1) to better understand the potential outcomes and value for money of an application. A proportionate TAG assessment is undertaken, relative to the size of the project, to consider aspects such as the quality of the built environment. The VfM Statement confirms what tools have been used in conducting the appraisal at this stage.
- 5.20 The SCR Executive Team completes a VfM Statement and submits the appraisal report and VfM Statement to the SCR Appraisal Panel for their assessment.

Stage 1 SCR Appraisal Panel Recommendation: Strategic Outline Case

- 5.21 The SCR Appraisal Panel reviews the technical analysis undertaken by the SCR Executive Team. The SCR Appraisal Panel then agrees what recommendation they will make to the appropriate Board; either to accept a project to the programme pipeline, defer the project for further work or to reject the project.
- 5.22 Dependent on the source of funding, the LEP Board, MCA or a Thematic Board will have ultimate oversight of which projects are invited to develop their business cases further. The MCA has ultimate oversight of all

TCF projects and projects seeking investment from devolved funding. A VfM statement is submitted to the relevant board alongside other assessment information so that they are able to make a decision on which projects should be selected to further develop their business cases. In cases where the LEP or MCA have funding oversight, Thematic Boards may be consulted during the Strategic Business Case assessment and selection process.

- 5.23 Once a project has been accepted onto the programme pipeline, the VfM Statement is published on the SCR website alongside a summary of the SOC. This is updated periodically to include links to the key documents for each project and a record of progress. The SCR Executive Team collects any external comments on these schemes, and these are considered as part of the appraisal process. Project sponsors are also required to publish their SOC's on their own websites (or an appropriate summary of the submission) and must consider all comments received and reflect this in the next stages of the application process (Outline Business Case and Full Business Case).

Stage 2 Submission: Outline Business Case

- 5.24 Having been accepted onto the programme pipeline, the project applicant or scheme promoter is required to develop the business case further. The aim of an Outline Business Case (OBC) is to:
- Identify the investment option which optimises value for money;
 - Prepare a scheme for procurement; and
 - Put in place the necessary funding and management arrangements for the successful delivery of the scheme.

Once an OBC has been developed, there will be a clear understanding of the project plan, project management and governance arrangements, benefits realisation and risk management arrangements. Project assurance and post-project evaluation details will be fully worked-up.

- 5.25 The requirements at this stage are dependent on the nature, scale, risk and complexity of the project. For most small value cases (less than £500,000 total project value and offering a low level of risk), a project will go through a Business Justification Case (BJC) rather than require an OBC and Full Business Case (FBC). Small value projects which are complex or which present significant risk will still require an OBC and FBC.
- 5.26 The OBC and FBC build on the foundations of the Strategic Outline Case in that they provide considerably more detail on each of the five dimensions outlined in the latest HM Treasury Green Book guidance. The SCR Executive Team will provide guidance to project applicants and scheme promoters to assist them in developing an OBC and FBC, including DfT business case guidance for transport projects.
- 5.27 A series of gateway checks are in place to ensure that projects are developed to the appropriate standard at the right time, to enable informed decisions to be made by the appropriate Boards.
- 5.28 If agreed at programme level by the MCA, individual projects may be supported with their capital development costs to assist with timely progression of business cases. A proportion of total project costs may be released early at OBC stage (typically 2% of the total project cost) for capital scheme development, and/or at FBC stage (typically around 10% of the total project cost) to support detailed design and other procurement costs and fees to progress the scheme. For TCF and other transport projects, the amount of funding that would be available for early release is around 12% of the scheme value (based on a costed fee plan) to mitigate risks associated with developing and delivering large schemes. For all other projects, the amount of funding that will potentially be released early is around 10% (based on a costed fee plan). The full development funding awarded is entirely subject to clawback if the application does not result in successful capital delivery over an agreed timeframe.

- 5.29 The five dimensions help to ensure that all impacts of a project (monetised and non-monetised) are presented in the OBC and FBC for consideration. The OBC and FBC templates and guidance set out the basis for capturing impacts, including Optimism Bias. The Optimism Bias for transport projects is calculated in accordance with the DfT's Value for Money Advice Note for Local Transport Decision Makers.
- 5.30 It is essential that project applicants and scheme promoters agree the scope of costs and benefits before any substantive business case development is undertaken.
- 5.31 Project applicants and scheme promoters must also ensure that the commercial, financial and management arrangements are appropriate for effective delivery.
- 5.32 Once a final version of the OBC is received from an applicant, it is published on the SCR website to enable partners, stakeholders and members of the public to comment on the proposed project, and its projected costs and outputs. Any comments received are considered as part of the appraisal.
- 5.33 A fully developed OBC will have determined the preferred option, potential value for money, ascertained affordability and funding requirements and be preparing the potential deal which enables successful delivery. Once an OBC is fully developed it is submitted for appraisal.

Stage 2 Appraisal: Outline Business Case

- 5.34 An independent assessment is undertaken of all OBCs to quality assure and scrutinise the project as well as undertaking all necessary due diligence checks. Any comments received via the SCR website on the published business case are considered.
- 5.35 When technical expertise or specialist advice is required to appraise the project, the SCR Executive Team uses experts – the Central Independent Appraisal Team (CIAT) - to assist in appraising the Business Case. The SCR Executive Team ensures there is always a clear distinction and adequate separation between the scheme promoters and the decision makers.
- 5.36 Transport projects undergo a proportionate TAG compliant appraisal. An Appraisal Scoping Report template is used to assess such schemes, comprising the:
- Level of analytical detail to be applied to approve a scheme against overarching Government transport objectives and the rationale for this;
 - Modelling tools to be applied;
 - Alternative interventions to be considered; and
 - Timescales for business case development.
- 5.37 The SCR Assurance Team completes a Value for Money (VfM) Statement and submits the appraisal report and VfM Statement to the SCR Appraisal Panel for their assessment.

Stage 2 SCR Appraisal Panel Recommendation: Outline Business Case

- 5.38 The SCR Appraisal Panel reviews the technical analysis undertaken by the SCR Executive Team and CIAT (where applicable), including the VfM Statement. The SCR Appraisal Panel then agrees what recommendation they will make to the Thematic Board; either to approve the project or defer the project for further work. At this stage it is still possible that an application could be recommended for rejection on the grounds of Poor VfM (determined as having a final BCR rating of below 1, accounting for significant non-monetised impacts and key uncertainties) or presenting significant uncertainty or risk.
- 5.39 The Thematic Board can approve the Outline Business Case if it is within their delegated limit. Projects which exceed the delegation are endorsed by the relevant Thematic Board and then submitted to the MCA

Board for approval. Exceptionally, a project may go directly to MCA for approval with the relevant Thematic Board being informed subsequently of the decision.

- 5.40 Meeting papers for the MCA or relevant Thematic Board are published on the SCR website a week before the meeting, including the project summaries and VfM assessments of applications seeking OBC approval.
- 5.41 At OBC stage, the funding decision of the MCA (or Thematic Board with delegated authority) will be notionally allocated, subject to appropriate conditions being met within an agreed timeframe. All funding decisions are communicated in writing to project applicants.
- 5.42 Following approval of an OBC, it may be necessary to complete a range of statutory processes to ensure the project is actually ready to start. This could include for example, obtaining planning permission, initiating a Compulsory Purchase Order, or satisfying a number of conditions agreed as part of the OBC. Compliance checks on any conditions of funding specified by the MCA, LEP or Thematic Board are then carried out by the SCR Executive Team, and updated documents on the project including the VfM Statement is published on the SCR website.

Stage 3 Submission and Agreement: Full Business Case

- 5.43 Much of the work involved in producing the FBC focuses on revisiting and updating the conclusions of the OBC and documenting the outcomes of the procurement. The purpose of the FBC is to:
- Identify the procurement opportunity which offers optimum value for money;
 - Agree the commercial and contractual arrangements for the successful delivery; and
 - Put in place the detailed management arrangements for successful delivery.
- Any pre-contract conditions which were put in place as part of the OBC approval should be cleared during the development of an FBC.
- 5.44 Once a final version of the FBC is received from an applicant, it is published on the SCR website to enable partners, stakeholders and members of the public to comment. Any comments received are considered before the project receives full approval.
- 5.45 Meeting papers for the MCA or relevant Thematic Board are published on the SCR website a week before the meeting, including the project summaries and VfM assessments of applications seeking FBC approval.
- 5.46 The MCA, or Thematic Board if it is within their delegation limits, will be asked to grant authority to enter into a Funding Agreement once funding approval is given. Updated documents on the project including the VfM Statement is published on the SCR website.

Complaints and Appeals

- 5.47 All applicants for funding are made aware of the recommendations made by the SCR Appraisal Panel and the decision of the relevant approving Board, along with the rationale for the recommendations. Complaints can be made if the applicant deems that due process has not been followed.
- 5.48 Decisions made by the SCR Mayor, MCA, LEP and Thematic Boards can be scrutinised by the SCR Overview and Scrutiny Committee. All decisions on funding must follow the appraisal process outlined above to be valid.
- 5.49 If a complaint is made, the MCA Chair and Monitoring Officer will convene an independent committee to review the issue and make a recommendation to the MCA/LEP Board as appropriate.

- 5.50 In any case where it is alleged that the MCA, LEP or Thematic Board is (a) acting in breach of the law, (b) failing to adhere to the process outlined in this Assurance Framework, or (c) failing to safeguard public funds, complaints are directed to the MCA's Monitoring Officer or their deputy. This includes complaints from stakeholders, members of the public or internal whistleblowers.
- 5.51 As the MCA is the accountable body for all funding decisions, the Monitoring Officer will address the allegation following the protocols set out in the [MCA Constitution](#).
- 5.52 If the MCA or LEP cannot resolve the issue to the complainant's satisfaction, and the complaint relates to funding allocated to the City Region, the issue may be passed to the relevant Government department (such as the MHCLG, or the Department for Transport (DfT)).

Conflicts of Interest and Decision-Making

- 5.53 At all stages of decision-making, the national guidance on registering conflicts of interest is adhered to. This includes any interests declared by members of the MCA, LEP and Thematic Boards, the SCR Appraisal Panel, and Statutory Officers. This is detailed in the [LEP Declarations of Interest Policy](#).
- 5.54 Each member of the MCA, LEP and Thematic Boards is required to declare their pecuniary and non-pecuniary interests (whether they are a member in their individual capacity or representing an organisation). Members are also responsible for reviewing and updating their register. This includes declaring any gifts or hospitality received. Declarations of interest are also sought and recorded in the minutes of each MCA, LEP and Thematic Board meeting. The [Individual Register of Interest](#) forms and the [Register of Declarations Made at Meetings](#) are regularly updated and published on the SCR website.
- 5.55 Senior members of staff within the SCR Executive Team and Statutory Officers also complete and maintain an Individual Register of Interest and update it when circumstances change. These are also published on the [SCR website](#).

6. Contract Management

- 6.1 Once a project is approved, contracts are issued and regular communication with the project applicant or scheme promoter is maintained throughout the project's lifetime.

Contracting

- 6.2 A Funding Agreement between the MCA and project applicant/scheme promoter sets out the conditions relating to the MCA's agreement to fund the project and the responsibilities of the MCA and applicant/scheme promoter.
- 6.3 The Funding Agreement specifies that grants and loans are capped, and applicants/scheme promoters bear the risk for all overspend on the project beyond the approved amount.

Payment Against Claims

- 6.4 Payment milestones are agreed with the project applicant/scheme promoter at the point of contract. The milestones depend on the complexity, cost and timescales of the project. This forms part of the programme management role of the MCA, which is subject to external audit.
- 6.5 Each grant claim is crosschecked against the approved project baseline information as part of the quarterly reporting processes.

Managing Contract Performance

- 6.6 The SCR Executive Team manages the delivery of the contract and works with the applicant/scheme promoter to monitor the project's progress and risks.
- 6.7 The SCR Executive Team is responsible for immediately addressing any slippages or concerns regarding project delivery and taking corrective action, including updating the Risk Register as necessary.
- 6.8 A change control process is in place to ensure that variations to an approved project are discussed with the project applicant and agreed with the SCR. Variations to a project are logged on the project's file and reported to the LEP, MCA and Thematic Boards when appropriate. Minor changes which do not alter the terms of the Funding Agreement can be agreed between the project applicant and SCR Executive Team. The relevant Board is however, notified of any changes that are contrary to the terms of the Funding Agreement, such as changes to a project's income, expenditure or output profile.
- 6.9 Where there is significant underperformance or cause for concern, a project will be referred to the MCA, LEP or Thematic Boards for a decision.

Clawback

- 6.10 The Funding Agreement includes a mechanism for clawback. This ensures that funding is only spent on the specified project and linked to the delivery of outputs and outcomes, whilst giving the MCA and LEP the option of clawing back funds for poor performance or misuse of funds.

7. Measuring Performance and Success

- 7.1 Monitoring and measuring the performance of projects and programmes provides important lessons which are used to improve future decision-making. This increases the likelihood of successful delivery of future projects.

SCR Monitoring and Evaluation Framework

- 7.2 A comprehensive monitoring and evaluation framework is in place which has been designed in accordance with the most recent HM Treasury's Magenta and Green Book principles and other monitoring and evaluation guidance, such as that published by the What Works Centre.
- 7.3 The SCR Monitoring and Evaluation Framework sets out how projects and programmes including devolved funds such as AEB and TCF will be assessed both during their delivery and post-delivery phases, to understand the inputs, outputs and impacts of investment made in the Sheffield City Region. The framework outlines in detail the processes in place to enable the SCR Executive Team to gather robust feedback on delivery performance and identify the lessons learnt from projects and programmes and any best practice that can be applied to future activity, programmes and policy.
- 7.4 The framework sets out several logic models, and identifies the performance metrics and indicators that are used to assess the impact of a project or programme and its contribution to delivering the SEP objectives and priorities for economic growth, inclusion and sustainability, and how they will contribute to SEP targets for outputs and outcomes.
- 7.5 The SEP includes a broad range of economic, social and environmental indicators that new MCA and LEP funded schemes and projects will be measured against. The SEP indicators are also used to regularly track the overall performance and health of the SCR economy. This quantitative data helps to inform the development of new schemes and interventions to address weaknesses and challenges in the local economy.
- 7.6 The process for monitoring and evaluating project and programme performance is summarised in the sections below.

Monitoring

- 7.7 All project applicants/scheme promoters and AEB delivery partners are required to provide regular financial and delivery information to the SCR Executive Team. The SCR's Programme and Performance Unit maintain oversight of contract delivery, through regular contact with applicants, scheme promoters and delivery partners including site visits where appropriate. The Unit gathers information and data to ensure that a robust audit trail is in place.
- 7.8 The applicant/scheme promoter and AEB delivery partner submits quarterly reports to the SCR Executive Team. All quarterly reports are signed-off by the Section 73 Officer and LEP Board. This enables the MCA and LEP to fulfil their duties on reporting and accounting for public monies.
- 7.9 Project Applicants/scheme promoters and AEB delivery partners are responsible for informing the SCR Executive Team of any changes to the scope, costs and implementation timescales for their project. The SCR Executive Team assesses the impact of any changes on the overall programme, budget and expenditure. Cost increases or financial slippage are reported to the appropriate Board where necessary. The MCA does not guarantee that it will meet any cost increases either in full or in part.

- 7.10 The SCR Executive Team presents Quarterly Monitoring Reports on project and programme delivery, including AEB, to the MCA, LEP and relevant Thematic Board. This ensures that LEP members are informed of progress on projects and are sighted on any issues that will result in financial slippage or underperformance.
- 7.11 Quarterly reports on project and programme performance are also submitted to MHCLG.
- 7.12 Following devolution of the AEB in 2021/22 academic year, the MCA will submit an annual report to Government each January on the delivery of AEB functions from the previous academic year to date including:
- SCR policies for adult education
 - Expenditure against AEB
 - Data analysis of AEB delivery in South Yorkshire

Evaluation

- 7.13 The frequency and type of evaluation conducted, depends on the contract value, duration and complexity of the project. Pilot projects and major schemes such as AEB and TCF, are subject to more extensive evaluation. As a minimum, all projects are expected to be evaluated on impact to ascertain whether the project's objectives, outputs and outcomes were achieved and the reasons and results of any under or over performance.
- 7.14 The SCR Executive Team procures external evaluation of LEP funded programmes and major projects including LGF, AEB and TCF through an open and competitive process to evaluate the impact of specific funding streams, significant investments and pilot projects.
- 7.15 Project applicants/scheme promoters are responsible for ensuring all other projects are evaluated, and that adequate resource is allocated to undertake the agreed evaluation.
- 7.16 Project evaluation provides accountability for the investment made. It also provides local evidence on which to base future projects and programmes. The SCR Executive Team reviews the results of the evaluation against the objectives of the project as set out in the business case and Funding Agreement and the most appropriate counterfactual. Evaluation results for all projects are published on the SCR website.
- 7.17 Where there is a variation between a project's objectives and its outcomes, the SCR Executive Team works with the promoter to agree corrective action. If the corrective action is unsuccessful, clawback clauses in the Funding Agreement can be invoked as a final resort and to secure the desired outcomes via alternative measures.
- 7.18 The SCR Executive Team compiles a summary report for the MCA of all projects that have completed during the previous quarter. This report confirms whether the project has delivered against its spending profile and achieved the outputs and objectives in the Funding Agreement. The report also recommends whether each project can be closed.
- 7.19 As part of the annual report to Government on the delivery of AEB functions from the previous academic year to date, the MCA will also provide an update on interim evaluation findings on the impact that AEB has had in South Yorkshire. These findings will be derived from qualitative data such as employer and learner survey responses and quantitative data on the take-up of AEB funded provision in South Yorkshire and improvements in participation, progression and attainment in statutory and non-statutory training.

8. Inclusive and Collaborative Working

- 8.1 The strength and success of the Sheffield City Region (SCR) partnership is founded on good governance and partner collaboration. Collaboration and a true partnership approach have been a cornerstone of the MCA and LEP achieving what they have to date. This collaboration is resulting in a focused programme of engagement; designed to accelerate the delivery of the SCR SEP and harness the City Region's latent potential.

The LEP Network

- 8.2 The LEP is an active member of the national LEP Network and is committed to developing and sharing best practice with the LEP Network and its members. The LEP is also committed to learning and embedding the best practice of other LEPs within the Sheffield City Region.

Collaboration with Other LEPs, Metro Mayors and the Northern Powerhouse

- 8.3 The SCR Mayor, MCA and LEP are committed to working in collaboration with other LEPs, Mayoral Combined Authorities and the Northern Powerhouse to pool knowledge and resource and enhance the effectiveness, transparency, decision-making and leadership in local economic development.
- 8.4 SCR has achieved the following by working across geographical borders:
- Led a trade delegation to India in conjunction with NP11 members (the 11 LEP areas in the Northern Powerhouse) and led the NP11's presence and programme at MIPIM 2020;
 - Collaborated with Transport for the North (TfN) and LEPs across the North of England to inform the development of TfN's Strategic Transport Plan. TfN also contributed to the development of the SCR Transport Strategy and SCR Integrated Rail Action Plan;
 - Worked in partnership with the Metro Mayors (M9) on an Air Quality Summit and joint lobbying to Government for increased powers and funding;
 - Agreed a Collaboration Framework with D2N2 LEP to share data and manage activities, projects and communications in the former geographical overlap area;
 - Employed a dedicated officer within the SCR Growth Hub to engage with businesses and relevant officers in the D2N2 LEP area to ensure they receive a clear and coherent package of support;
 - Invested £5m of the SCR Growth Deal allocation in upgrading the Midland Main Line at Market Harborough, in conjunction with the D2N2 and the Leicester and Leicestershire LEPs;
 - Completed a wave 1 Science and Innovation Audit with the Lancashire Partnership around shared sectoral strengths; and
 - Learnt from and shared best practice with the HS2 Places Group and worked with the Leeds City Region on proposals for a parkway station, and the Eastern Network Partnership on HS2 route 2b.

Engaging with Other Partners

- 8.5 Regular meetings are held with partners to ensure an open and two-way dialogue on activity being undertaken across the City Region, and to discuss the development of strategies and progress in delivering the SEP priorities and objectives. These meetings take place with business representative organisations, including the Chambers of Commerce, Federation of Small Business, CBI, Institute of Directors and Make UK (formerly known as the EEF), as well as Sector Group Chairs, local authority partners and the universities.
- 8.6 A programme of engagement events is also held with partners across the City Region. Typically, these events are thematic based, and are used to obtain input and feedback from partners to inform the City

Region's policies, strategies and project formulation. These engagement events are advertised on the SCR website and social media channels and through partners such as the business representative organisations.

8.7 Examples of collaboration with partners and agencies have included:

- Establishing a SCR Policy Advisory Group to share and pool economic evidence and data to inform the development of the new SEP;
- Having representation on the Northern Powerhouse Investment Fund Board;
- Playing an active role in the north of England Growth Hub network, which is designed to share best practice;
- Playing an active part of the national network established for the devolution of the Adult Education Budget (AEB). The LEP has led the work around data analysis/labour market intelligence and the contractual arrangements for the operation of the AEB in a devolved model; and
- Developing a strong working relationship with Department for International Trade (DIT) on the Northern Powerhouse agenda, including trade missions and having three exciting investment propositions showcased through the Northern Powerhouse Investment portfolio/pitchbook.

8.8 Local and national partners have been, and will continue to be, fully engaged throughout the development phase of AEB devolution. A Skills Advisory Panel brings together employers and further and higher education institutions from the Sheffield City Region with representatives from the Department for Education and the Department for Work and Pensions. The Panel will assist in the identification and setting of the processes and priorities for AEB funding awards, and monitoring and evaluation of AEB delivery.

Engaging with the Public

8.9 The MCA publishes a plan on key decisions that will be taken by the SCR at least 28 days before the decision is due to be made. The [Forward Plan of Key Decisions](#) includes decisions that have a financial implication (such as projects that are seeking investment from the MCA and LEP, new programmes or schemes that would be delivered across the city region, or new strategies) and non-financial decisions which impact on two or more local authority areas. The plan is refreshed and published on the SCR website every month and it enables members of the public to view information on decisions before they are made so that they can comment on them.

8.10 The plan provides brief information on the project, programme or strategy, the date the decision will be taken, the lead officer's contact details and information on how to access any relevant reports (subject to restrictions on their disclosure).

8.11 In addition to publishing information on potential investment decisions in the Forward Plan of Key Decisions, the VfM Statement and business case for each project is published and publicised on the SCR website at every stage of the appraisal process. This enables members of the public and stakeholders to comment on proposed projects before funding decisions are made. All comments received are considered by the SCR Appraisal Panel in deciding whether to recommend a project for approval, deferment or rejection, and are made available to the MCA, LEP and Thematic Boards.

8.12 The SCR website also explains how members of the public can request information as well as providing feedback and submitting questions for MCA meetings.

8.13 The LEP holds an Annual General Meeting (AGM) each year which is open to the public and publicised through the SCR website and social media networks and press.

8.14 The MCA holds its AGM in June each year.

Formal and Public Consultation

- 8.15 In accordance with the MCA's statutory obligations, the SCR Executive Team undertakes a public consultation exercise when revising or developing a new strategic document. The consultation period runs for between 6 and 12 weeks. Information on the consultation is posted on the homepage of the SCR website with a draft document and details of how to submit views, comments and supporting evidence electronically and by post. Information on any scheduled consultation events are also displayed.
- 8.16 Comments and evidence submitted by partners and individuals during the public consultation period are logged, analysed and categorised, with records kept on how the final draft of the strategy has been amended to reflect the comments and evidence received.
- 8.17 In 2018, the public were consulted on the draft SCR Transport Strategy and in 2020, the public will be consulted on the new SEP.

9. Publishing Information

- 9.1 The SCR Mayoral Combined Authority (MCA) is subject to the same Transparency Code that applies to local authorities. To deliver the responsibilities under the code, SCR has developed a robust, but proportionate, approach to sharing and publishing information so that it is accessible to the public.

Access to Information

- 9.2 The MCA Constitution includes a publication scheme which sets out how and when agendas, minutes, papers and other documents produced by the MCA, LEP and SCR Executive Team will be made available to the public. It also sets out any exceptions to publishing information, such as not disclosing information that is prohibited by law or which is exempt under the Local Government Act 1972 Schedule 12A or Freedom of Information Act 2000.
- 9.3 The [SCR Publication Scheme](#), which applies to both the Local Enterprise Partnership (LEP) and MCA, is published on the SCR website. MCA, LEP and Thematic Board papers clearly state whether the paper will be published under the Publication Scheme and whether any exemptions apply.
- 9.4 The MCA is subject to the Local Government Act 1972, Freedom of Information Act 2000, Data Protection Acts of 1998 and 2018, the General Data Protection Regulations (GDPR) and the Environmental Impact Regulations 2004. As Accountable Body, the MCA fulfils these functions on behalf of the LEP.
- 9.5 The public are made aware of their right to access information through the SCR website. Requests for information are dealt with in accordance with the relevant legislation and information is not unreasonably withheld. The SCR Executive Team elects to publish more information on activities and decisions than is stipulated in Government guidance, so that Freedom of Information requests are less necessary.
- 9.6 All data supplied to the MCA, LEP and SCR Executive Team, including personal, financial, confidential and sensitive information is processed and handled in line with data protection legislation. Personal information is stored securely to maintain privacy. This process is detailed in the [SCR Privacy Policy](#).

SCR Website

- 9.7 Core information regarding activity being undertaken by the MCA, LEP and SCR Mayor is available on the SCR website. The website has been designed to be easy to navigate and to enable members of the public to locate and download information on decisions and activities.
- 9.8 The SCR website is structured into the following sections:
- **Investors** – this section is targeted at potential inward investors and contains information on the portfolio of land available for investment and the Enterprise Zone locations in the City Region;
 - **Business** – this section is aimed primarily at indigenous businesses and explains the schemes and initiatives available to support businesses to start-up, thrive and grow, including the SCR Growth Hub;
 - **Governance** – this is a dedicated section on how the City Region functions, including sub-sections on the SCR Board structure and Board membership (Who We Are), LEP and MCA policies, procedures, processes, decision-making and expenditure (How We Make Decisions), agendas and papers for meetings of the different Boards (Meetings), statutory notices on the Mayoral Election (Democracy and Elections) and the LEP Board Recruitment process and vacancies;

- **What We Do** – this section provides information on the SEP, thematic priorities, public consultations on draft SCR strategies, mini-portfolios on LEP funded projects and initiatives and a resources library of key documents and policies; and
- **Mayor** – this section contains information on the elected SCR Mayor including the SCR Mayor's role, powers, priorities and plans.

Meeting Papers

- 9.9 The schedule of MCA Board, LEP Board, Audit and Standards Committee and Overview and Scrutiny Committee meetings for the year ahead are published on the SCR website.
- 9.10 The notice of the meeting, the agenda and accompanying papers are published five clear working days in advance of the meeting. Where papers contain commercially sensitive information or are subject to one of the exemptions under the Local Government Act 1972 Schedule 12A or Freedom of Information Act 2000, they are not published and are categorised as a private item. Decisions on whether individual agenda items are private items are made by the LEP Chair in consultation with the SCR's Head of Paid Service and Monitoring Officer using existing local authority regulations.
- 9.11 Draft minutes of meetings are published no more than ten working days after the meetings on the SCR website. All MCA minutes are signed at the same or next suitable meeting of the Authority and published within ten clear working days.

Notice of Decisions

- 9.12 As stated in previous sections, the MCA publishes a Forward Plan of Key Decisions that will be taken by the MCA, LEP or Thematic Boards at least 28 days before the decision is made to enable members of the public to view and comment on them.
- 9.13 Details of all project approvals made by the MCA, LEP and Thematic Boards are recorded in the Minutes of the meetings. In addition, the SCR Executive Team maintains and publishes a [Grants and Contracts Register](#) on the SCR website which provides details of all contracts and agreements signed, a brief summary of the project, and the value of the contract.
- 9.14 A Delegated Authority Report for decisions taken by each Thematic Board is produced for the MCA which documents all decisions that the Board has taken, including any approval they have given to projects within their delegated authority limit (up to £2 million) and any endorsement, deferment or rejection of projects that exceed their delegation. Delegated Authority Reports is a standing agenda item for discussion at each MCA meeting and they are published in the meeting paper pack on the SCR website.

Information on Board Members

- 9.15 The following information on LEP and MCA Board Members is published on the SCR website:
- Biography – including name, job title, organisation represented, membership of Committees and any lead roles;
 - Individual Register of Interests;
 - Declarations at Meetings;
 - Attendance Record;
 - Gifts and Hospitality Record; and
 - Term of Office

- 9.16 LEP Board members are not remunerated. Members are entitled to claim back travel and subsistence costs incurred whilst undertaking duties and responsibilities on behalf of the LEP. The SCR Executive Team publishes details of all expenses and subsistence claimed by LEP Board Members and authorised by the Head of Paid Service in [Quarterly Expenses Reports](#).
- 9.17 The SCR Executive Team also publishes [Quarterly Gifts and Hospitality Reports](#) which summarise any gifts or hospitality accepted and received by LEP Board members with a notional or actual value that exceeds £50. Gifts and hospitality are also recorded in each LEP Board Members' Individual Register of Interest.

Financial Information

- 9.18 A range of budgetary and financial information is published on the SCR website so that it is transparent and accessible to the public.
- 9.19 MCA, Mayoral and LEP budgets are set prior to the start of the financial year within the Budget and Policy Framework. As the Accountable Body, the MCA is responsible for setting and approving the annual budgets for the organisations within the SCR structure. This includes approving the transport revenue budget for the South Yorkshire Passenger Transport Executive (SYPTTE), setting the transport levy and approving the LEP's capital and revenue budget.
- 9.20 The MCA is also responsible for agreeing an annual programme of capital expenditure, together with proposals for the financing of that programme. This includes projects promoted by both the MCA and those directly managed by SYPTTE.
- 9.21 Quarterly updates on the performance of the LEP capital and revenue programmes are provided to the MCA and LEP Boards and these are published in meeting papers.
- 9.22 As stated previously in this section, funding decisions are also published on the SCR website in the [Grants and Contracts Register](#). Payments to general suppliers that have a value of more than £250 are published every month in the SCR [Payments Made to Suppliers](#) register.
- 9.23 The LEP's finalised capital and revenue income and expenditure is published every year as part of the [SCR Group Accounts](#) (incorporating the MCA, LEP and SYPTTE). The draft accounts are considered by the MCA and LEP Boards in June/July each year. The finalised accounts which include the [Annual Governance Statement](#), are published alongside the [Independent Audit Certificate](#) for the financial year.
- 9.24 The roles and salary bands of all staff employed in the SCR Executive Team which exceed £50,000 per annum are also published on the SCR website.

Procurement and Funding Opportunities

- 9.25 The SCR Executive Team publishes calls for projects on a regular basis on the SCR website and through the SCR's social media feeds. The application templates and guidance documents for each commissioning call are available via the SCR website. Calls for ESIF funded activity are also advertised on the www.gov.uk website.
- 9.26 An open and competitive procurement process is in operation. When undertaking any procurement, all Boards, officers and staff must comply the SCR Contract Procurement Rules. Opportunities to supply goods and services to the SCR are advertised on the [YORtender](#) website with a link from the SCR website.
- 9.27 Information on how businesses can access advice and support services, including applying for grant-funded programmes, is advertised in the [Business](#) section of the SCR website.

Branding

- 9.28 In accordance with European Funding and Local Growth Fund branding guidance, the SCR Executive Team ensures that the correct logos and wording are displayed in all promotional materials for SCR funded projects and programmes. Promotional materials include the SCR website, websites of SCR and project applicants/scheme promoters, signage, social media posts, press notices and marketing literature.

LEP Delivery Plan

- 9.29 The LEP publishes an [Annual Delivery Plan and End of Year report](#) in April each year.
- 9.30 The SCR Annual Delivery Plan outlines the LEP's priorities and planned activities for the coming year including developmental work and any public consultation that is expected to take place.
- 9.31 The End of Year report provides an assessment of the LEP's activity and achievements against the Annual Delivery Plan and an assessment of how the SCR economy has changed over the course of the year. This sets the baseline economic position to measure future performance against.

Glossary of Terms

AEB	Adult Education Budget
AGM	Annual General Meeting
BCR	Benefit Cost Ratio
BMBC	Barnsley Metropolitan Borough Council
CIAT	Central Independent Appraisal Team
D2N2	Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership
DfE	Department for Education
DfT	Department for Transport
DIT	Department for International Trade
DMBC	Doncaster Metropolitan Borough Council
FLUTE	Forecasting the interactions of Land-Use, Transport and Economy
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
LTA	Local Transport Authority
MCA	Mayoral Combined Authority
MHCLG	Ministry of Housing, Communities and Local Government
OBC	Outline Business Case
R&D	Research and Development
RMBC	Rotherham Metropolitan Borough Council
SOC	Strategic Outline Case
SCC	Sheffield City Council
SCR	Sheffield City Region
SCRTM1	Sheffield City Region Transport Model 1
Section 73	Equivalent to a Section 151 Officer
SEP	Strategic Economic Plan
SYPTe	South Yorkshire Passenger Transport Executive
TAG	Transport Appraisal Guide (formerly known as WebTAG)
TCF	Transforming Cities Fund

Appendix A: Summary of LEP Policies

The Sheffield City Region (SCR) is strongly committed to putting in place robust decision-making and financial management policies and procedures to ensure that public money is being spent responsibly and is accounted for.

Each year, the suite of LEP policies are reviewed and refined in an effort to continually improve governance and accountability. The LEP's policies are listed below and published on the SCR website at <https://sheffieldcityregion.org.uk/about-us-governance-policy/how-we-make-decisions-2/>.

LEP Terms of Reference

The [LEP Terms of Reference](#) outlines the role and aims of the LEP Board and the duties of LEP Board members. It also details the LEP's Board member recruitment and appointment process, the roles of the Chair and Deputy Chair, and the decision-making process.

LEP Board Recruitment

The [LEP Board Appointment Process](#) explains how vacancies on the LEP Board will be openly advertised, and how Board appointments will be made by a LEP Appointments Panel in a transparent, competitive and non-discriminatory way.

Equality and Diversity

The LEP's commitment and approach to ensuring equality and diversity is detailed in the [LEP Diversity Policy](#). The policy covers recruitment and selection and all engagement with individuals and organisations. The policy also outlines the LEP Board's commitment to nominating a LEP Board member to act as Diversity Champion. The policy applies to LEP Board members, the SCR Executive Team and any Thematic Board members.

Code of Conduct

All LEP Board members proactively sign-up to the [LEP Code of Conduct](#) when they are appointed to the Board, as a condition of their appointment. The Code of Conduct explicitly requires LEP Board members to conform with the Seven Principles of Public Life (Nolan principles) – selflessness, integrity, objectivity, accountability, openness, honesty and leadership. SCR staff are required to sign the employee's Code of Conduct as a condition of their employment which requires them to carry out their duties in accordance with the Nolan principles.

Remuneration and Expenses

LEP Board members are not remunerated. Members are entitled to claim back travel and subsistence costs incurred whilst undertaking duties and responsibilities on behalf of the LEP. The [LEP Expenses Policy](#) explains the requirement for travel and subsistence to be pre-approved by the Head of Paid Service prior to being incurred and the process for claiming expenses.

Gifts and Hospitality

LEP Board members are required to notify the Head of Paid Service in writing of all offers of hospitality and gifts received with a value of more than £50. The [LEP Gifts and Hospitality Policy](#) aligns with Local Authority systems and standards on accepting and declaring gifts. The policy also applies to the SCR Executive Team and any Sub-groups involved in advising on or making decisions.

Conflicts of Interest

The [LEP Declarations of Interest Policy](#) requires all LEP Board members and senior officers to complete and maintain an up to date Register of Declarations to avoid any conflicts of interest when advising on, or making decisions.

Whistleblowing

The [LEP Whistleblowing Policy](#) provides information on how concerns about the LEP, LEP Board members and the SCR Executive Team should be raised, how the concerns will be handled and how concerns will be dealt with sensitively and in confidence.

Complaints

The [LEP Confidential Complaints Policy](#) explains how complaints about the LEP, LEP Board members and the SCR Executive Team should be submitted and how complaints will be dealt with and responded to.

Data Management

The [LEP Privacy Policy](#) explains to the general how and why the SCR collects and uses information provided by service users and members of the public. This includes data that is provided to the SCR via the SCR's websites, information provided to SCR funded services and projects (e.g. Growth Hub, Skills Bank, Working Win) and data provided over the telephone. The policy ensures that the LEP and SCR Executive Team will only process data in a legally-compliant way, and that personal information will be handled in confidence and stored securely to maintain privacy.

Appendix B: Joint Statement from LEP and MCA

This Memorandum of Understanding (MoU) sets out the respective roles and responsibilities of the Sheffield City Region (SCR) Mayoral Combined Authority (MCA) and the SCR Local Enterprise Partnership (LEP). It has been produced to provide clarity on how decisions on public funds are made within the Sheffield City Region.

Roles

The MCA is the legal and Accountable Body for funding devolved by Government to the MCA and LEP, including the Growth Deal. The MCA is also the Local Transport Authority for South Yorkshire.

The LEP is a voluntary business-led partnership which drives economic growth and advises how LEP funding should be invested in developing and growing the SCR economy.

The SCR Mayor is directly elected by the electorate in South Yorkshire to lead the SCR and to promote it as a place to live, work and invest in. The SCR Mayor is Chair of the MCA and is a member of the LEP Board.

Responsibilities

The Mayoral Combined Authority is required to:

- Approve the LEP annual capital and revenue budgets prior to the start of the financial year, in discussion and agreement with the LEP;
- Test the value for money of proposed projects for LEP funding;
- Ensure that the legal duties of the MCA as the LEP's Accountable Body, operate in a responsible and transparent manner; and
- Inform the LEP of any operational decisions made.

The Local Enterprise Partnership is required to:

- Produce and publish the Strategic Economic Plan (SEP);
- Support the Mayor in producing the Local Industrial Strategy;
- Accept proposed projects onto the programme pipeline;
- Advise the LEP on decisions of how the capital and revenue budgets allocated to the LEP are prioritised and spent;
- Ensure that decisions on proposed projects are aligned with the objectives of the SEP and based on value for money assessments; and
- Oversee the delivery of LEP funded programmes.

Operating Practices and Policies

The MCA and LEP will be served by a central team of impartial staff (the SCR Executive Team) who will provide advice and report on financial information and programme delivery to both the MCA and LEP Boards.

The MCA and LEP agree to conform with the Seven Principles of Public Life (Nolan principles) – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The MCA and LEP are opposed to all forms of unlawful, unfair and inappropriate discrimination, and commit to provide equality and fairness to all those who wish to work with them and to not act less favourably on the grounds of any protected characteristic.

Amendments

This MoU can be amended at any time with agreement of both the MCA and LEP.

The Mayoral Combined Authority and Local Enterprise Partnership affirm to know, understand and agree to this Memorandum of Understanding as negotiated together.

**Signed on Behalf of the Sheffield City Region
Mayoral Combined Authority:**

**Signed on Behalf of the Sheffield City Region Local
Enterprise Partnership:**

Signature: _____

Signature: _____

Name: Mayor Dan Jarvis MP MBE
Position: SCR Mayor and Chair of the Mayoral
Combined Authority

Name: James Muir
Position: LEP Chair

Date: _____

Date: _____

Sheffield
City Region

Sheffield City Region

11 Broad Street West

Sheffield

S1 2BQ

+44 (0)114 220 3400

enquiries@sheffieldcityregion.org.uk

www.sheffieldcityregion.org.uk