

**SHEFFIELD CITY REGION LOCAL ENTERPRISE PARTNERSHIP BOARD
NOTES OF MEETING HELD ON 8 MAY 2018**

Board Members: Sir Nigel Knowles (Chair), Nigel Brewster (Vice Chair), Councillor Jim Andrews BEM, Gavin Baldwin, Laura Bennett, Councillor Tricia Gilby, Alexa Greaves, Mayor Ros Jones CBE, Julie Kenny CBE, Neil MacDonald, Martin McKervey, Owen Michaelson, Councillor Chris Read and Richard Stubbs

In attendance: Substitute Members:

Co-Opted Members: Chris Scholey, Simon Carr and Professor Chris Husbands

Officers: Ruth Adams, Colin Blackburn, Fiona Boden, Huw Bowen, Rachel Clark, Andrew Gates, Helen Lazarus, Mark Lynam, Mel Dei Rossi, Dave Smith, Mike Thomas, Craig Tyler, Dr Sarah Want and Damien Wilson

Apologies: Councillor Julie Dore, Professor Sir Keith Burnett, Councillor Michael Gordon, Councillor Simon Greaves, Councillor Sir Steve Houghton CBE, Mayor Dan Jarvis, Councillor Lewis Rose OBE and Councillor Ann Syrett

Item	Subject	Action
1	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting. It was confirmed Mayor Jarvis would be a standing LEP Partnership Board Member going forward.</p> <p>Members apologies' were noted as above.</p>	
2	<p>Declarations of Interest</p> <p>Simon declared an interest in relation to activities occurring since the last formal meeting, noting he has been appointed to the Wentworth Preservation Trust Board of Trustees. It was confirmed his published Register of Interest would be updated with immediate effect.</p>	

	<p>There were no additional changes to the published Registers of Interest reported, and no declarations of interest noted in relation to the agenda items.</p>	
3	<p>Notes of the Last Meeting</p> <p>Regarding the appointment of a private sector member to the Transport for the North Board, it was confirmed Martin McKervey had been duly appointed.</p> <p>Regarding the CA/LEP revenue budget and capital programme 2018/19, it was confirmed Ruth would be providing all members with the more detailed version of the paper which was submitted to the last meeting of the SCR Combined Authority.</p> <p>It was noted the minutes of the previous meeting had omitted to record the attendance of the Vice Chair, Nigel Brewster.</p> <p>With the exception of the above omission, the minutes of the previous meeting held on 19th March 2018 were agreed to be an accurate record.</p>	
4	<p>Global Innovation Corridor</p> <p>The Board received a presentation on the emerging Global Innovation Corridor concept and were invited to discuss the next steps of the initiative.</p> <p>The report noted the Government's 2016 Science and Innovation Audit (SIA) of high value manufacturing assets within Lancashire and Sheffield City Region LEPs had identified that the SCR has the elements required to be a globally significant centre for innovation and translational research.</p> <p>The presentation therefore outlined the concept of a SCR Global Innovation Corridor (GIC), identifying a series of interconnected physical, economic and networking assets within the City Region, using the AMID as the catalyst, and proposing 'taking the success of the Advanced Manufacturing Park and repeating it' across the region.</p> <p>It was suggested the GIC would be a strategic corridor of inter-linked digital and manufacturing assets which will form the basis for the next stage of economic growth in the City Region, based around inherent strengths in research and innovation and nationally significantly land and property assets.</p> <p>It was suggested the availability of well-connected land assets at M1 Junction 36 (as part of the wider M1 corridor) and Aerocentre Yorkshire are of importance given it is estimated that land at the Advanced Manufacturing Park will run out in the next 4-5 years.</p>	

	<p>Members were asked to consider what other assets in the City Region might be included within the GIC concept. Cllr Gilby requested equal consideration be given to potential sites outside the Constituent area, acquainting members with the example of the rail maintenance and research facility at Barrow Hill</p> <p>It was suggested the GIC concept needs strong local authority lead to ensure all potential sites are appropriately captured.</p> <p>It was suggested the success of a GIC 'ecosystem' is also predicated on the need for better skills development, to ensure the region has the work force to meet the labour demands of the assets the City region is creating. It was agreed this matter needs to be built into the concept.</p> <p>It was agreed the GIC concept shouldn't be overly founded on advanced manufacturing industries and should capture ideas for new industries. It was therefore suggested there may be benefit in the SCR Science and Innovation Board inputting into the concept's development.</p> <p>It was suggested the best delivery model for GIC might be a Mayoral Development Corporation structure.</p> <p>Members noted the various GIC parts lack some aspects of commonality and alignment, and it was therefore proposed that collectively the GIC could be considered a brand, and that the Mayor might help perform the function of the brand leader.</p> <p>The Board agreed to support the GIC concept in principle and endorsed, subject to further development work, its potential incorporation into the revised SCR Strategic Economic Plan. It was confirmed a more worked up 'plan of actions' would be brought to the next meeting.</p> <p>Action: Dave to work up a GIC concept plan of actions and present this a future meeting</p>	
5	<p>Housing</p> <p>A report and presentation were received to update the Board on the City Region's approach to housing and what potential next steps are needed to further accelerate housing growth across the Sheffield City Region.</p> <p>The Board was reminded the Strategic Economic Plan sets out a high level target ambition to provide on average of between 7,000 and 10,000 new dwellings per year in order to support 70,000 new jobs over the next ten years. It was noted housing delivery has been steadily rising over the past five years, and there continues to be an upward trend. Net housing completions across the SCR have risen from 3,122 (2012/13) to 6,142 (2016/17). It is anticipated that this figure could break the 7,000 SEP figure for 2017/18.</p>	

	<p>Members were advised of the range of ongoing activities in place to help increase net completions, such as the implementation of the SCR Housing Fund which is cutting bureaucracy and significantly reducing the timescales for investing in housing schemes; thereby accelerating the delivery of additional housing units. The presentation outlined other opportunities to help accelerate delivery.</p> <p>It was acknowledged the Local Authorities' Local Plan targets for new completions don't aggregate to meet the SEP target. This gap is further potentially exacerbated by the government's formulaic estimates for new housing requirements which are even less than the Local Plan targets.</p> <p>It was suggested 'ability to build' needs to be considered in tandem with peoples' 'ability to buy' and better definitions of affordability.</p> <p>The Board discussed the opportunities afforded by modern methods of construction and offsite manufacturing. Examples of where this is happening locally were noted, as were offers to visit some of the construction centres to learn more about these techniques.</p> <p>The Board discussed a preference for local people becoming the local housebuilders of the future, through apprenticeships and other initiatives.</p> <p>The presentation set out the required role of the LEP in terms of providing policy leadership and enabling delivery to help meet the SEP target. These proposals were endorsed by the Board.</p>	
6	<p>Digital</p> <p>A report and presentation were received to update the Board on the City Region's approach to digital, both as a sector, as an enabler and in terms of infrastructure, and to invite discussion around the next steps. Required to further enhance the SCR's digital capabilities.</p> <p>The Board was presented with details of the recently adopted SCR Digital Action Plan and advised of how this provides a comprehensive understanding of the Sheffield City Region's digital economy and its wider impact on the broader business base, together with recommended actions for future growth.</p> <p>The Board was advised the research undertaken to inform the Plan's development indicated the digital sector in the SCR accounts for around £1.3 billion in economic output, has seen strong GVA growth of 147% between 1997 and 2015, employs 18,500 people in 3,100 businesses and delivers high productivity with a GVA output per employee of £81,000.</p> <p>It was noted this is a very flexible, quick moving sector and the need to adapt quickly to take advantage of new opportunities is of the utmost</p>	

	<p>importance. Examples cited businesses employing significant numbers of people that didn't exist only a few years ago.</p> <p>The Board was provided with examples of existing activities i.e. Superfast South Yorkshire, and planned activities i.e. the DCMS 5G City of the Future initiative, and advised how undertakings such as these have knock on enabling benefits for many other business sectors.</p> <p>Noting the amount of development that is already underway in this sector, the Board discussed what the role of the LEP ought to be to help promote further growth. It was suggested that 'recognition for digital' as a sector in its own right will be a major starting point and enable the sector to compete for additional policy support and resources where required.</p> <p>The Board agreed to take this approach to formally 'recognising' the benefits and importance of the digital sector and agreed to receive more suggestions around what additional actions might benefit from LEP support.</p> <p>The Board requested the Business Growth Executive Board take an active lead on realising the actions contained within the Digital Action Plan.</p>	
<p>7</p>	<p>LGF Position and 2018/19 Programme</p> <p>A report was received to provide an update on the LGF Capital Programme and the open call published in November 2017 and to seek approval to accept 6 projects to the programme to develop Full Business Cases.</p> <p>The report also provided the final LGF outturn position for 2017/18. It was reported £78.19m was spent against an indicative funding allocation of £78.04. However, as the actual grant allocation from the MHCLG received in April 2017 was £86.85m (as reported to previous meetings), there is a difference of £8.81m and therefore an 'underspend' of £8.66m against the increased 2017/18 grant allocation.</p> <p>It was noted the outturn position therefore equates to 100% of the indicative allocation and 90% of the actual allocation and discussions are continuing with MHCLG regarding the spend profile of the additional 2017/18 grant allocation as the programme profile requires this funding in 2019/20.</p> <p>The Board was informed that following the steer provided at the 19th March LEP meeting, the Statutory Officers developed a plan to review the LGF programme to ensure spend and outcomes were achieved. To this end the Statutory Officers have commissioned an independent deliverability review of all LGF projects over £1m that have not yet commenced work.</p>	

It was noted this review will forensically assess and report on the potential of each project and sub programme to complete the planned delivery tasks, including securing all necessary powers / approvals / permissions, within the current LGF funding window. It was noted the procurement of the review is currently underway with a project inception meeting planned for late May and a final report due by 20th of July 2018. The results of the review are planned to be presented to the LEP Board at the August meeting so that options can be considered. The report to the LEP will recommend the viability of individual projects with regards to delivering the outputs and outcomes to the agreed time and cost criteria. Any key delivery risks for each project will be identified.

The board was advised it is likely that the review will identify some projects in the programme which are unlikely to be able to achieve delivery targets within the LGF funded window (to 2020/21) hence the importance that a strong reserve pipeline of projects is in place and ready to progress to delivery stage.

Members discussed the complexities of schemes trying to comply with planned delivery and spend profiles, including the risk of scheme promoters being over ambitious with the delivery capabilities (potentially as a consequence of having competitive processes) and the need to adhere to annualised spend profiles and reporting (as often prescribed by the government and other funding agencies) which can be inflexible and incompatible with the requirements of large, multiyear schemes. It was also noted that clawback of LGF funding is a risk if agreed outcomes aren't delivered, it is therefore not just about spending money quickly, but spending money on the right schemes which requires more planning and diligence.

Consideration was given to what more the Executive Boards could do to help projects achieve their intentions.

It was suggested the risk that funding will be removed if schemes don't achieve their conditional milestones, should be enforced as it would be for schemes seeking funding from a commercial bank.

The Board noted support for the commencement of the independent Project Review for all LGF projects over £1m that have not yet commenced work

The Board approved the recommendations from the recent open call and accept 6 projects to the programme to develop Full Business cases (noting this is not a guarantee of funding).

The Board approved the introduction of time limited gateways for projects progressing through the assurance framework up to the point of commencement of works.

	<p>The Board was informed the draft final report on the Government's audit of LEP transparency has been received.</p> <p>It was confirmed the finalised report will be circulated once this is available, however Members were asked to note Government's intentions all such reports remain confidential.</p> <p>Members were informed a small number of actions have been undertaken to address some minor failings identified in relation to the transparency of project information and that there were no significant concerns raised.</p> <p>Members considered how the SCR might compare with other LEP areas, however this information is not in the public domain.</p>	
9	<p>Managing Director's Report</p> <p>A report was received to provide the Board with a general update on activity being undertaken by the LEP outside of the agenda items under discussion.</p> <p>Regarding the SCR's bid to host an offsite modular construction logistic hub, it was confirmed officers will remain mindful of the potential benefits to the SCR as the development of a potential bid is progressed.</p>	
10	<p>Resolution records</p> <p>Resolution records for the Executive Board meetings held since the previous LEP Board meeting were provided for information, and endorsed.</p>	
11	<p>Any Other Business</p> <p>No further matters noted.</p>	