

**SHEFFIELD CITY REGION LOCAL ENTERPRISE PARTNERSHIP BOARD
NOTES OF MEETING HELD ON 5 NOVEMBER 2018**

Board Members: Sir Nigel Knowles (Chair), Nigel Brewster (Vice Chair), Laura Bennett, Councillor Tricia Gilby, Councillor Sir Steve Houghton CBE, Professor Sir Chris Husbands, Mayor Dan Jarvis MBE, Peter Kennan, Tanwer Khan, Neil MacDonald, Owen Michaelson, Julia Muir, Lucy Nickson, Councillor Chris Read, Councillor Lewis Rose OBE, Philippa Sanderson, Ged Shields and Richard Stubbs

In attendance: Substitute Members: Councillor Mazher Iqbal and Councillor Glyn Jones

Co-Opted Members: Professor Koen Lamberts

Officers: Anita Dell, Andrew Gates, Sharon Kemp, Mark Lynam, John Mothersole, Dave Smith, Diana Terris, Mike Thomas, Craig Tyler, Lyndsey Whitaker and Yasmin Knight

+ Helen Lazarus, Krysia Wooffinden, Richard Wright and Tom Sutton

Apologies: Bill Adams, Councillor Graham Baxter MBE, Councillor Julie Dore, Professor Sir Keith Burnett, Councillor Michael Gordon, Alexa Greaves, Councillor Simon Greaves, Mayor Ros Jones CBE, Councillor Ann Syrett, Simon Carr, Alison Kinna and Chris Scholey

Item	Subject	Action
1	<p>Welcome and Apologies</p> <p>Board member apologies were noted as above.</p>	
2	<p>Declarations of Interest</p> <p>Cllr Gilby declared an interest in respect to the matters to be discussed at item 9 (LGF Skills Commissioning Call – Derbyshire Rail Industry Innovation Vehicle (DRIVE)) by virtue of being the Leader of the grant recipient.</p>	

	<p>Cllr Iqbal declared an interest in respect to the matters to be discussed at item 9 (LGF Skills Commissioning Call – Red Tape) by virtue of being representative of the grant recipient.</p> <p>Prof Husbands declared an interest in respect to the matters to be discussed at item 9 (LGF Skills Commissioning Call – SCR Digital Innovation Partnership) by virtue of being the Vice Chancellor of the grant recipient.</p> <p>O Michaelson declared an interest in respect to the matters to be discussed at item 5 (JESSICA update and Board Governance) by virtue of Harworth Estates bidding for JESSICA funding.</p>	
<p>3</p>	<p>Notes of Last Meeting</p> <p>The notes of the previous meeting held on 17th September 2018 were agreed to be an accurate record of the meeting.</p>	
<p>4</p>	<p>LEP Review Implementation Plan</p> <p>A report was received to remind members of the content of the published Local Enterprise Partnership (LEP) Review the Sheffield City Region (SCR), and the requirement to submit an Implementation Plan and Funding Form to Government by 31 October, to explain how the Review’s recommendations will be actioned.</p> <p>Members were presented with the proposed responses relating to areas where the SCR LEP is not currently compliant with government recommendations; board composition, single accountable body status, and the requirement for an independent secretariat. It was noted the SCR LEP is already deemed compliant with the other matters arising from the Review.</p> <p>Members were reminded that questions regarding geography were considered at the last meeting.</p> <p>These points were considered in detail.</p> <p>Regarding board composition, it was noted the Review recommends that private sector representatives make up two thirds (67%) of the assemblage, (with the SCR LEP currently have a 61.5% private sector majority) and that the Board has a maximum of 20 members (currently 27). However, it was proposed that decreasing the size of the Board and meeting the private sector representation target would only compromise the current approach to all 9 districts being individually represented.</p> <p>It was confirmed that for this process, universities are considered part of the private sector.</p> <p>Members questioned what the government’s approach might be to non-</p>	

compliant Regions and suggested the SCR should continue to promote a model of composition that best serves the needs of its Region.

Regarding single accountable body status, it was noted that whilst the MCA has been the effective accountable body since 2014, Sheffield CC are the accountable body for some LGF (and related) funds and it is therefore proposed to transfer all these funds to the single tutelage of the MCA.

Regarding the requirement for a secretariat independent of local government, it was noted compliance would require officers employed by the Constituent member districts who work on SCR related matters to become employed by the MCA (which would become an employing authority).

RESOLVED, that the Board:

- 1. Agrees to submit the draft Implementation Plan and Funding Form for the LEP Review (presented at Annex A).**
- 2. Agrees to propose no change to the current size and composition of the LEP Board in its submission to Government.**

5

JESSICA Update and Board Governance

A report was received to update the LEP Board on the JESSICA funds, especially in relation to the Local Growth Fund element.

The report asks members to consider the JESSICA Board structure, specifically in relation to LEP appointed representation, and in view of there currently being an unfilled JESSICA Board vacancy.

It was suggested that to adhere to expectations regarding accountability, all members of the JESSICA Board should be drawn from the MCA or the LEP (noting this isn't currently the case).

Processes of appointment were detailed in the supporting report.

It was suggested the current governance arrangements adequately ensure the JESSICA programme is well run and better than elsewhere. It was suggested the Board have developed a good reputation for recycling money and the independent members on the Board present wider knowledge and experience.

It was therefore proposed to achieve the ambition for all new JESSICA Board members being drawn from the MCA and LEP through a period of transition, with current, and new, Board members to be assigned specified terms of office.

It was noted details of the transition plan would be outlined at the next meeting.

RESOLVED, that the Board:

- 1. Agrees the process to nominate a serving LEP Board Member to serve on the JESSICA Board and thus address the current vacancy.**
- 2. Agrees other governance requirements including the requirement for all Board members to be drawn from the MCA and LEP (post transition) to ensure the LEP are assured regarding their oversight of LGF invested within the JESSICA Fund.**

6

HS2 Growth Strategy - Emerging Findings

A report was received to provide the Board with an update on progress in developing the HS2 Growth Strategy.

It was noted the development of HS2 Growth Strategies is led by the Cities and Local Growth Unit within the Ministry of Housing, Communities and Local Government (MHCLG), in close consultation with the Department for Transport (DfT) who are the funding agency. The SCR (as an area with an HS2 touchpoint) was allocated a total of £1.25m towards the development of the strategy.

Members were advised of some of the issues encountered in developing the strategy, including the government's reluctance to publish information regarding their preferred location for the parkway station, which has subsequently hampered the progression of a number of economic studies.

It was questioned whether the forecasts for growth unlocked by HS2 are significant given the rate of growth the SCR has experienced over the last few years and requested the numbers be challenged to ensure the best business case is presented.

RESOLVED, that the Board:

- 1. Notes the draft summary of the HS2 Growth Strategy emerging findings.**
- 2. Notes that the HS2 Growth Strategy Board will continue to develop the strategy and proposed interventions.**
- 3. Notes that the Mayoral Combined Authority will be required to endorse the final Growth Strategy, when produced, prior to submission to Government.**

<p>7</p>	<p>Quarterly Economic Review - Q3</p> <p>The Board was presented with the results of the Quarterly Economic Survey for the SCR for the third quarter of 2018.</p> <p>Findings were provided in respect of, domestic sales, orders, workforce, profitability, export sales and business challenges and with a special focus on cyber security.</p> <p>It was noted the findings are based on the percentages of how respondents are replying to the posed questions rather than actual volumes. Members suggested it would be useful to introduce some proxy measures to help use this information to explain what might be happening to the SCR's business community, taking account of the relative sizes of the SCR's business sectors.</p> <p>RESOLVED, that the Board notes the content of the Survey</p>	
<p>8</p>	<p>Digital and Manufacturing</p> <p>A report and presentation were received to present the outline of the Made Smarter in SCR pilot programme, noting how it would enable manufacturing SMEs to adopt Industrial Digital Technology (IDT).</p> <p>It was noted that subject to the Board's endorsement and the identification of suitable funding, the concept could be formally developed into a business case in line with the requirements of the SCR Assurance Framework/financial regulations.</p> <p>It was noted that as part of the Digital Action Plan, the pilot project supports the development of the Global Innovation Corridor by driving up adoption of Industrial Digital Technology in manufacturing SMEs, strengthening the digital cluster improving productivity and driving economic growth across the Region.</p> <p>It was also noted that the national 'Made Smarter Review' highlighted the opportunities and challenges that Industry 4.0 represents for manufacturing SMEs in the UK and the need to address the slow rate of adoption. Members were advised there is currently a National Adoption Programme pilot running in the North West of England and opportunities would arise in due course for other regions to engage with the Made Smarter programme.</p> <p>It was proposed to the Board that this programme is justifiable as IDTs provide the greatest opportunity to deliver productivity growth across manufacturing in the SCR. Statistics were provided to support this proposal.</p> <p>It was noted the Made Smarter in Sheffield City Region pilot project has been designed to inform, educate and convene manufacturing and digital</p>	

SMEs to increase digital adoption. It was suggested the concept pilot could raise awareness with digital and manufacturing businesses, provide Growth Hub and AMRC services and advice, broker relationships between manufacturers and IDT specialists, deliver digital adoption demonstrator projects and begin building the ecosystem around digital manufacturing.

It was questioned whether the consequences of job losses as a result of digitalisation had been captured as part of the project. It was noted there are conflicting thoughts and evidence regarding the extent to which digitalisation will create or reduce job numbers and over what timescales these events might happen.

It was suggested the pilot could engage with 50 manufacturing SCR SMEs to inform them about the opportunity that digital technology presents, undertake a detailed digital readiness diagnostic with 20 of those business to and support 10 to implement a digital adoption project.

Members questioned the numbers and whether these are realistic or ambitious. It was suggested this would become known as the pilot develops. It was noted there is no intention these numbers will be geographically spread evenly across the SCR and the primary requirement of the pilot will be to target the businesses capable of providing the best returns.

It was noted the next step is to develop a full business case to secure funding.

It was agreed to support the concept's further development.

RESOLVED, that the Board supports the further development of the pilot project and endorses exploratory discussions in respect of the SCR being part of the National rollout programme.

9

LGF Skills Capital Commissioning Call

Members were advised that following the approval at LEP board (18th Aug 2018) of the launch of the Local Growth Fund Skills Capital Commissioning Call, 12 Strategic Businesses Cases (SBC) were received (noted that 2 schemes had since been withdrawn by the promoter).

Approval was sought for acceptance into the Local Growth Fund (LGF) programme for these 10 schemes to progress to the next stage of development in accordance with the SCR Assurance and Accountability Framework (AAF).

RESOLVED, that the Board approves the following recommendation for each project, subject to the individual conditions of award

contained within the report:

- **Barnsley College – Digital Campus – progress the purchase of the core building to full business case (£1,943,000 LGF).**
- **Chesterfield College - Digital & Engineering Hub - Consider becoming part of a broader digital consortium bid rather than progressing this application (Request was for £1,054,500).**
- **DN College Group (DNCG) - DNCG Infrastructure and Technology for VFX (special effects and digital animation) Course Offer- Invite scheme to the pipeline but with conditions to be met. If met satisfactorily progress to full business case (£906,000 LGF).**
- **Doncaster UTC Limited- Doncaster UTC - progress to full business case but on a revised financial contribution in light of the high % of level 2 delivery (£200,000 LGF).**
- **Chesterfield Borough Council - DRIIVe (Derbyshire Rail Industry Innovation Vehicle) -accept into the LGF pipeline (£8,235,000 LGF) but review in December 2018 when information on the inward investment scheme is further progressed.**
- **National College for High Speed Rail - NCHSR Aluminium Weld Training Facility – progress to full business case subject to meeting conditions at strategic business case (£248,000 LGF).**
- **Sheffield City Council - Red Tape - Consider becoming part of a broader digital consortium bid rather than progressing application (Request was for £163,440 LGF).**
- **Sheffield Hallam University- SCR Digital Innovation Partnership - progress to outline business case but explore widening out the current partnership to include other similar projects (£4,510,000 LGF).**
- **Sheffield UTC Academy Trust - A Sheffield City Region, engineering and advance manufacturing talent pipeline creator - Recommend re-submission of strategic business case addressing concerns around need and additionality of learning and if acceptable invite to full business case (£494,900 LGF).**
- **Sheffield College - Digital Engineering Skills Development Network - Progress to outline business case (£3,564,618)**

10	<p>Delta Dashboard Return Quarter 2</p> <p>Received for information.</p>	
11	<p>Managing Director's Update</p> <p>Received for information.</p>	
12	<p>Any Other Business</p>	

Members requested officers continue to present future agenda packs in as succinct a manner as possible.