

**SHEFFIELD CITY REGION LOCAL ENTERPRISE PARTNERSHIP BOARD  
NOTES OF MEETING HELD ON 4 MARCH 2019**

**Board Members:** James Muir (Chair), Laura Bennett, Mayor Dan Jarvis MBE, Peter Kennan, Neil MacDonald, Owen Michaelson, Julia Muir, Lucy Nickson, Philippa Sanderson and Richard Stubbs

**In attendance:** Substitute Members: Councillor Mazher Iqbal and Councillor Gordon Watson

Co-Opted Members: Bill Adams and Alison Kinna

Officers: Ruth Adams, Anita Dell, Justin Homer, Shokat Lal, Mark Lynam, John Mothersole, Mel Dei Rossi, Dave Smith, Mike Thomas and Craig Tyler

**Apologies:** Councillor Julie Dore, Councillor Tricia Gilby, Councillor Michael Gordon, Alexa Greaves, Councillor Simon Greaves, Councillor Sir Steve Houghton CBE, Professor Sir Chris Husbands, Mayor Ros Jones CBE, Tanwer Khan, Councillor Chris Read, Councillor Lewis Rose OBE, Councillor Ann Syrett, Huw Bowen, Sharon Kemp, Jo Miller, Daniel Swaine, Neil Taylor, Diana Terris, Paul Wilson and Professor Koen Lamberts

Item	Subject	Action
1	<b>Welcome and Apologies</b>  Apologies were noted as above.	
2	<b>Declarations of Interest</b>  No declarations of interest were recorded in respect of any agenda item, any activity undertaken since the last formal meeting or any forthcoming activity.	
3	<b>Notes of Last Meeting</b>  The notes of the last meeting were agreed to be an accurate record.	

4	<p><b>Brexit Update</b></p> <p>A report was presented providing an update on the steps being taken to assist Sheffield City Region's businesses in preparation for the United Kingdom's exit from the European Union (EU) on 29 March 2019.</p> <p>It was acknowledged the full implications of the exit are still somewhat unknown.</p> <p>Examples of where the Executive Team is engaged with other initiatives instigated to provide businesses with additional advice were provided.</p> <p>It was suggested the SCR's online information tool is comparably better than similar tools provided by the government and other agencies.</p> <p>It was requested that Executive Team officers share the information available to them with the districts' business engagement officers, to provide further access to information for businesses.</p> <p>It was suggested it is difficult to know what the SCR can do to help businesses other than 'general communications' about known information, and proposed that it is difficult to know as much about the effects of Brexit on businesses as the business owners themselves.</p> <p>It was suggested the role of the SCR, through its work with partners such as the Chambers of Commerce, should be to ensure all our local businesses are asking the right questions of themselves.</p> <p>It was suggested the quoted figure of 75 businesses having used the SCR self-assessment tool isn't high enough given the number of businesses in the region, and requested more be done to publicise the assessment tool via all available communications channels.</p> <p><b>RESOLVED, that the Board note the steps taken thus far by the SCR Executive Team to support businesses that may be affected by Brexit, and agrees to receive further updates as the national picture becomes clearer.</b></p>	
5	<p><b>BIF Initiatives</b></p> <p>A report was received proposing that two sub fund categories within the existing Local Growth Fund (LGF) Business Investment Fund (BIF) programme be created, focused on supporting companies to respond to the opportunities presented by the fourth industrial revolution ('Industry 4.0') in particular stimulating productivity improvements and supporting industrial digital innovation.</p> <p>It was noted these categories are intended to stimulate demand amongst SCR businesses utilising the existing BIF allocation.</p>	

	<p>It was noted there has been a general slowing of applications into BIF, the reasons for which were considered by the Board.</p> <p>Members voiced general support for the proposals.</p> <p>It was acknowledged it would be difficult to accurately determine the officer resources required within the Executive Team to administer this funding, ahead of the determination of the 2019/20 SCR revenue budget (to be considered at agenda item 7).</p> <p>Members considered whether the proposed funding allocation is sufficient. It was agreed this matter would be better addressed after c.6 months of operation and agreed a further report of the Business Growth Executive Board would be presented at LEP Board after this time to advise members further.</p> <p>It was requested that examples of good practise from elsewhere be used to help inform the funding appraisal and decision making process.</p> <p><b>RESOLVED, that the Board agree to the creation of two sub fund categories within the existing Business Investment Fund programme.</b></p>	
6	<p><b>Assurance Framework (revised)</b></p> <p>A report was received seeking member endorsement of the revised draft Assurance Framework.</p> <p>Members were reminded that each year the SCR is required to update its Assurance Framework to ensure that robust, transparent and effective governance arrangements are in place and aligned to revised government guidance.</p> <p>Members were advised of the changes incorporated within the draft and informed these are relatively minor.</p> <p>It was noted there is a need to be mindful of the guidance's expectation in respect of LEP Board gender balance.</p> <p>Members were reminded of the requirement for the LEP Board to appoint named champions for equalities and diversity, and small businesses. The Chair issued an expectation these roles would be filled by 1<sup>st</sup> April.</p> <p><b>Action: ALL LEP Board members to lodge interests in fulfilling the equality and diversity, or small business champion role with the Chair and Managing Director ASAP.</b></p> <p>It was confirmed all strategic and policy documents continue to be</p>	

checked to ensure the SCR has a consistent usage of phraseology.

Members recognised the need to review the current status and arrangements for the various LEP 'sector' groups. It was agreed the voices of the sectors themselves need to be heard as part of this process to ensure the groups are fit for purpose.

Regarding the equalities and diversity champion role, it was questioned whether the reference to the role 'promoting diversity and eliminating discrimination' is necessarily strong enough and whether it captures the propensity for this role to help unlock and access the region's untapped talent pools. It was noted the language is reflective of government guidance, but locally this could be expanded to give the role a wider or more encompassing focus.

**Action: Dave / Ruth to consider how the equality and diversity champion role might be developed to add additional value SCR processes and practices.**

Members noted instances where it may need to be checked that the Assurance Framework is fully in accordance with guidance from all government departments, DfT's WebTag scheme assessment tool cited as an example of where apparently contrary advice has been received in the past. Members were informed the essential 'rules' are set by HM Treasury through the government's Green Book and its 5 business case tests (strategic, financial, deliverability, commercial and management).

Members considered the benefits of Executive Boards benefiting from the attendance (when appropriate as determined by the agenda) of representatives from other organisations and agencies.

It was suggested there are a number of instances in the draft Assurance Framework of uncommon terminology and suggested it would be useful to have these expounded to avoid confusion.

It was noted the general trend of changes to government guidance is reflective of the government being increasingly held to account by parliament with regard to LEP activity transparency. It was suggested the SCR LEP is 'sound' in this respect as it has always operated under the standards of openness and transparency in place for the MCA.

Members considered the requirement to find a balance between the right amount of bureaucracy and the desire to avoid stifling innovation.

The Chair outlined his expectations of what the added value will be of the intended processes to be introduced for the refreshed Executive Boards. It was noted the criteria for measuring success for each Board will be set in due course.

Aligned to the expectations of the Executive Boards, it was requested that additional clarity be provided regarding the expectations of the

	<p>LEP's private sector members in respect of their Executive Board engagements.</p> <p><b>Action: Ruth to develop some additional guidance for private sector members.</b></p> <p>The Board considered the additional 'lead roles' that need to be appointed to when appropriate.</p> <p>Members were advised of the means the government use to test LEP compliance of its assurance framework and informed of the receipt of an annual, non-public performance review report.</p> <p><b>Action: Dave / Ruth to assess what parts of the government's LEP performance review report can be shared with the private sector members.</b></p> <p><b>RESOLVED, that the Board:</b></p> <ol style="list-style-type: none"> <li><b>1. Approves the updated Assurance Framework set out at Appendix 1 to the report.</b></li> <li><b>2. Agrees to appoint a private sector LEP Board member as the LEP's Equality and Diversity Champion.</b></li> <li><b>3. Agrees to appoint a private sector LEP Board member as the Small Business Champion.</b></li> </ol>	
7	<p><b>Budget</b></p> <p>A report was received setting out the indicative proposals for the Sheffield City Region MCA/LEP Revenue Budget and Local Growth Fund Capital Programme for financial year 2019/20.</p> <p>It was noted this paper is for LEP consideration ahead of the proposals being presented at the forthcoming SCR MCA meeting on 25<sup>th</sup> March.</p> <p>The key highlights of the draft budget and working assumptions being used to inform a number of points were explained in detail.</p> <p>Members were provided with additional explanations of the difference between 'over-programming' and 'over-committing' (noting processes are in place to manage the former and avoid the latter).</p> <p>It was noted there is a significant sum still to be spent before the year-end (£37m). Members were advised it is still expected this will be spent in full, but informed there is a risk the government will request the return of any unspent funding. It was confirmed there is no carry-over</p>	

assumption included in next year's financial forecasts.

Cllr Iqbal commented on concerns raised at the recent Leaders workshop convened to consider the draft budget and suggested the Leaders should have been afforded a further opportunity to consider how their comments had been addressed prior to the matter being reported to the LEP Board. Cllr Iqbal further noted Sheffield CC are considering their position in respect of a number of matters related to the 2019/20 draft budget.

Cllr Watson raised a query relating to the proposed business rates rebate and if it was clear this was single year only provision and subject to there being sufficient reserves.

Dave Smith advised the Board that further comments had been received from Mayor Jones in relation to the details provided in the LEP papers and the need for a more in-depth report for the MCA and the LGF programme assumptions.

Members were advised of what activities had taken place to address Leaders' comments and informed formal responses on the draft are still being sought by the Mayor. All members were asked to ensure they comply with this request.

It was confirmed members responses would be responded to in writing.

The Board questioned whether the intended marketing and communications budget is sufficient and discussed the potential benefits of increasing this amount is practical.

The Board discussed the Executive's spend on consultancy support. A variance of opinions were expressed regarding whether this might be deemed too high, or appropriately justified given the Executive's requirement to attain expert advice beyond the permissible size of the team.

It was suggested the SCR Executive should be expected and trusted to develop a budget that represents the best value for all parties, and take the actions it sees fit to deliver that ambition.

Members were asked to consider the recommendations contained in the report. All members voted to support the recommendations, with the exception of Cllr Iqbal who voted to reject the recommendations. The recommendations were therefore carried by the majority of the members present.

**RESOLVED, that the Board:**

- 1. Endorses the indicative revenue budget, revenue programme and LGF capital programme for approval at the MCA on 25th March 2019.**

	<p><b>2. In relation to the LGF Capital Programme, agrees that underclaims for this year will be recommended NOT to roll over into next year (and hence some projects may lose funding or be de-committed from the programme), approves the current committed project profiles for next year, and agrees the approach to continue to appraise projects from the pipeline seeking approval from the long list (but not to overcommit) throughout the year.</b></p>	
<b>8</b>	<p><b>Overlapping Geographies Update</b></p> <p>A report was received to provide an update on the issue of overlapping SCR LEP geography with the D2N2 LEP.</p> <p>Members were informed the Leaders of Bolsover District Council, Derbyshire Dales District Council and North East Derbyshire District Council have written to the Sheffield City Region LEP Chair and the D2N2 LEP Chair to confirm that their Local Authorities have taken an ‘in principle’ decision to remain within the D2N2 LEP geography. They have also confirmed their intention to continue their roles as active non-constituent members of the Sheffield City Region Mayoral Combined Authority.</p> <p>It was noted that at the time of writing, Chesterfield Borough Council and Bassetlaw District Council have not yet taken a position on the matter and noted the SCR LEP Chair has met/ is meeting with the respective Leaders of the District Councils to discuss their views.</p> <p>It was noted the revisions to the SCR LEP geographical area will take effect from 1 April 2020.</p> <p>Members were informed of comments received from government regarding the propensity for penalties to be imposed against any districts who do not meet the government’s expectations on compliance.</p> <p>Members acknowledged there would be a need to re-examine the relationship between the SCR LEP’s strategic direction setting responsibilities and the SCR MCA accountable body responsibilities in the event of the 2 undertakings not having mutual memberships.</p> <p>RESOLVED, that the Board notes the update provided regarding overlapping geographies, arising from the LEP Review.</p>	
<b>9</b>	<p><b>Local Growth Fund Update</b></p> <p>A report was presented to provide an update on the Local Growth Fund (LGF) Quarter 3 DELTA submission and to seek approval for two schemes to enter the LGF programme.</p>	

	<p>Members were offered an opportunity to attend a bespoke session to have the DELTA submission process explained in more detail.</p> <p>Regarding the request to approve the entry of UK Atomic Energy Authority (UKAEA) Research Facility scheme into the LGF programme, members questioned whether it was common for a government department to seek funding in this manner. It was acknowledged this type of submission is unusual but this will be tested during appraisal and the scheme indicates significant potential benefits to the SCR.</p> <p><b>RESOLVED, that the Board:</b></p> <ol style="list-style-type: none"> <li><b>1. Notes the contents of the Q3 DELTA submission.</b></li> <li><b>2. Approves the entry of Barnsley College Digital Innovation Hub into the LGF programme.</b></li> <li><b>3. Approves the entry of UK Atomic Energy Authority (UKAEA) Research Facility into the LGF programme.</b></li> </ol>	
<b>10</b>	<p><b>Mayoral Update</b></p> <p>A report was received to provide members with an update on key mayoral activity relating to the SCR's economic agenda.</p> <p>Mayor Jarvis provided a parliamentary timeline of forthcoming Brexit related events.</p> <p>Mayor Jarvis commented on the government's recent 'Stronger Towns' announcement and noted an expectation that further information regarding funding mechanisms and eligibility criteria will be made public in due course.</p> <p>It was noted a group of metro-Mayors had collectively lobbied the Secretary of State for clarity on the Shared Prosperity Fund.</p> <p>It was noted Clive Betts MP has been asked to lead the Mayor's review of bus services.</p> <p>Members were advised of activity being progressed to take forward the Mayor's active travel ambitions.</p> <p>The Mayor provided an update on the One Yorkshire initiative, noting a meeting was held recently with most Yorkshire district Leaders and government officials, and at which it was agreed civil servants may look at the economic case for a One Yorkshire model of governance in more detail to ensure the government is appropriately sighted on any future decision on this matter.</p>	
<b>11</b>	<b>Managing Director's Update</b>	



	<p>A report was received to provide the Board with an update on activity being undertaken by the LEP outside the agenda items under discussion.</p> <p>Further information was provided regarding the Stronger Towns Fund.</p>	
<b>12</b>	<p><b>Resolution records</b></p> <p>RESOLVED, that the recommendations arising from the SCR HIEB meeting of 17<sup>th</sup> January are duly noted and endorsed.</p>	
<b>13</b>	<p><b>Any Other Business</b></p> <p>Members sought an update on the work in place to refresh the SCR SEP. It was noted a meeting will be convened in due course, at which the timings and milestones for the refresh will be determined.</p>	