

**SCR - LOCAL ENTERPRISE PARTNERSHIP**

**MINUTES OF THE MEETING HELD ON:**

**THURSDAY, 5 MARCH 2020 AT 11.00 AM**

**11 BROAD STREET WEST, SHEFFIELD S1 2BQ**



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**Present:**

James Muir (Chair)	Private Sector Member
Nigel Brewster (Vice-Chair)	Private Sector
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Laura Bennett	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Peter Kennan	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Owen Michaelson	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Bill Adams	TUC Representative
Professor Dave Petley	University of Sheffield
Councillor Chris Read	Rotherham MBC
Councillor Tricia Gilby	Chesterfield BC
Councillor Chris Lamb (Reserve)	Barnsley MBC

**In Attendance:**

Dr Dave Smith	Chief Executive	SCR Executive Team
Dr Ruth Adams	Deputy Chief Executive	SCR Executive Team
Noel O'Neill	Chief Finance Officer/S73 Officer	Sheffield City Region
Mike Thomas	Senior Finance Manager/ Deputy S73 Officer	SCR Executive Team
Mark Lynam	Director of Programme Commissioning	SCR Executive Team
Sharon Kemp	Chief Executive of Rotherham Metropolitan Borough Council	Rotherham MBC
Sarah Norman	Chief Executive of Barnsley MBC	Barnsley MBC

Craig Tyler (Minute Taker)

**Apologies:**

Alison Kinna	SCR Mayoral Combined Authority
Mayor Dan Jarvis MBE	Derbyshire Dales DC
Councillor Garry Purdy	Sheffield City Council
Councillor Julie Dore	NE Derbyshire DC
Councillor Martin Thacker MBE	Bolsover District Council
Councillor Mary Dooley	Doncaster MBC
Mayor Ros Jones CBE	Bassetlaw DC
Councillor Simon Greaves	

Steve Davenport  
Huw Bowen  
Charlie Adan  
Damian Allen  
Dan Swaine  
Dan Swaine  
Neil Taylor  
Sarah Fowler

Chesterfield MBC  
Sheffield City Council  
Doncaster MBC  
NE Derbyshire DC  
Bolsover DC  
Bassetlaw DC  
Chief Executive Peak District National  
Park

1 **Welcome to Sheffield City Region Local Enterprise Partnership Annual General Meeting**

The Chair welcomed everyone present to the meeting.

It was confirmed the meeting was quorate and the business of the meeting's agenda may be transacted.

The Chair reminded the meeting this was the Annual General Meeting of the SCR LEP Board and would be webcast.

The Chair noted this would be the last SCR LEP Board meeting at which the non-Constituent districts would be represented prior to their formal joining of the D2N2 LEP.

2 **Declarations of Interest**

None.

3 **Notes of Last Meeting**

It was agreed the minutes of the previous meeting held on 16<sup>th</sup> January are agreed to be an accurate record of the meeting.

4 **Fairness in a Growing Economy**

The meeting welcomed colleagues from PwC to present their latest findings on the challenges of inclusive growth; how we ensure innovation in the public and private sector does not widen the gap between the 'haves' and 'have-nots'; and how we deal with the tension between the public and private sector when it comes to discussing the fairness narrative.

D Smith the reminded the meeting of the SCR's ambitions in respect of fairness and tackling inequalities for its residents and businesses.

PwC colleagues requested Members note the content of the report and provided a summary of its scope and intentions, referencing further reports either published or in production that deal with specifics aspects of 'fairness'.

Against the backdrop of the Government's Levelling Up agenda, examples were provided for where other regions and nations were starting to take an alternate approach to the UK's Green Book methodology regarding scheme

and policy assessment, recognising contributions to wellbeing rather than GDP, and using this as a means to develop new tests and also address perceived disconnects between decision makers and those affected by those decisions.

A further explanation was sought regarding how questions regarding geography and privilege had been factored into the findings, noting these are complex matters and informed by various potentially misleading perceptions, and that the findings may be inadvertently 'averaged out' to a point where the recommendations become less meaningful.

Consideration was given to what a concept of fairness could mean to the SCR and how this new approach to recognising fairness might inform each of the SCR's thematic agendas.

For the skills agenda, it was suggested the report presents some challenging thoughts on what the region's businesses need to do to engender fairness whilst recognising the need to train and re-skill staff in respect of likely changes to the workplace, such as through greater automation.

Prof Petley noted the 2 calls for action cited (for the government and for businesses) and questioned by similar calls hadn't been pitched towards the public sector or providers of training and education e.g. the universities. It was agreed we need to look at how these various sectors overlap and impact on each other, whilst informing such debates with the input of a wide scope of stakeholders.

It was suggested many of the findings of the PwC report in respect of national inequalities are already acknowledged and that a lack of fairness is something that's already championed by the media. It was therefore suggested the question needs to be 'what can we as a LEP Board do about this'?

The meeting considered suggestions including 'devolution is failing the people and 'LEPs and SEPS are disconnected from the people they represent'. However, these were countered with the suggestion that the SCR SEP will be appropriately connected to local communities and that Devolution, in its infancy as a concept, still needs to be given a chance to prove its worth.

The meeting considered what are widely regarded as fundamental flaws in the government's green book assessment methodology, noting this doesn't take adequate account of the mitigating impacts of costs on societal welfare and health care, with overly narrow success criteria which has arguably led to an inequitable distribution of funding nationally. It was suggested this is an area that should be tackled first and requested PwC give significant focus to this matter as they develop their findings.

The Chair confirmed he wants to see the development of a sound SEP that makes a compounding argument for further devolution and facilitates improvements to as many peoples' lives as possible, with fairness at its heart and delivering opportunities for people of all ages to better themselves.

The meeting questioned how this work aids disadvantaged communities and requested that care be taken to not equate low paid with low skilled, noting

many skilled professions only attract minimum wage but are essential to society. It was agreed this needs to be appropriately recognised in any definition of fairness as the workplace continues to evolve.

It was suggested examples should be sought for where decision makers and communities have better engaged each other.

The meeting was asked to recognise that perceptions can be misleading and there is a risk that actions based on perception can therefore be misinformed.

The Chair suggested that fairness is something that is implicit in SEP but perhaps not yet fully articulated.

The Chair proposed this was the time to also challenge the notion of trickle-down economics (at the national or local geography) suggesting this does not deliver the benefits it is alleged to do and does not engender fairness.

The Board members welcomed future discussions on how PwC might help the SCR unlock these challenges.

## 5 **Strategic Economic Plan Update**

A report was received to provide an update on the progress of the SEP following discussions at previous LEP Board meetings.

Members were provided with an overview of the feedback and how this has been responded to in the revised draft of the SEP, following the decision taken at the previous meeting to undertake further engagement and consultation on the draft.

It was proposed that the draft is now in a sufficient state to commence a period of public consultation on the Strategy, in keeping with the development timetable that culminates with the publication of the document over the summer.

Further information was provided to explain the planned consultation processes noting this would mirror the Devolution Deal consultation in identifying key thematic areas with targeted questions and also include a more qualitative approach engaging key stakeholders and especially the business community.

Members thanked officers for the work they have undertaken to produce the draft.

It was suggested the SEP could still be made more SCR-distinctive and the key points punchier.

It was noted there had been some district challenges to whether the draft SEP might be deemed ready for public consideration but suggested these may be captured during the next consultation phase

RESOLVED, that the Board:

1. Agrees the proposed consultation on the draft strategy.

Notes the timetable for completing and publishing the SEP.

## 6 **Freeports Consultation**

A report was received to provide a background to the development of this Government's 'Freeports' agenda and associated consultation.

It was noted the establishment of Freeports has been mooted throughout the Brexit debate in the context of opportunities that will arise due to repatriation of international trade policy. It is also now presented as an opportunity to 'level-up' and address regional inequality.

The meeting recognised the importance to the Region of such as initiative being based around Doncaster Sheffield Airport and considered how our pitch for such a proposal might attain wider pan-Yorkshire support. Other potential Freeports within Yorkshire, centred on other modes, were discussed.

Consideration was given to the potentially inadvertent consequence of Freeports, noting international examples where these haven't been beneficial in respect of engendering fairness (as discussed at agenda item 4) and what might be done to mitigate issues.

It was suggested we need to use the consultation exercise to help define what a Freeport might be.

Consideration was given to proposing the SCR be a wider multi-modal Freeport zone rather than over a limited geography, that links into the Humber ports.

It was agreed to reference the points made through the consultation. Also net zero etc.

Lots of cross cutting projects going on, need joined up into this to ensure our consultation response in all encompassing.

RESOLVED, that the Board:

1. Note the government's direction of travel on Freeports and the nature of the public consultation.

Note the criteria the Government are proposing for what a Freeport could be and the City Region's intention to work with Doncaster Sheffield Airport (DSA) on the consultation response.

## 7 **Energy Strategy - Next Steps**

A report was received to respond to the comments of the LEP Board made in January 2020 and outline changes that have been made to the SCR Energy Strategy to reflect those comments.

It was noted the final Energy Strategy will be received at a future meeting of the

LEP and MCA.

It was noted the paper also highlights how the SCR Energy Strategy fits into the overall Climate Emergency Response Framework.

It was noted the SCR has begun to work alongside the University of Sheffield and South Yorkshire local authorities through the newly established SCR:NZ Partnership. It was suggested this innovative agreement will bring together a virtual team from within the SCR Executive, local authority partners and leading academics to develop new and deliverable solutions to help us achieve our net zero target.

Members were invited to take a more active role in helping to shape this work.

RESOLVED, that the Board:

1. Notes the responses and changes to the SCR Energy Strategy based on the comments of the previous LEP Board meeting.

Notes the newly formed SCR:NZ Partnership as an innovative and collaborative way to meet our decarbonisation challenges.

## 8 **LEP Membership - Non-Constituent Members**

Cllr Gilby informed the meeting this would be the last that Chesterfield and the other non-Constituent districts would be represented at as a consequence of the government's ill thought out position on removing overlapping geographies; and that whilst colleagues in D2N2 had been most welcoming, this position doesn't reflect the reality that the economy of the north Midlands is intrinsically tied to that of the SCR.

Cllr Gilby confirmed Chesterfield would continue to be an active member of the SCR MCA

In response the Chair thanked Cllr Gilby for her service and dedication to the SCR LEP Board and made similar comments regarding government policy on this matter.

## 9 **LEP Annual Report**

A report was received to inform the meeting that following the publication of the Government's LEP Review report in July 2018, 'Strengthened Local Enterprise Partnerships', all LEPs are now required to produce and publish an annual report to outline the activities, outputs and achievements that the LEP has delivered in the preceding financial year.

This paper presents the plan for developing the SCR LEP Annual Report 2019/20.

RESOLVED, that the LEP Board Members to agree the production of an SCR LEP Annual Report 2019/20 for agreement at the LEP Meeting on 21st May 2020.

10

### **2020/21 Proposed MCA/LEP Revenue Budget**

A report was received to set out proposals for the Sheffield City Region MCA/LEP Revenue Budget for financial year 2020/21, for endorsement by the LEP Board and for onward approval by the MCA.

It was noted the proposed budget has been developed in line with the Medium-Term Financial Strategy agreed at MCA in November 2019 and based upon the going concern principle and the known funding sources for 2020/21.

Members were asked to recall the context of developing the strategy was a £1m reduction in Enterprise Zone receipts because of the LEP Review. It was noted early consideration at MCA Board and management review of operational structures has helped address this gap.

This report explained how that has been captured and incorporated into 2020/21 Budget proposal.

The meeting was asked to note the figures associated with the detailed cost centres.

Members were advised the section 25 statement (as required by the 2003 Local Government Act) proposes that overall this is a robust budget for the planned activities of the MCA/LEP for 2020/21 and the planned utilisation of reserves is a reasonable approach and leaves the MCA in a sound financial position to move forward with confidence.

Further information was provided in respect of the physical assets owned by the SCR.

RESOLVED, that the Board endorses the proposed revenue budget, including core operations as well as revenue programmes, for approval at the MCA on 23rd March 2020.

11

### **LGF Programme 19/20, 20/21 Update**

A report was received to provide an update on the 2019/20 LGF outturn position and sets out the draft 20/21 programme activity, noting this is the final year of the current six-year LGF programme.

It was noted the final settlement figure for 20/21 is still to be confirmed by government and that this information will be shared with Board members as soon as it is available.

Regarding the 2019/20 outturn position, it was noted a monthly claims process has been introduced to ensure all claims are maximised and avoid a year-end underspend position.

The Chair congratulated officers on the work they have done to redress what was recently predicted to be a significant potential underspend.

RESOLVED, that the Board notes the predicted 2019/20 LGF outturn position.

12 **Assurance Framework**

A report was provided to remind the Board that each year the Sheffield City Region (SCR) LEP and MCA is required to update its Assurance Framework to ensure that robust, transparent and effective governance arrangements are in place.

It was noted the draft Assurance Framework 2020 has been prepared in response to Government guidance (not updated this year) and that changes are largely as a result of changes to local governance issues includes the change in LEP status to the non-Constituent districts.

The Board was advised that MCAs with devolved funding and powers are required to submit their draft Assurance Frameworks to Government for approval. This is because their Assurance Frameworks outline the arrangements that are in place to manage the Single Pot allocation and Adult Education Budget (AEB). SCR will therefore need to revise the 2020 Assurance Framework with this information following the completion of the Devolution Deal. It was therefore noted a revised draft of the Assurance Framework will be presented to the LEP and MCA Boards later this year for endorsement, before being submitted to Government for approval.

It was questioned whether the Assurance Framework should reference the SCR's commitment to engendering fairness and agreed this matter would be considered going forward to inform future Framework agreements.

RESOLVED, that the Board:

1. Approves the updated Assurance Framework set out at Appendix 1 for publication by 31<sup>st</sup> March 2020.

Notes that the Assurance Framework will need to be revised following the completion of the Devolution Deal and submitted to Government for approval.

13 **Mayoral Update**

Provided for information.

14 **Chief Executive's Update**

Provided for information.

Re MIT REEP, RS keen to be part of that conversation.

15 **Chair's Remarks**

The Chair commented on how much had been achieved by the SCR over the last 12 months, noting the region was successfully overcoming a number of uncertainties in respect of Brexit and Devolution and due to the recognised efforts of members and officers was well placed to look forward to delivering

something significant, sustainable and inclusive that we can all be proud of.

The Chair also noted his intention to put the SCR at the heart of the Northern Powerhouse agenda.

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed .....

Name .....

Position .....

Date .....