SCR - LOCAL ENTERPRISE PARTNERSHIP

MINUTES OF THE MEETING HELD ON:

THURSDAY, 14 JANUARY 2021 AT 11.00 AM

11 BROAD STREET WEST, SHEFFIELD S1 2BQ

Present:

James Muir (Chair)	Private Sector LEP Board Member
Lucy Nickson (Vice-Chair)	Private Sector LEP Board Member
Alexa Greaves	Private Sector LEP Board Member
Professor Chris Husbands	Representative for Higher Education
Gemma Smith	Private Sector LEP Board Member
Neil MacDonald	Private Sector LEP Board Member
Karen Beardsley	Private Sector LEP Board Member
Angela Foulkes	Private Sector LEP Board Member
Cathy Travers	Private Sector LEP Board Member
Richard Stubbs	Private Sector LEP Board Member
Joe Chetcuti	Private Sector LEP Board Member
Tanwer Khan	Private Sector LEP Board Member
Bill Adams	TUC Representative
Professor Dave Petley	University of Sheffield
Michael Faulks	Co-opted Private Sector LEP Board Member
Dan Fell	Doncaster Chamber
Councillor Chris Read	Rotherham MBC
Mayor Ros Jones CBE	Doncaster MBC

Officers in Attendance:

Dr Dave Smith	Chief Executive	MCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Helen Kemp	Director of Business & Skills	MCA Executive Team
Gareth Sutton	Chief Finance Officer/S73 Officer	MCA Executive Team
Mark Lynam	Director of Transport, Housing and Infrastructure	MCA Executive Team
Kate Josephs	Chief Executive of Sheffield CC	Sheffield CC
Damian Allen	Interim Chief Executive, Doncaster MBC	Doncaster MBC
Rachel Clark	Assistant Director Trade & Investment	MCA Executive Team
Emily Hickey	Governance and Compliance Officer	MCA Executive Team
Felix Kumi-Ampofo	Assistant Director Policy and Assurance	MCA Executive Team
Gareth Morgan	Senior Business Development Manager	MCA Executive Team
Nici Pickering	MCA Executive Team	MCA Executive Team

Sue Sykes	Assistant Director - Programme and Performance Unit	MCA Executive Team

Guests in Attendance

Tom Lees	Managing Director of Bradshaw Associates
Melanie McCoole (Minute Taker)	

Apologies:

Nigel Brewster	Private Sector LEP Board Member
Peter Kennan	Private Sector LEP Board Member
Paul Leedham	Co-Opted LEP Board Member
Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority
Councillor Bob Johnson	Sheffield City Council
Councillor Sir Steve Houghton CBE	Barnsley MBC
Sharon Kemp	Rotherham MBC
Sarah Norman	Barnsley MBC

1 **Welcome and Apologies**

The Chair welcomed everyone to the meeting.

Apologies for absence were noted as above.

2 **Declarations of Interest**

Mayor Jones declared an interest in agenda item 4 – South Yorkshire Freeport Bid.

3 **Notes of Last Meeting**

The notes of the previous meeting were agreed to be an accurate record.

4 **South Yorkshire Freeport Bid**

A paper was submitted which presented the background information regarding the Government's Freeport Policy together with an update on the work underway to prepare a formal submission, including setting out the key issues relating to the submission and its links with the Strategic Economic Plan.

M Lynam and T Lees provided Members with a presentation on the latest update position. Members noted the following points:-

- The Government had set out three policy objectives for Freeports, which had been primarily developed by the Treasury.
- A total of 3,500 Freeports were located around the World and had existed in many locations for over 40 years. The UK model was a bespoke and unique approach, which had not been replicated in other countries.
- The priorities set out by the Government related to creating hubs for global trading and investment, regeneration, job creation and levelling up in order to create higher paid and higher skilled jobs, to promote the innovation and

trialling of new technologies, initiatives and ideas around the sites.

- Tax sites and Customs sites would need to be identified within the UK model.
- Freeports required a site which was a port that could receive international goods and should consist of both Customs and Tax sites.
- Tax sites required under developed land which could be aligned with the bidding area's focus.
- Customs sites were required to have demonstratable import/export activity.
- A stringent authorisation process would be undertaken by the sites, which was the equivalent to the Approved Economic Operator.

The Government had published a bidding prospectus on 16 November 2020, for the establishment of up to 10 Freeports in the UK, with one in each of the four nations. This was a competitive process, to which approximately 30 locations had expressed an interest. The deadline for bid submissions to MHCLG was 5 February 2021, and a decision would be made by the Ministers in the Spring 2021. Successful bids would be required to prepare an Outline Business Case during the Summer 2021. Work was underway to reach a final bid submission.

The South Yorkshire Freeport bid had been formed around the IPort and Doncaster Sheffield Airport which were both closely based together in Doncaster. Far reaching engagement had been made with partners. The Chambers had provided assistance in arranging online sessions with over 45 South Yorkshire based businesses regarding the potential opportunities offered by the Freeport bid and to identify those businesses which wished to become Customs sites.

J Muir suggested that it would be helpful to discuss the economic implications for Tax and Customs sites outside of the meeting, in order to acquire an understanding to be shared with colleagues. **ACTION:- J Muir**

The MCA Investment Team continued to focus outside of the SCR, with a view to bringing investment into the area. As part of the implementation plan for the successful bids, there was an expectation to set out how the investment would be attracted. A requirement within the Freeport Policy related to how the retained business rates were used on the Tax sites; a local authority with a Tax site could retain 100% of the rates on the site provided that it was used for either reinvestment on the site for economic growth, to cover any necessary associated overheads, to offset or to displace any benefits which may occur.

The Board noted the requirement for an aggressive business growth strategy which would attract businesses into the region.

Professor Husbands considered that Freeports were the wrong way to stimulate economic growth and that far better approaches could be taken to building the economic development. However, within his capacity of a Member of the Board which was concerned to make the best choices for the SCR within the policy mix, he did not consider that there was an alternative other than to submit a proposal. He considered that it was necessary to ascertain the approach to be taken when displacement occurred.

T Lee referred to the modelling work underway on the benefits of the economic impact and other matters which would be finalised in the upcoming week or so. He would provide further information onto the Chair, for circulation onto the Members of the Board. **ACTION:- T Lee**

Councillor Read queried the advantages of the potential different elements of having a South Yorkshire Freeport. He was unsure whether it was pragmatic to submit a bid, due to the challenge for the SCR to establish the economic growth that was required. He did not wish to support the recommendations outlined within the report, although he appreciated that businesses were in favour of a South Yorkshire Freeport. He urged the Board to be cautious.

Mayor Jones CBE applauded the fact that the Doncaster Sheffield Airport and the IPort had been brought together to form one bid. She hoped that this would bring higher skilled and higher paid jobs into the region to enable the region's economic recovery to grow at pace.

J Muir stated that subject to a successful bid, it would be necessary for the Board to address the various points raised at today's meeting. He acknowledged the volume of work the undertaken by T Lee and M Lyman in the preparation of the bid.

RESOLVED - That members noted the content of the report and provided a steer on the key discussion points / issues set out in the paper.

5 **Strategic Economic Plan - Final**

A paper was submitted which presented the final Strategic Economic Plan (SEP).

At the last Board meeting held in November 2020, public consultation comments had been presented which indicated broadly supportive feedback to the SEP. Following the SEP consultation and the feedback that had been received at that meeting, the final changes had been made to the SEP.

J Muir expressed his thanks and appreciation, on behalf of the Board, to everyone involved in the huge undertaking in the preparation of the SEP.

RESOLVED – That Members noted the work done to date, changes made and formally adopted the Strategic Economic Plan.

6 **Implications of the Spending Review for the LEP**

A paper was presented which summarised the announcements within the Government's Spending Review as it related to the agenda of the Local Enterprise Partnership (LEP). Members were requested to consider the potential implications.

The Chancellor had delivered the Spending Review on 25 November 2020, which due to the unprecedented impact of the COVID-19 pandemic on public finances, had become a single year focus that had included a number of longer-term infrastructure commitments. The comprehensive review would now take

place in 2021.

The Board considered the following issues in progressing its priorities:-

- Working to secure the funds to unlock its business investment pipeline.
- Being 'bid' ready.
- Making the case for further devolution.
- Delivery was key.

J Muir commented that the follow-up to the Local Government funding had been a topic which had been in existence well into the previous Government's regime of Theresa May MP. Discussions with members of the Civil Service of Ministry for Local Government had admitted that the objectives at the beginning of 2020 had been very different to those at the end of 2020, which had not been as a result of the COVID-19 pandemic. It would be necessary to ascertain a level of clarity in terms of the Government's policy for business growth.

It was noted that the largest potential implication would be that funding would not be available to support certain types of activity principally whilst seeking to secure business deals for direct foreign investment or indigenous business growth, where the MCA was seeking to facilitate that growth. The MCA constantly evaluated the strategy to engage with the Government in such discussions, and strong points continued to be made both privately and publicly. Mayor Jarvis MBE in conjunction with Members of the MCA, had pressed the points at a Ministerial level.

J Muir stated that he was keen to raise the issue with Clive Betts MP, who was a Member of the Select Committee that oversaw the Local Government Ministry. The aim was to continue to work with the Treasury to discuss and highlight the areas to be addressed. He considered that if the MCA utilised the available resources, then it would be possible to demonstrate activities in order to create both new quality and skilled jobs.

RESOLVED – That Members considered the issues arising from the Spending Review as they related to the LEP and as set out in paragraph 2.4 of the report.

7 **Businesses Pipeline Development and Selection**

A paper was presented to provide Members with an update on the significant investment opportunities that had been identified from LEP led business engagement. The report recommended a selection of 13 identified schemes onto the pipeline in order that Business Cases may be developed.

A total of £46.8m had been invested by the LEP in business support since 2014, which had been primarily through the LGF. The position as at Quarter 4 2019/20 had indicated that the funding had achieved 2,827 direct jobs that had been created or safeguarded, at a cost per job of £16,554.65, together with private sector leverage of £92.1m. The relative position had not materially improved, and the region continued to underperform on a number of indicators. The development of the new economic plan and the COVID-19 pandemic had identified a number of factors.

A collective partnership had been formed between the LEP, Mayor Jarvis MBE and the MCA, who had produced a recovery plan which was currently being implemented in stages. One element of the recovery plan related to how businesses could be promoted and sustained during the COVID-19 pandemic and the consequences of Brexit. This included supporting sustained businesses which were in distress and would have been sustainable in normal circumstances. A great deal of work and investment was currently underway which was partly funded by the gain share allocation and the Government grant. The second element of the strategy related to the promotion of new opportunities, to develop and support businesses that were thriving and growing despite the pandemic, or as a consequence of the pandemic to provide access to new jobs and opportunities to the communities of South Yorkshire.

Dr Smith expressed his thanks to J Muir, Mayor Jones CBE and N MacDonald for the substantial amount of steer and support provided regarding promoting new opportunities. Progress continued to be provided to each of the business board meetings.

J Muir referred to a recent discussion between Mayor Jones CBE, N MacDonald, R Barker and himself regarding presenting more granularity on the projects to the Business Growth Board's cohort of Chairs.

RESOLVED – That the LEP Board Members:-

1. Noted the update on the development of the business pipeline.

2. Accepted the schemes detailed in Section 2.6 and Appendix A of the report to the programme pipeline, noting that projects would only be supported if future funding was received and assurance requirements were met.

8 **Assurance, Monitoring and Evaluation Framework Update**

A paper was presented which provided Members with the details on the policy updates that were required to conclude prior to the end of the financial year; namely the Assurance Framework, the Monitoring and Evaluation Framework and the review of LEP Board Policies. The report also highlighted any known issues that were to be addressed and provided an indicative timeline, highlighting when further detailed information would be presented for consideration.

NB. AT THIS POINT IN THE MEETING, THE BOARD WAS NO LONGER QUORATE.

RESOLVED – That the LEP Board Members:-

1. Considered the documents and policies to be updated and the indicative timeline for progression to the MCA Boards and on to National Government.

2. Agreed that Neil McDonald, as Chair of the Assurance Panel, provided

input, on behalf of the Private Sector Board Members, to the review of the Assurance Framework.

3. LEP Members agreed to consider and feedback any comments on the draft Monitoring and Evaluation Framework, particularly how information and intelligence collated was shared with Thematic and the LEP Boards to inform their role and future decision making.

9 **Mayoral Update**

A paper was presented to provide the LEP Board Members with an update on the key Mayoral activity relating to the economic agenda.

Updates were provided on:-

- The COVID-19 pandemic.
- The Brexit Deal.
- Driving a stronger, greener and fairer South Yorkshire through our renewal effort.

RESOLVED – That the LEP Board Members noted the updates.

10 **Chief Executive's Update**

A paper was presented to provide the LEP Board Members with a general update on the activity being undertaken by the LEP outside of the agenda items under discussion.

Updates were provided on:-

- AEB Procurement.
- Quarterly Economic Review.
- COVID-19 Business Input Group.
- Skills Advisory Network.
- Future High Streets Fund.
- Annual Performance Review.

RESOLVED – That the LEP Board Members noted the updates.

I, the undersigned, confirm that this is a true and accurate record of the meeting.

Signed .....

Name .....

Position .....

Date .....