

## SHEFFIELD CITY REGION GROWTH DEAL

The Sheffield City Region Growth Deal will boost the economic growth of Sheffield City Region with investments in key transport, infrastructure, skills, and business support projects.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on three key priority areas as identified in the LEP's Strategic Economic Plan:

- Transport, Employment and Housing Sites
- Better Skills
- Delivering World Class Business Support

The Sheffield City Region has secured **£295.2m from the Government's Local Growth Fund to support economic growth in the area – with £34.7m of new funding confirmed for 2015/16 and 105.9m from 2016/17 to 2021**. This includes:

- As part of the Government's ongoing commitment to the Sheffield City Region it has also provided a provisional award of a further £91.9m of funding over the years to 2020/21.
- £63.7m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £410m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £707.3m for the Sheffield City Region LEP.**

By 2021, this Deal will create at least 8,000 jobs and allow 5,000 homes to be built.

The Sheffield City Region brings together local businesses, education providers and Barnsley Metropolitan Borough Council, Bassetlaw District Council, Bolsover District Council, Chesterfield Borough Council, Derbyshire Dales District Council, Doncaster Metropolitan Borough Council, North East Derbyshire District Council, Rotherham Metropolitan Borough Council and Sheffield City Council.

### Summary of Sheffield City Region Growth Deal projects and funding

Sheffield City Region Growth Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund.

<b>Sheffield City Region LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	36.8	105.9	142.7
<b>Previously committed funding</b>	9.1	53.6	62.7
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	91.9	91.9
<b>Total</b>	45.9	251.4	297.3

The table above includes the provision of £2,091,100 loan funding (subject to due diligence) to Langtree Land and Property plc to accelerate the delivery of 302 homes on the Former Firbeck Colliery, Costhorpe site.

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion Euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

**Sheffield City Region and Central Government have agreed to co-invest in the following jointly-agreed priorities:**

- **M1 J36 to Dearne Valley** – improved highway connectivity to the Dearne Valley Parkway to develop new employment and housing sites
- **Gateway to the Sheffield City Region** – completing the link road from the M18 motorway to Robin Hood Airport Doncaster Sheffield
- **Seymour Link Markham Vale, Sheffield City Region Enterprise Zone** – construction of the Seymour Link Road between junction 29A of the M1 and development plots at Markham Vale North
- **Harworth Bircotes** – highway improvements to support the development of a former colliery site
- **Chesterfield Waterside** – project to increase the supply of high quality office space in Chesterfield
- **Sheffield City Centre Key Sites** – a series of highway and public space schemes to stimulate regeneration in priority growth and employment areas in Sheffield city centre
- **British Glass Academy** – purpose built institution providing skills training for the glass manufacturing industry
- **Regional Growth Fund programme extension** – extending the Unlocking Business Investment programme to provide local businesses with the finance they need to invest and expand
- **Skills Capital Fund** for: 1) a programme to upgrade the existing Further Education estate across Sheffield City Region based on economic priorities, 2) tackling bottlenecks which create excess demand for further education and 3) helping to create more business start-ups from Further Education
- **Sustainable Transport Package** – investment in Sheffield City Region's Sustainable Transport Exemplar Programme

**Central Government has made provisional allocations to projects starting in 16/17 and beyond for the following pipeline projects:**

- **Upper Don Valley** – delivering new roads and highway improvements to support the development of two major regeneration areas in the Upper Don Valley area of Sheffield
- **Doncaster DN7** – new link road from M18 to improve access to Don Valley Power Park and development land
- **Worksop and Vesuvius Works** – series of highway improvements to facilitate employment and housing site development
- **Lower Don Valley** – series of highway improvements to accelerate delivery of housing and employment land

**Local flexibility over Growth Deal programme:** Sheffield City Region LEP has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area and has established strong financial monitoring procedures and cross local authority collaboration. As a result Sheffield City Region LEP will have the ability to redirect Local Growth Funding to fit with changing growth priorities. Government will disburse funds to deliver the deal to the LEP annually in advance; the LEP will need to notify Government of any changes to specific projects.

The Growth Deal does not amount to an endorsement of everything submitted in the Local Enterprise Partnership's Strategic Economic Plan. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

## The Sheffield City Region Growth Deal

The investment secured by the deal will be focused on 3 key areas to deliver transformative growth:

- Transport, Employment and Housing Sites
- Better Skills
- Delivering World Class Business Support

### Transport, Employment and Housing Sites

The Deal provides a Government investment of £119.5m (£56.8m from the Local Growth Fund and £62.7m of previously announced large scale transport funding) in the **Sheffield City Region Infrastructure Fund (SCRIF)** for its comprehensive multi-year infrastructure programme. Government will jointly invest in six strategic transport and infrastructure projects starting in 2015/16 that will ease congestion, create new and improve existing highways, open up access to key housing and employment sites and improve Sheffield City Region's business offer by increasing the amount of high quality office space.

In addition, the Deal provides provisional allocations to projects starting in 2016/17 and beyond to invest in key transport and infrastructure supporting major regeneration areas in the Upper Don Valley; housing and employment land in the Lower Don Valley and Worksop; and a new link road from the M18 motorway to Don Valley Power Park and development land.

**Sustainable Transport Exemplar Programme:** Government will also invest £16.3m in Sheffield City Region's flagship programme for improving cycling links and other sustainable transport links across the area, with the first £3.3m of that spend in 2015/16.

As part of the Deal, Government will also work with Sheffield City Region to develop its High Speed 2 Growth Strategy once the final decision on Phase Two is published. Government will also work more proactively with Sheffield City Region LEP to meet its transport needs, and to improve the quality of rail services in the City Region.

Sheffield City Region LEP commitments	Central Government commitments
<p>Secure private investment for the following as part of its Sheffield City Region Infrastructure Fund model</p> <ul style="list-style-type: none"> <li>• £100.5m for the M1 Junction 36 to Dearne Valley project</li> <li>• £450K for the Gateway to the Sheffield City Region link road from the M18 to Robin Hood Airport Doncaster Sheffield</li> <li>• £13.7m in the Seymour Link road at Markham Vale, part of the Sheffield City Region Enterprise Zone £1m for the Harworth Bircotes Development</li> <li>• £11.83m for Chesterfield Waterside</li> <li>• £24.91m for Sheffield City Centre Key Sites</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £20.3m in M1 Junction 36 to Dearne Valley Project (£8m in 2015/16)</li> <li>• Invest £9.1m in the Gateway to the Sheffield City Region link road from the M18 to Robin Hood Airport Doncaster Sheffield (£1m in 2015/2016)</li> <li>• Invest £3.1m in 2015/16 in the Seymour Link road at Markham Vale, part of the Sheffield City Region Enterprise Zone</li> <li>• Invest £800K in the Harworth Bircotes Development (£700K in 2015/16)</li> <li>• Invest £2.7m in Chesterfield Waterfront (£1.5m in 2015/16)</li> <li>• Invest £20.8m in Sheffield City Centre Key Sites (£7.1m in 2015/16)</li> <li>• Invest £16.3m in the Sustainable Transport Exemplar Programme (£3.3m in 2015/16)</li> </ul> <p>Government has identified <b>provisional allocations</b> to projects starting in 16/17 and beyond:</p> <ul style="list-style-type: none"> <li>• Upper Don Valley £24.2m</li> </ul>

	<ul style="list-style-type: none"> <li>• Doncaster DN7 – £14.1m</li> <li>• Worksop and Vesuvius Works - £2.6m</li> <li>• Lower Don Valley - £51.1m</li> </ul>
<p><b>Housing</b></p> <ul style="list-style-type: none"> <li>• Review broad spatial priority areas for housing growth (based on existing/ emerging planning policies) as part of the development of the SCR Integrated Infrastructure Plan</li> <li>• Identify a prioritised list of sites which could deliver significant additional housing within the short to medium term. This will show which investments could be fully recyclable, and which would require additional funding or support in order to be viable. It will also provide details of the outputs and financial needs of each proposed site</li> <li>• Work closely with the Homes and Communities to explore how schemes can be funded and identify any further technical support required</li> <li>• Support the local planning authorities in its area to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their local plans in accordance with the timetable submitted as part of the LEP monitoring framework. In recognition of Government's commitment to working with the LEP to develop a Sheffield City Region Housing Investment Fund, further work will be undertaken to develop a robust appraisal and assurance framework.</li> </ul>	<p><b>Housing</b></p> <ul style="list-style-type: none"> <li>• The Government / Homes and Communities Agency will: <ul style="list-style-type: none"> <li>○ Provide its expertise and access to key teams to support Sheffield City Region in developing proposals for specific sites</li> <li>○ Work to align its investments, where possible, with those planned by the Sheffield City Region Housing Investment Fund as far as possible</li> <li>○ Support Sheffield City Region as it works to develop a more flexible and strategic Housing Investment Fund</li> </ul> </li> <li>• In addition, subject to due diligence, Government will provide £2.1m loan funding through the Local Growth Fund (Housing Infrastructure) to Langtree Land and Property plc. to accelerate the delivery of 302 homes on the Former Firbeck Colliery, Costhorpe site.</li> </ul>
<p><b>High Speed 2</b></p> <ul style="list-style-type: none"> <li>• Work with Phase One LEPs and Government officials to co-design an approach to developing and delivering HS2 Growth Strategies.</li> </ul>	<p><b>High Speed 2</b></p> <ul style="list-style-type: none"> <li>• The Government recognises the commitment, enthusiasm and proposals set out in the Sheffield City Region SEP for maximising the economic benefits of HS2</li> <li>• In the published consultation on HS2, the route for Phase Two included stations at Leeds, Manchester Airport, Manchester City Centre, Sheffield, and Toton. The Department for Transport and HS2 Ltd are considering the responses to the consultation, along with Sir David Higgins' recommendations</li> <li>• Initially, and ahead of the Secretary of State for Transport announcing the outcome of that consultation, Growth Deal support will focus on Phase One locations. Through Growth Deals, Government has established a package of support which will be provided to all HS2 station LEPs once the route is announced. Government commits to working with and supporting Phase Two LEPs to develop their HS2 Growth Strategies once the final</li> </ul>

	<p>decision on Phase Two is published. This will include the development of detailed proposals which LEPs can put forward for financial or other support through future Growth Deals. In the meantime, Sheffield City Region LEP will work with Phase One LEPs and Government officials to co-design an approach to developing and delivering HS2 Growth Strategies</p>
<p><b>Transport freedoms and flexibilities</b></p> <ul style="list-style-type: none"> <li>• Agree to the Sheffield City Region LEP taking a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities.</li> </ul>	<p><b>Transport freedoms and flexibilities</b></p> <ul style="list-style-type: none"> <li>• The Department for Transport has committed to increase train service capacity to provide for forecast peak demand growth to 2019 in the Rail Investment Strategy 2015 - 2020 for the cities of Manchester, Leeds, Sheffield and Newcastle, subject to these continuing to be value for money. Off-peak service frequency increases will be considered as part of re-franchising. These will be subject to value for money and affordability assessment, with electrification helping to reduce medium term costs</li> <li>• The Department for Transport and Network Rail commit to more proactive engagement of the Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders</li> <li>• The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national</li> </ul>

level, and a draft licence published on 23<sup>rd</sup> June 2014 for the new Highways Agency company includes a requirement to co-operate, which will underpin the arrangements described above.

## Better skills

**Investment in skills infrastructure:** The Deal will provide a major investment in Sheffield City Region's skills infrastructure, while also giving local businesses even more influence over the skills that young people develop. Government will invest £5m in a new British Glass Academy, which will help to support the Sheffield City Region's successful glass manufacturing industry, while a further £13m will be dedicated to maintaining and improving the quality of college facilities across the City Region.

**Sheffield City Region Skills Bank:** Alongside this, the Deal will create the £100m Sheffield City Region Skills Bank, which will provide local businesses with more of the skills they need. The City Region's businesses will gain even greater control over how skills funding is spent, and will ensure that more local people get training which matches job opportunities in the area. Government will invest £21.7m over 6 years in the Skills Bank, with the LEP committing over £30m and local businesses investing over £50m. The Skills Bank will provide 42,000 qualifications over 6 years.

**Improving links with Business:** Government welcomes Sheffield City Region LEP's ambition to strengthen the link between education providers and businesses in the local area. Through the Growth Deal, Government will work with Sheffield City Region LEP to explore the feasibility of implementing a programme of Enterprise Advisers in line with Lord Young's recommendation in his review 'Enterprise for All', in addition to wider school-business linkage activities. Advisers would be volunteers drawn from local private and public sector organisations and would advise head teachers and teachers on how employers can engage with schools.

Sheffield City Region LEP commitments	Central Government commitments
<p><b>Investing in skills infrastructure</b></p> <ul style="list-style-type: none"> <li>The private sector will invest £15m in the British Glass Academy. Once at full strength, the academy will provide 2,000 apprenticeships and qualifications a year</li> <li>£26m of local investment in upgrading the Further Education estate in line with economic priorities across the Sheffield City Region.</li> </ul>	<p><b>Investing in skills infrastructure</b></p> <ul style="list-style-type: none"> <li>Invest £5m in the British Glass Academy (£3.5m in 2015/16)</li> <li>Invest £13m in upgrading the Further Education estate in line with economic priorities across Sheffield City Region (£4m in 2015/16).</li> </ul>
<p><b>Skills Bank</b></p> <ul style="list-style-type: none"> <li>Sheffield City Region LEP will commit £30.6m from European Structural Investment Funds (subject to formal governance) and Sheffield City Region local authorities will commit £26.27m over the lifetime of the programme or £4.3m annually from their own budgets (subject to local authority budgets being available) in support of the promotion, activity and operation of the Skills Bank</li> <li>The Sheffield City Region Skills Bank will be a partnership in which the investors (the LEP, the Combined Authority, and the Skills Funding Agency) are equal partners</li> <li>The partnership will set itself a target of securing employer contributions to the cost of training of</li> </ul>	<p><b>Skills Bank</b></p> <ul style="list-style-type: none"> <li>Work with Sheffield City Region in developing plans to create the SCR Skills Bank, on the design of co-investment arrangements under the auspices of the LEP</li> <li>Invest £21.7m adult skills funding over the lifetime of the programme into the Skills Bank to deliver deals with businesses (£3.6m per annum for 6 years from 2015-16 to 2020-21 with 16-17 and beyond subject to Departmental budgets being available)</li> <li>The Skills Funding Agency will act both as a full partner in all investment decisions but also provide support to the bank and the trustees in its role as the national regulatory agency and the guarantor of</li> </ul>

<p>£51.3m (49.5% of total project costs) or £8.53m annually, to be secured as part of individual skills deals be negotiated through the Skills Bank</p> <ul style="list-style-type: none"> <li>• The partners in the Sheffield City Region Skills Bank will cooperate in a robust evaluation of their work and impact, including the collection of detailed programme monitoring and benchmarking data.</li> </ul>	<p>adherence to government policy.</p>
<p><b>Support for learners</b></p> <ul style="list-style-type: none"> <li>• The LEP commits to work with Government to explore the design of a programme of Enterprise Advisers to advise schools on how to drive employer engagement</li> <li>• Subject to discussions with Government, Sheffield City Region will work with Government to co-design, test ideas and learn from the disadvantaged learners pilot</li> <li>• Facilitate stronger linkage between education providers and local businesses. The LEP will also work with relevant local stakeholders to communicate priorities and align its offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014</li> <li>• The LEP will also use its European Social Fund allocation (subject to formal European Structural and Investment Fund governance) to develop a Youth Portal – a Universities and Colleges Admissions Service-style clearing system for vocational qualifications.</li> </ul>	<p><b>Support for learners</b></p> <ul style="list-style-type: none"> <li>• Work with the LEP to explore the design of a programme of Enterprise Advisers, in addition to wider school-business linkage activities, and allocate funding for such a project subject to further discussions</li> <li>• Support Sheffield City Region in a very local (ward level or more local) pilot project focusing on disadvantaged learners facing multiple barriers to work using flexibilities within the Adult Skills Budget</li> <li>• Work with Sheffield City Region to help ensure that local employer priorities are fed into the operations of the new NCS providers in Yorkshire and Humberside and the East Midlands.</li> <li>• Share with Sheffield City Region information on practice in portals elsewhere.</li> </ul>
<p><b>NEETs</b></p> <ul style="list-style-type: none"> <li>• Sheffield City Region LEP commits to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value.</li> </ul>	<p><b>NEETs</b></p> <ul style="list-style-type: none"> <li>• This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment the Deputy Prime Minister launched the Youth Contract for Cities in November 2013 providing local areas with devolved funding to boost employment opportunities for young people. As part of this, Sheffield City Region was awarded £5m from the Government to develop its youth employment programme, including through intensive advisor and mentor-led support. Through the Growth Deal, the Government expects Sheffield City Region to deliver against its commitments towards youth employment.</li> </ul>
<p><b>Working with the Skills Funding Agency</b></p> <ul style="list-style-type: none"> <li>• The Sheffield City Region LEP will consider skills implications as part of decision taking on growth strategies</li> <li>• The LEP will clearly articulate and evidence its skills</li> </ul>	

priorities in the light of strategic national and local growth opportunities and communicate them to the further education and skills sector

- The LEP will continue to positively engage the further education and skills sector in key strategic partnerships e.g. the LEP Skills for Growth Partnership
- The LEP will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment.

**Delivering world class business support:** The Deal will improve the support that is available to businesses in the Sheffield City Region, so that more businesses can grow, innovate and export. The LEP will set up a Growth Hub, which will coordinate and simplify businesses support so that it is easier for businesses to get the right support at the right time. Government will work with the Growth Hub to ensure that local and national business support is joined up seamlessly. The Deal will also extend Sheffield City Region’s highly successful Regional Growth Fund programme, providing local businesses with the finance they need to invest and expand.

Sheffield City Region LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Create a Growth Hub, providing a clear model for coordinating and simplifying business support so that it joins up national, local, public and private business provisions and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time</li> <li>• Design the Growth Hub in accordance with the principles set out in the Strategic Economic Plan i.e. the Growth Hub will be developed in partnership with the local private sector; products and services provided through the Growth Hub will be available to all parts of the Sheffield City Region; the Growth Hub will engage with national Government at a City Region-level. The LEP will invest £32.6m from European Structural Investment Fund to provide business support through its Growth Hub. The Growth Hub will be the central co-ordinating element for all of the business-facing elements of the Strategic Economic Plan</li> <li>• The LEP will undertake a robust evaluation of its Growth Hub, with the aim of becoming a model for identifying the most effective business support interventions. The LEP will work closely with Government to gather detailed data on the Growth Hub and follow best practice on evaluation.</li> <li>• The LEP will extend its successful Regional Growth Fund programme, continuing deliver £5.60 of private leverage for every £1 invested, and creating one job for every £10,000 invested. This programme will be integrated into the access to finance offer of the</li> </ul>	<ul style="list-style-type: none"> <li>• Provide £500k funding to the LEP in 2015/16 for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services</li> <li>• Invest £49.5m (£2.5m in 2015/16) to extend the LEP’s successful Regional Growth Fund programme</li> <li>• UK Trade and Investment will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment</li> <li>• The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.</li> </ul>

<p>Growth Hub</p> <ul style="list-style-type: none"> <li>On broadband, to support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Sheffield City Region LEP will commit to work with local partners and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, Sheffield City Region LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> </ul>	
--	--

**As part of the deal, the LEP will:**

- Strengthen governance:** The formation of the Combined Authority provides the Sheffield City Region with a strong foundation from which to progress, and Government remains committed to supporting strong governance in local areas. The Government has made legislation which enables existing combined authorities to claim refunds of value added tax paid on their non-business purchases in the same way that their constituent councils can; and is considering what further changes to legislation are necessary to support combined authorities in driving local economic growth. Sheffield City Region LEP will also work closely with D2N2 and Leeds City Region LEPs to ensure that overlaps between the two are managed effectively.
- Ensure implementation and demonstrate success,** by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks.
- Communicate the ongoing outputs and outcomes of the deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people and businesses understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.