



RENEWAL ACTION PLAN

SUBMISSION TO GOVERNMENT

**Sheffield
City Region**

BUILD BACK BETTER

The Sheffield City Region (SCR) has been hit hard by COVID.

In response, we have developed a **Renewal Action Plan** which aims to provide immediate help for our people, employers and places, while also contributing to our longer-term goals and the transformation of our City Region. It must make us:

- **Stronger** – an economic transformation to create not just a bigger economy but a better one: higher-tech, higher skill, and higher-value;
- **Greener** – a green transformation to decarbonise our economy, improve our environment, and revolutionise our transport; and
- **Fairer** – a transformation of wellbeing and inclusion, raising our quality of life, reducing inequality, and widening opportunity.

The investment we are asking for will not just help rescue the South Yorkshire economy, it will also help ‘level it up’.

It will back our people and our entrepreneurs when they need it the most, and create better, as well as more, jobs. It will accelerate the transition to Net Zero Carbon while making our communities stronger. It will help not just South Yorkshire, but the whole country.



This document gives a preview of our detailed Renewal Action Plan, which has been developed in close partnership with our business community, councils, universities and other partners.

It focuses on the immediate relief we must provide over the coming 12-18 months (*depending on how long it takes to fully control this virus*) and the seeds we must sow now to build back better. That support is targeted around three areas of action:

- **People** – supporting people adapt to the new economy and be better able to fill higher-skilled jobs
- **Employers** – supporting businesses to adapt, survive and thrive in the new environment
- **Places** – stimulating the local economy, create jobs, and transform our places.

Our approach in the next 18 months will:



Give a hand up for people to improve their skills, get back to work, remain and/or progress in work, or set up in business



Accelerate our Net Zero Carbon transition



Back our wealth and job creators



Get South Yorkshire moving by foot, bike, bus, tram and train



Put cranes in the sky and spades in the ground

“Our relief effort will be radical, wide-ranging and will stop at nothing to put South Yorkshire back on its feet. It’s a plan for small businesses, big businesses and the people and communities we serve.”

Dan Jarvis MBE MP, Mayor Sheffield City Region.

THE CHALLENGE AHEAD

We are a growing economy with huge untapped potential. We are home to world-class companies and universities and have powerful strengths in high-precision engineering and design, materials, manufacturing, healthcare, digital and creative technologies, future mobility and clean energy.

Our economic base is shifting towards a more productive and low carbon future, but that transition is far from complete – and the impact of COVID-19 threatens to undermine our progress.

The same capabilities that put the city-region at the heart of the world's first industrial revolution can put us at the centre of the fourth – producing new materials, new processes, and new answers to the environmental, social, and wellbeing challenges facing the UK and the world.

The public health impact of the disease has been particularly strong on deprived areas, BAME people, the disabled and other vulnerable people in South Yorkshire. The economic impact is also uneven – and centred upon our deprived communities and on women.

With our strong research capabilities, major employment sites, local engineering and manufacturing supply chains, and strengths in low carbon technologies, we are well-placed to help drive the Net Zero Carbon transition for the whole country.

Already, the city region has seen some communities face far higher levels of unemployment, furloughing and business closure than the national average. One in three of our 18 to 24-year-old employees (excluding students) have already lost jobs or been furloughed.



WHAT WE CAN DO, WHAT WE NEED

The investment we are requesting would create wide-ranging benefits: mitigating the worst socioeconomic impacts of COVID, getting 55,000 people in work or training, helping 25,000 businesses to adapt and innovate, and accelerating key strategic objectives like decarbonisation. Details and costing for each action to help our people, employers and places are set out below¹. To achieve this ambitious vision, we require £1.72bn of investment and we will invest our own funds as part of this.

Why we can deliver

- Strong and accountable leadership – through our MCA and directly elected Mayor, we have robust, transparent and democratically accountable leadership. This includes appropriate assurance mechanisms. The MCA works extremely closely with the LEP to combine the best of public and private sector leadership.
- Track record of delivery at scale – since 2012, the LEP and MCA have created 15,150 jobs and 2,200 apprenticeships; assisting 6,000 learners; leveraging £319m of investment and supporting 24,000 companies. The MCA is now two-thirds of the way through the delivery of its multi-year Growth Deal, which is forecast to eventually create more than 68,000 jobs, support 14,000 learners and leverage £1.6bn of investment.

SUPPORT PROGRAMME OBJECTIVES	INVESTMENT REQUIRED ²	TARGETS AND OUTPUTS
Help people find jobs and adapt to the new economy	£770m	Helping 35,000 people re-engage with labour market, creating benefits such as: <ul style="list-style-type: none"> • 3,000 apprenticeships and other training positions • NEET levels below national average • Higher share of leavers/graduates in education or work within 12-18 months.
Support employers to adapt, survive and thrive despite COVID	£380m	Over 25,000 businesses supported: <ul style="list-style-type: none"> • COVID-adapted working environments • Reduced carbon emissions • 15,000 jobs created through supply chain re-shoring / localising • Invoice and cashflow support • Investment to innovate and thrive.
Infrastructure investment to level up our economy, create jobs, and transform our communities	£570m	Strengthened communities and urban centres underpinned by: <ul style="list-style-type: none"> • Maintained cycling and walking rates • Uplift in urban footfall and spend • Created/supported across 6,000 new jobs across infrastructure programmes • Improved local economy resilience and health and wellbeing.

¹ Detailed costs and benefits will be produced as the plan is developed further.

² This is the upper range of modelled cost estimates.

PLAN OF ACTION

PEOPLE: HELP PEOPLE FIND JOBS AND ADAPT TO THE NEW ECONOMY

One programme, with four interventions, to upskill the workforce at scale, remove barriers to training and employment for vulnerable groups, support young people to progress and match people to skills gaps in strategic and growth industries like clean energy, health, and advanced manufacturing.

This suite of interventions will deliver circa £3 for every £1 invested³.

TRAIN TO WORK	
To do what	Give people the skills they need to get jobs and earn more. We will guarantee work experience, apprenticeships, and training for all those who need them, and support wages to reduce barriers to participation for both people and companies – reducing unemployment and helping people remain in work and progress to better jobs. We will also provide support to enable people remain in employment.
Delivery	Local institutions (e.g. HE, FE colleges and training providers and existing delivery mechanisms).
Targets	This intervention will target approximately 20,000 people .
Outcomes	We anticipate an increase of 3,000 apprentices and over 17,000 other education, training, and work experience positions in 18 months. The programme will also be structured to help fill skills gaps that hold back our tech companies, placing people in sustained employment.
Investment required	£375m - £450m is required over 18 months to subsidise training and apprenticeships, and top up incomes to the level of the living wage. Estimated unit cost will vary with an average of £12,500-£15,000 per person per year.

BACK TO WORK	
To do what	Facilitate a matching programme between growth sectors, job openings and unemployed individuals. We would also connect people with wider services to help remove barriers to employment not related to skills (e.g. disability support, health support).
Delivery	National delivery partners (JCP, National Careers Service etc) and local employment support services.
Targets	This intervention will target an initial 10,000 unemployed people .
Outcomes	This will contribute to SCR's unemployment rate returning to pre COVID levels (5% or lower). It will also contribute to a rise in economically active people in SCR.
Investment required	£2.25m - £3m over 18 months to support individuals out-of-work (who do not require re-skilling) back into employment. Estimated unit cost is £150 per person .

³ Modelling based on 'The benefits of tackling worklessness and low pay', JRF (2014) which included exchequer savings like reduced benefit payments, higher taxation, reduced health and crime costs, and higher output due to increased productivity and skill level.

YOUNG PEOPLE'S SKILLS GUARANTEE (POST 16)	
To do what	Guarantee opportunities for our leavers and graduates who have seen a reduction in prospects. Also includes support for young people transitioning from one form of study to another and then into work. Will be supported by a careers information, advice and guidance provision.
Delivery	Education and training providers and local employment services.
Targets	This intervention will target 4,500 people .
Outcomes	Young job seekers will be supported to secure and remain in employment commensurate with their skills and ambition. It will ensure that NEET levels are below the national average . Success will be measured by a greater share of young people staying in employment or in education after 6 and 12 months .
Investment required	£1.5 - £3m over 18 months to support 16-24-year-olds into employment, training, or education. Estimated unit cost is £240 per person . This excludes apprenticeship and traineeship grants which are captured in the Train to Work programme.

OVERCOME BARRIERS	
To do what	This is about supporting social mobility and reducing inequality. We will use grants to support incomes for the most impacted cohorts not just in employment but in training as well, helping them overcome barriers such as: <ol style="list-style-type: none"> 1. Childcare and other care responsibilities 2. Digital assets and upskilling 3. Access to affordable and sustainable transport 4. Housing issues.
Delivery	LAs and third sector partners utilising existing structures, wherever possible.
Targets	Helping at least 15,000 people to re-engage with the labour market.
Outcomes	Specific targets will be dependent on nature of eventual support (e.g. caring responsibilities or digital skills). In addition to direct benefits to the exchequer, this will result in avoided costs for the NHS on physical and mental health, and local economic multiplier effects.
Investment required	£285m - £315m over 18 months to support individuals to re-engage with the labour market by overcoming multiple barriers. Estimated unit cost is £13,000 per person per year to top up existing income support during training.

EMPLOYERS: SUPPORT EMPLOYERS TO ADAPT, SURVIVE AND THRIVE AFTER COVID

Two investment programmes with a total of five interventions: specialist services, knowledge, and digital support to help adaptation and survival; direct flexible business investment to back innovation and supply chains and support to improve business leadership and management.

Detailed design of interventions is ongoing but similar programmes⁴ delivered in the UK have delivered high value for money, with BCRs between 2:1 - 5:1, excluding indirect and wider impacts like productivity and innovation.

INVESTMENT PROGRAMME 1 - BACKING EMPLOYERS TO ADAPT AND SURVIVE

SERVICES AND KNOWLEDGE SUPPORT FOR POST-COVID ADAPTATION	
To do what	This is about giving businesses – especially SMEs – the knowledge support they need to adapt and survive. It includes scaling up our business support offer, especially around specialist areas like HR, legal, company formation and structure, health and wellbeing (especially mental health), and health & safety (including COVID adaptations). We will also provide intelligence to help companies make informed cashflow and invoicing decisions, negotiate terms and improve reliability in income projections, reducing the threat of cashflow problems to SMEs especially.
Delivery	Growth Hub, partner institutions across public and private sectors.
Targets	Support up to 10,000 firms navigate the end of furloughing/ redundancy, reduce cashflow threats, and adapt successfully to the health, wellbeing and safety challenges.
Outcomes	Arrest any decline in business stock and survival rates will improve. Anticipated impacts will include direct jobs created and safeguarded, and eventual sustained GVA and productivity rise.
Investment required	£2m-£2.5m to provide businesses with access to specialised COVID-19 adaptation support and invoice intelligence. Estimated unit cost is £110 per employer .

⁴ Government-funded business advice programmes delivered by Business Link and programmes run by the British Business Bank.

DIGITAL UPSKILLING AND TECHNOLOGICAL TRANSFORMATION FOR COVID ADAPTATION

To do what	This is about supporting employers (especially micro and small enterprises) to adapt to the new environment through digital upskilling, and accelerating technology adoption to transform operations. Its key elements will include: <ul style="list-style-type: none"> grants to enable flexible/remote working scale up existing IT upskilling programmes enable access to cloud computing and cyber security provision.
Delivery	Growth Hub, LAs and digital skills providers.
Targets	Target 10,000 SMEs to adapt to the hybrid working environment.
Outcomes	Arrest any decline in business stock and survival rates will improve. Anticipated impacts will include direct jobs created and safeguarded, and eventual sustained GVA and productivity rise.
Investment required	£16m - £18m is required to support digitisation, productivity and competitiveness. Estimated unit cost is £1,600 per employer .

INVESTMENT PROGRAMME 2 BACKING INNOVATION AND ACCELERATING GROWTH

FLEXIBLE INVESTMENT AND RECAPITALISATION

To do what	This is about deploying a range of flexible investment mechanisms to support the adaptation and survival of viable companies and accelerate growth. It includes grants, loans and patient equity investment to help companies struggling with short-term market conditions to survive; to seed innovation and encourage start-ups, and allow businesses to invest, adapt, and grow without over-leveraging. Support would be structured to incentivise and advance innovation from concept to commercialisation, support strategic growth sectors (including advanced manufacturing, health and wellbeing, modern methods of construction and clean energy), workforce upskilling and the Net Zero transition. Also includes support for business and entrepreneurs to explore different ownership models and structures (including equity/stock issues and mutualisation) and enabling changes to allow this.
Delivery	Via the Growth Hub and existing models, and with LAs and, where necessary, through special investment vehicles.
Targets	Support available to 10,000 businesses and significant investments (including equity stakes) in up to 500 businesses aligned with the policy objectives of the MCA. This will include organisations with different ownership structures like cooperatives and social enterprises.

FLEXIBLE INVESTMENT AND RECAPITALISATION - CONTINUED

Outputs	Business stock will begin to grow. Increase business birth rate over the next 12 months. Significant contributions to reducing carbon footprint and improving social inclusion. Equity investments will seek competitive rates of return and induce local economic multiplier effects.
Investment required	£280m - £320m to invest as appropriate in grants, loans, equity and other support as necessary to help business survival and create the enabling conditions that drives productivity at scale. Estimated unit cost of will vary widely, with an average of £850,000 per employer .

EMPLOYER LEADERSHIP SUPPORT

To do what	This is about supporting our business leaders to improve strategic decision making, helping accelerate growth while improving preparedness for the changes ahead, most of which were well underway prior to COVID. This includes support to enable decision making on investment in technology (e.g. AI), low carbon transition, employee health and wellbeing, social responsibility and to develop new markets.
Delivery	Growth Hub and HE.
Targets	Support up 1,000 businesses to improve overall business leadership and decision making.
Outcomes	Arrest any decline in business stock. Longer term impacts such as GVA and productivity rises will be quantified in accordance with timeframe and scope.
Investment required	£5m to support and improve business leadership and decision making. Estimated unit cost is £5,300 per business .

SUPPLY CHAIN AND PROCUREMENT SUPPORT

To do what	This is to support our businesses to exploit supply chain opportunities that emerge. It is also about the MCA, local authorities and anchor institutions pooling and leveraging procurement wherever possible to shorten supply chains and drive up local content and social value.
Delivery	Delivery will be led by the MCA, LAs and other anchor institutions.
Targets	The target is to support 300 businesses initially and to protect 15,000 jobs .
Outcomes	The programme will utilise baseline figures on local spend and supply chains to identify improvements. The MCA will work with Department for International Trade to exploit re-shoring potential.
Investment required	£31m is required to re-shore supply chains and leverage economic and social benefits through procurement. Estimated unit cost is £100,000 per employer .

PLACES: INFRASTRUCTURE INVESTMENT TO LEVEL UP OUR ECONOMY, CREATE JOBS, AND TRANSFORM OUR COMMUNITIES

Four interventions grouped into three investment programmes to help urban areas adapt to COVID and avoid decay; boost sustainable travel; and enable shovel-ready investment in decarbonisation and more broadly – creating jobs and growth while advancing our strategic economic, social and environmental goals.

The BCR for the interventions below range between 2:1 to 10:1^{5,6,7,8,9} This is based on evidence from similar programmes. Detailed design is ongoing significant wider benefits like increased social value, health impacts and biodiversity will also be delivered.

INVESTMENT PROGRAMME 1

COVID-19 SPATIAL ADAPTION	
To do what	Reconfigure urban centres in order to increase vibrant activity, adapt to the new behaviours and restrictions, and forestall city centre decay; physical infrastructure changes (e.g. widening pathways, one-way pedestrian systems), commercial property use, strategic building and land acquisitions and flexible, responsive and proactive planning.
Delivery	Led by LAs.
Targets	Targeted support for cultural, community and social enterprises or start-ups. Interventions dependent on need and opportunities.
Outcomes	Baseline information for all urban centres to allow targets to be established based on support offered. This would include: <ul style="list-style-type: none"> • Footfall and vacant units – (e.g. No increase in empty retail premises by Q3 2021) • Day time/evening economy spend • Independent shops • Business density.
Investment required	£20m is required for an initial 12-month programme of strategic building and land acquisitions to regenerate and avoid decay in our urban centres, and to reconfigure local spaces in the wake of COVID-19 to help the local population adapt to restrictions and changes in how we interact and behave.

INVESTMENT PROGRAMME 2

SUSTAINABLE TRAVEL	
To do what	This is about providing a sustainable, affordable and safe means for people and goods to move efficiently in line with COVID regulations and beyond. Includes accelerating investment plans to enable and promote cycling and walking, and a commitment to support local development plans which enable more liveable, low traffic neighbourhoods. Also includes a commitment to improve local bus services.
Delivery	MCA and LAs working with key private sector partners.
Targets	Maintaining COVID lockdown active travel levels. As of the end of May, 64% of adults walked, and 14% cycled – representing an extra 100,000 cyclists. Increased public transport patronage (baseline increasing but targets linked to pre-COVID-19 levels).
Outcomes	Capital projects which contribute to 620 miles of accessible walking and cycling routes across SCR to enable people to leave their cars at home and support multi modal travel. Improvements to bus network coverage and patronage. Delivery will also have an indirect impact upon footfall and spend. Lastly, health and wellbeing data from PHE will be utilised to understand direct and indirect health outputs.
Investment required	£53m is required for an 18-month programme to trial a set of low-traffic neighbourhoods across the City Region, and to accelerate our Active Travel Infrastructure Programme to improve active travel rates. Estimated unit cost is £490 per person .

⁵ Sustrans (2017) Active Travel and Economic Performance A 'What Works' review of evidence from cycling and walking schemes

⁶ <https://whatworksgrowth.org/policy-reviews/area-based-initiatives/evidence-review/>

⁷ Passenger Transport Executive Group (2011) Value for Money & Appraisal of Small Scale Public Transport Schemes

⁸ Living Street (2018) The Pedestrian Pound: Updated report outlining the business case for better streets and places

⁹ ABI (2019) The Value of Flood Protection: Quantifying the Benefits of Defences Along U.K. Rivers

INVESTMENT PROGRAMME 3 – ACCELERATING SHOVEL-READY INVESTMENT

SHOVEL-READY DECARBONISATION INVESTMENT	
To do what	<p>Accelerate our transition to Net Zero, while creating jobs, building up our high-value industries, and improving quality of life for our communities. We would do this through:</p> <ul style="list-style-type: none"> • A substantial programme of building retrofits • Supporting green energy projects, including solar, hydrogen, and heat pumps • Establishing a £40m carbon challenge fund, to incentivise and leverage private sector investment • Flood prevention works, bringing forward part of our £273m investment plan • A tree planting programme, closely tied to flood prevention but also to improving neighbourhoods and habitats.
Delivery	MCA, LAs , other key infrastructure or development partners.
Targets	Creation of 2,000 new jobs across all programmes and carbon emissions outputs in line with SCR's Net Zero by 2040 target.
Outcomes	<p>Key development indicators across all programmes such as employment, GVA and other wide indicators including indirect employment, social value delivery and biodiversity enhancement.</p> <p>This will enable SCR to progress against ambitions for a net zero City Region by 2040. Benefits will depend on which capital investment project are delivered, but will include reduced pollution, enhanced biodiversity, and health improvements.</p>
Investment required	£200m is required for the acceleration of shovel-ready decarbonisation, natural capital and clean energy investments.

SHOVEL-READY INFRASTRUCTURE INVESTMENT	
To do what	Acceleration of shovel-ready construction and regeneration activities that can help the economy recover, support levelling-up and strategic growth sectors, enhance the housing offer and drive urban centres to modernise.
Delivery	MCA, LAs, other key infrastructure or development partners.
Targets	Creation or safeguarding of 4,000 new jobs across all programmes and programme indicators.
Outcomes	Key development indicators across all programmes include employment, GVA and other wide indicators including indirect employment, social value delivery and biodiversity enhancement. Benefits will be specific to capital investment project, and additionally will induce local economic multiplier effects.
Investment required	£300m is required for the acceleration of shovel-ready construction and regeneration activities that will unlock growth and resilience in local economies.

FROM VISION TO REALITY



These investments represent an ambitious vision, in line with the government's own declaration of the need for a bold and transformative approach to the post-COVID recovery and to levelling up the country.

It is a down payment in a process of renewal that would truly change the fortunes of an area of the UK whose full potential was not being realised even before the pandemic – allowing some good to come out of the pain and disruption it has wrought.

This investment will deliver benefits several times greater than the initial costs - not just for Sheffield City Region, but for the whole country. It is a vision for a better future: now we ask the government to join us and help turn this vision into a reality.



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**Sheffield
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