



# South Yorkshire Mayoral Combined Authority Business Manifesto

April 2022

# Foreword

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This May's mayoral elections come at a critical time for South Yorkshire. Set against a backdrop of economic headwinds including the increased cost of living and doing business, geopolitical instability, inflation, and ongoing recovery from the coronavirus pandemic. We're at a crossroads, knowing future generations will judge the path we choose, determining our region's success for years to come.

As part of our Seize the Moment<sup>1</sup> strategy, the CBI is committed to ensuring that every region and nation thrives. We argue that an economy that plays to the distinct strengths of each region empowers communities, reduces long-standing inequalities, and boosts regional prosperity. We welcome the government's Levelling Up White Paper which advocates that both the public and private sectors should work in partnership to bring prosperity to every region.

South Yorkshire is host to many economically significant assets, all of which are of key importance to the UK economy – for example the Advanced Manufacturing Research Centre which is home to many high value sectors, focusing on power generation and renewable energy vital for research and development and the wider economy, and the source for exciting new jobs. In addition, the region's vibrant cultural, tourism, and leisure offer provides a rich source of pride and creativity and employment. The next mayor should seek to capitalise on these assets, working closely with the business community.

This manifesto draws on the views of the CBI's members in the region and sets out policies that senior business leaders believe can drive economic growth, while enabling South Yorkshire to maximise its potential, and provide the basis for future engagement with the mayor. We set out recommendations on:

- **Skills**
- **Housing**
- **Infrastructure**
- **Devolution**
- **Climate change**

The CBI is committed to working alongside the mayor and the South Yorkshire Combined Authority to help ensure the region thrives and prospers. Business stands ready to play their part in this agenda and take forward the priorities within this manifesto.

## Skills

Over the last year, businesses have gone from navigating their way through Covid-19 related restrictions to a labour, skills, and supply crisis. This is hampering recovery efforts. Job vacancies have reached a record high and 76% of businesses are reporting access to labour as a current threat to UK labour market competitiveness.<sup>2</sup> This was consistently highlighted by the CBI's members from across the region and a variety of sectors during the preparation of this manifesto, with continued concerns around access to skills.

South Yorkshire is home to many talented and skilled individuals, which with the right policies on skills in place, can continue to help drive economic growth and propel it forward. A joint CBI/McKinsey & Company report<sup>3</sup> revealed nine out of ten people across the UK will have to reskill over the coming decade. However, skills policies, such as the Apprenticeship Levy leaves many businesses, particularly SMEs, hamstrung.

We believe that the Apprenticeship Levy should be replaced by a new Skills Challenge Fund<sup>4</sup> to ensure the UK catches up with European average skills investment – one that incentivises more flexible training to meet skills shortages and rewards firms who invest beyond their apprenticeship levy levels. This will significantly benefit SMEs that make up most the region's business stock. A recent survey carried out as part of our engagement with members for this manifesto, found over half (58%) of firms in the region said the mayor should prioritise skills investment over other policy areas, with nearly a third (32%) of those saying that investment should be targeted towards apprenticeships.

The CBI supports Local Skills Improvement Plans (LSIPs) and is committed to working with the new mayor on the South Yorkshire trailblazer. Harmonising the efforts of local actors, and balancing national with regional priorities, can address skills gaps across the country.



## Recommendations

- South Yorkshire LSIPs can better support collaboration between business, education providers, and local government, allowing areas to consolidate economic strengths and drive growth. The new mayor should ensure that industry is well engaged through the trailblazer period, which will help encourage business to increase their levels of investment in their workforce. LSIPs should also recognise the long-term ambitions of the region, by seeking to transform the skills supply, improve employment prospects and result in business productivity growth.
- Support the CBI's national campaign to reform the Apprenticeship Levy with a new Skills Challenge Fund and incorporate this into the region's LSIP proposals
- In order to deliver an efficient and effective skills system tailored to region, the South Yorkshire Mayoral Combined Authority should ensure it maximises the recently devolved Adult Education Budget.
- The next mayor should also aim to facilitate direct links between schools and business, so pupils at an earlier age are aware of the employment opportunities and careers available throughout the region – this would help tackle the so-called brain drain.



## Housing

We recognise the importance of building sustainable communities with a flourishing mix of housing to attract and retain talent in the region. Delivering a strategic vision for housing and connectivity, developed in partnership with local stakeholders and businesses is vital. This should set out the important role housing plays in driving economic growth, supporting regeneration in the most deprived areas, and in achieving net zero targets. The announcement of Sheffield as one of the first areas to take forward new regeneration plans under the Levelling Up White Paper gives a real opportunity to think radically about how the new mayor can work with business on unblocking barriers and attract further investment. Housing has a key role to play in tackling climate change, representing 25 per cent of UK carbon emissions.<sup>5</sup> If we can improve the overall quality and efficiency of the housing stock this can help address fuel poverty while improving the region's overall health and wellbeing.

### Recommendations

- The next mayor should prepare a strategic vision for the region which should consider the opportunity for innovation, including new methods of construction to deliver affordable, low-carbon, environmentally sustainable, and high-quality homes at pace, and reflect our changing living and working patterns.
- Work with the CBI to convene a business summit to explore with Homes England how the private sector can support and engage on the Brownfield Fund regeneration programme for Sheffield
- Focus on measures to improve the energy efficiency of existing homes and set out proposals to secure greater investment in retrofitting.



## Infrastructure

Infrastructure helps drive productivity, unlocks housing development, and boosts regeneration. Employers and employees alike must be able to efficiently navigate the region. An effective public transport network also boosts productivity, while also unlocking housing development and driving regeneration. We welcomed the levelling up white paper's ambition to create a London-style public transport system in every region. We are also pleased to see the current mayor rightfully taking a seat on the Transport for the North's board, in order to ensure interests of the South Yorkshire region are taken into consideration, and not left behind in ongoing debates surrounding transport policy. We also believe that the appointment of an Active Travel Commissioner should also be seen as a positive development for the region.

Doncaster's strong bid to become home to the headquarters of Great British Railways should be given serious consideration, as this would complement the town's proud rail heritage, while bringing jobs and investment opportunities to the region.

### Recommendations

- Developing a genuinely fully integrated, region-wide public transport system is urgently needed, to ensure seamless transit across all modes of transport, including trams, trains, and buses. This will give people better opportunities to access education, skills, and training across the region.
- In addition, there must be better north-south and east-west connectivity, which means delivering Northern Powerhouse Rail in full, and HS2, specifically the eastern leg.<sup>6</sup>
- In order to increase investment and productivity across the region, there must be a focus on digital infrastructure, to reflect a shift in working patterns, including hybrid working.



## Devolution

Sheffield City Region recently rebranded and changed its name to the South Yorkshire Mayoral Combined Authority, to better reflect the geography of its constituent authorities and the region it serves. Powers and resources have also been devolved from Westminster to South Yorkshire, to ensure decisions across many key policy areas that impact on employers and employees alike can be taken locally, including on transport, skills, and housing – creating the foundations to build a thriving region. The CBI, through its Thriving Regions and Nations programme is committed to working alongside key decision-makers and businesses to ensure that the region has the means to deliver locally and bring transformative change to the economy.

However, despite the South Yorkshire Mayoral Combined Authority array of powers over many policy areas, this is not backed up by the government providing sufficient financial firepower to realise the region's ambitions. The Levelling Up White Paper set out the opportunity for mayors to come forward with new and dynamic proposals which could see the devolution of more powers and funding which can support the economic development of their region. This should be seized upon at the earliest opportunity, with dialogue commencing with Whitehall.

### Recommendations

- The next mayor should work with business to build a bold and ambitious case to central government for more long term devolved funding for the region, which can unlock private sector investment and will provide the means to deliver for the people of South Yorkshire across each of the devolved policy areas.
- In order to better equip the region for the needs of business, the next mayor should prioritise gaining additional powers from central government, particularly centred on skills and transport policy to tackle these key long-term challenges it faces.



## Climate Change

Winning the race to net zero by decarbonising the economy will improve the overall health and wellbeing of those living and working across the region. We welcome the region's Renewal Action Plan<sup>7</sup> that seeks to accelerate the transition to net zero carbon. The climate emergency and the commitments made at COP26, require mayoral combined authorities, councils, the public and private sectors to work together to drive forward the decarbonisation agenda.

The region's businesses and institutions who are globally recognised for their technical expertise and innovation should be harnessed, with particular attention on low-carbon transition from green hydrogen production, through to offshore wind, batteries, and nuclear power.

### Recommendations

- The next mayor should maximise devolved powers to accelerate the transition to net zero, incentivising business to go further and faster.
- Work with the CBI and business organisations to develop further incentives and policy measures to support businesses, particularly SMEs which make up the bulk of the South Yorkshire economy, to transition to a net zero future
- The next mayor must develop a holistic strategy to tackling climate change, across all aspects of policy making, including housing, planning, transport, infrastructure, and skills. A decarbonised regional economy will make the region a more attractive place to live, work, and do business.





## Wider business and regional engagement

The next mayor should expand the Business Recovery and Growth Board to include a cross section of business representatives from across the region.

Given the cross pollination of people across both West and South Yorkshire combined authority regions, we would urge the next mayor to strengthen ties with their counterpart in West Yorkshire. A forum made up of business representatives, education providers, and a cross section of public sector representatives from across both combined authorities should be established. This would provide a mechanism for better collaboration across the respective regions, with regards to policy development, on areas including skills, transport, and housing.

## Conclusion

The CBI is committed to working alongside the mayor and the South Yorkshire Combined Authority to help ensure the region thrives and prospers. Business stands ready to play their part in this agenda – collaboration between the public and private sector will be essential. Afterall, thriving regions and nations, with strong productivity growth, high wages and improved living standards are good for business.

# References

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2. <https://www.cbi.org.uk/media-centre/articles/three-quarters-of-uk-business-concerned-about-impact-of-labour-shortages-on-competitiveness-cbi-pertemps-network-group/>
3. <https://www.cbi.org.uk/articles/learning-for-life-funding-a-world-class-adult-education-system/>
4. CBI Go for Growth: <https://www.cbi.org.uk/articles/go-for-growth-a-challenge-to-the-government/>
5. <https://www.syha.co.uk/who-we-are/what-we-do/our-strategic-plan/>
6. Nealy a third (32%) of regional firms when asked what the next mayor should prioritise in term of infrastructure investment said rail connectivity, including Northern Powerhouse Rail and HS2.
7. [https://southyorkshire-ca.gov.uk/explore\\_strategic-economic-plan](https://southyorkshire-ca.gov.uk/explore_strategic-economic-plan)

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