



Author/Lead Officer of Report: Ben Morley,
Head of Strategic Development and External
Programmes, Creative Sheffield

Tel: 0114 223 2389

Report of: John Mothersole
Report to: Chief Executive
Date of Decision: 21/03/17
Subject: SCR JESSICA – Operational Activity

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Place		
Which Scrutiny and Policy Development Committee does this relate to?		
Economic and Environmental Wellbeing Scrutiny and Policy Development Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i>		

Purpose of Report:

The Council is the Limited Partner of the SCR JESSICA Fund and under the terms of the Limited Partnership Agreement the Fund is required to secure Council approval for certain operational matters including securing additional funding and variations to the Investment Strategy.

This proposal is to secure Council approval for the SCR JESSICA Fund to enter into two Funding Agreements with the SCR Combined Authority with a combined value of up to £15m and thereafter invest in commercial property development across the Sheffield City Region for the benefit of the economy. In addition the

proposal seeks an amendment to the Investment Strategy of the Fund to enable a more flexible approach to investment.

Recommendations:

That the Chief Executive, in consultation with the Cabinet Member for Business, Skills and Development and Growth, the Cabinet Member for Finance, the Executive Director of Resources and the Director of Legal Services approves:

1. The amendment of the Principles of the Investment Strategy.
2. The General Partner of the SCR JESSICA entering into Grant Agreements with the SCR Combined Authority for £5m in respect to development in the SCR Enterprise Zone and up to £10m for investment across the whole SCR together with the associated Investment Strategies.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

- (a) A report prepared for the Chief Executive.

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>(Insert name of officer consulted)</i> Eugene Walker
		Legal: <i>(Insert name of officer consulted)</i> Sarah Bennett
		Equalities: <i>(Insert name of officer consulted)</i> Annemarie Johnstone
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	John Mothersole
3	Cabinet Member consulted:	Cabinet Member for Business, Skills and Development and Growth, the Cabinet Member for Finance, the Executive Director of Resources
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>(Insert name)</i> Ben Morley	Job Title: <i>(Insert job title)</i> Head of Strategic Development and External Programmes, Creative Sheffield
	Date: 21/03/17	

1. PROPOSAL

- 1.1 The Council is the Limited Partner of the SCR JESSICA Fund and under the terms of the Limited Partnership Agreement the Fund is required to secure Council approval for certain operational matters including securing additional funding and variations to the Investment Strategy.
- 1.2 This proposal is to secure Council approval for the SCR JESSICA Fund to enter into two Funding Agreements with the SCR Combined Authority with a combined value of up to £15m and thereafter invest in commercial property development across the Sheffield City Region for the benefit of the economy. In addition the proposal seeks an amendment to the Investment Strategy of the Fund to enable a more flexible approach to investment

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The underlying benefit of this proposal is to enable the SCR JESSICA to invest additional resources in the SCR Enterprise Zone and across the wider Sheffield City Region in a flexible manner. This will enable the Fund to consider development projects that are not progressing due to perceived lack of occupier demand or viability concerns. The additional grant funding will also enable the Fund to target strategic priorities identified in the SCR Integrated Infrastructure Plan.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 No consultation has taken place. The activity proposed will not be undertaken by the Council and the Council is not required to consult on an operational decision in respect of the JESSICA Fund.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 Overall there are no significant differential, positive or negative, equalities implications from approving the areas of activity to enable the ongoing operation of the Fund. The Fund will utilise the funding to stimulate economic development across Sheffield City Region. This will create employment opportunities for all residents of Sheffield and the wider region.

4.2 Financial and Commercial Implications

- 4.2.1 The financial implications of entering into the Funding Agreements will rest with the JESSICA Fund. There are no direct financial implications for

the Council.

4.3 Legal Implications

- 4.3.1 The General Partner of the JESSICA fund will be entering into the Funding Agreements with the SCR Combined Authority. There are no direct legal implications for the Council.

4.4 Other Implications

- 4.4.1 There are no other material implications associated with this decision.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Additional funding in form of a loan to the Fund would not serve the purpose of facilitating developments that are not being brought forward due to concerns regarding occupier demand and/or financial viability.

The combined value of the two grants will be up to £15m. This is considered an appropriate level of funding to progress a number of developments across the Sheffield City Region. A smaller sum would limit the impact on the SCR economy.

Without amendments to the Investment Strategy the fund would not be able to invest in the flexible manner required to stimulate and accelerate development.

6. **REASONS FOR RECOMMENDATIONS**

- 6.1 The underlying benefit of this proposal is to enable the SCR JESSICA to invest additional resources in the SCR Enterprise Zone and across the wider Sheffield City Region in a flexible manner. This will enable the Fund to consider development projects that are not progressing due to perceived lack of occupier demand or viability concerns. The additional grant funding will also enable the Fund to target strategic priorities identified in the Integrated Infrastructure Plan.